

# SENATE BILL REPORT

## 2E2SHB 1661

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As of Second Reading

**Title:** An act relating to creating the department of children, youth, and families.

**Brief Description:** Creating the department of children, youth, and families.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Kagi, Sullivan, Dent, Senn, Muri, Kilduff, Klippert, Frame, Goodman, Ortiz-Self, Wilcox, Lovick, Hargrove, Clibborn, Lytton, Appleton, Fitzgibbon, Orwall, Kloba, Sells, Fey, Macri, Bergquist, Pollet, Hudgins, Robinson, Stanford and Slatter; by request of Office of the Governor).

**Brief History:** Passed House: 3/15/17, 77-19; 5/02/17, 69-23; 5/25/17, 72-22; 6/29/17, 77-17.

**Committee Activity:**

### Brief Summary of Second Engrossed Second Substitute Bill

- Creates the Department of Children, Youth, and Families (DCYF) and moves responsibility for early learning and child welfare programs from the Department of Early Learning and the Department of Social and Health Services (DSHS), respectively, to the DCYF on July 1, 2018; and juvenile justice programs from the DSHS to the DCYF on July 1, 2019.
- Establishes an Office of Innovation, Alignment, and Accountability to develop a plan for implementation of the DCYF and focus on continuous improvement.
- Creates an Oversight Board for Children, Youth, and Families established by the Office of the Family and Children's Ombuds to monitor and ensure that the DCYF achieves its stated outcomes.

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## SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

**Staff:** Ailey Kato (786-7434), Kevin Black (786-7747)

**Background:** Department of Social and Health Services (DSHS). The DSHS was established in 1970 and was created by merging the former Department of Health, Department of Public Assistance, Department of Institutions, Veterans' Rehabilitation

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Council, and Division of Vocational Rehabilitation of the Coordinating Council on Occupational Education. The DSHS was intended to "integrate and coordinate all those activities involving the provision of care for individuals who, as a result of their economic, social, or health condition, require financial assistance, institutional care, rehabilitation, or other social and health services."

The DSHS consists of seven program area administrations: Aging and Long-Term Support Administration; Behavioral Health Administration; Children's Administration (CA); Developmental Disabilities Administration; Economic Services Administration; Financial Services Administration; and Rehabilitation Administration.

The CA responds to allegations of abuse and neglect, offers child welfare services to families, and licenses foster homes, among other things. The CA screens allegations of abuse and neglect and determines whether a response is necessary, and if so, what the appropriate response should be. If a child abuse or neglect allegation meets the criteria for a response, the case is assigned to either Child Protective Services (CPS), the Family Assessment Response program, or to the Division of Licensing Resources.

The Rehabilitation Administration has responsibility for the Division of Vocational Rehabilitation; Juvenile Rehabilitation (JR), formerly known as Juvenile Rehabilitation Administration; the Office of Juvenile Justice (OJJ); and the Special Commitment Center. The JR serves youth committed to custody by county courts for periods of incarceration lasting longer than 30 days in three facilities: Echo Glen, Green Hill, and Naselle Youth Camp. The OJJ is responsible for monitoring the state's compliance with the federal Juvenile Justice and Delinquency Prevention Act and providing support for the Washington State Partnership Council on Juvenile Justice.

Department of Early Learning (DEL). The DEL was created by the Legislature in 2006 and has the duty to implement early learning programs including licensing centers and family home child care programs, the Early Achievers quality rating and improvement system, and the Early Childhood Education and Assistance Program. The DEL also provides home visiting services, provides community grants and public awareness to prevent abuse and neglect, administers a Medicaid Treatment Child Care program, oversees the Early Support for Infants and Toddlers program, and sets policy for the Working Connection Child Care, Seasonal Child Care, and Homeless Child Care subsidy programs.

Office of the Family and Children's Ombuds (OFCO). OFCO was created within the Office of the Governor for the purpose of promoting public awareness and understanding of family and children services, identifying system issues and responses, and monitoring and ensuring compliance with rules and policies pertaining to family and children's services and the placement, supervision, and treatment of children in the state's care or in state-licensed facilities or residences.

Legislative Children's Oversight Committee. The Legislative Children's Oversight Committee was created in 1996 for the purpose of monitoring and ensuring compliance with administrative acts, relevant statutes, rules, and policies pertaining to family and children services and the placement, supervision, and treatment of children in the state's care or in state-licensed facilities or residences.

Blue Ribbon Commission on the Delivery of Services to Children and Families (BRC). The BRC was established by executive order in early 2016 and directed to recommend an organizational structure for a new department focused solely on children and families. The BRC met throughout the interim of 2016 and produced a final report recommending that the CA and juvenile justice functions of the DSHS should be integrated with the DEL to create a new state agency, among other recommendations.

Child Care Licensing. The DEL adopts licensing standards for child care and early education programs. The licensing standards must provide minimum requirements for health and safety, address quality, consider the different needs of family care providers and child care centers, and promote the continued safety of child care settings.

If a party does not meet the minimum licensing requirements or violates licensing rules, the DEL may take an adverse licensing action against the provider by assessing a fine, deny a license application, or suspend, modify, or revoke an existing license. The DEL must give written notice of the agency's action and reasons for the action to the applicant or licensee.

In lieu of taking an adverse licensing action, the DEL may develop a Facility Licensing Compliance Agreement (FLCA). A FLCA is an agreement between the DEL and the child care provider that the provider will take certain steps to correct violations of child care regulations. If a provider disagrees with the FLCA, the provider may request review by a DEL supervisor. If a provider still disagrees with the FLCA, a provider may ask that the DEL Licensing Regional Administrator review the FLCA. The final review of a FLCA is with the DEL Statewide Licensing Administrator.

A license applicant or licensee who disagrees with the DEL's adverse licensing action has the right to an adjudicative proceeding governed by the provisions of the Administrative Procedure Act.

**Summary of Bill:** Department of Children, Youth, and Families (DCYF). This department is created with the intent of improving the delivery of services and outcomes for children, youth, and families by housing early learning, child welfare, and juvenile justice services in the same agency. Within 30 days of signing this act, the Governor must appoint the Secretary of the DCYF and lead the implementation of the new department.

On July 1, 2018, the DEL is eliminated, and the functions performed by that agency are moved to the DCYF.

On July 1, 2018, the child welfare functions of the CA move from the DSHS to the DCYF.

On July 1, 2019, the juvenile justice functions of the DSHS move to the DCYF.

Beginning July 1, 2018, the DCYF must establish outcome measure goals and report to the Legislature no less than annually. The outcome measures include the following categories:

- improving child development and school readiness;
- preventing child abuse and neglect;
- improving child and youth safety, permanency, and well-being;

- improving reconciliation of children and youth with their families;
- improving adolescent outcomes;
- reducing future demand for mental health and substance use disorder treatment;
- reducing criminal justice involvement and recidivism; and
- reducing racial and ethnic disproportionality and disparities.

The DCYF must lead ongoing work to minimize or eliminate systemic barriers to effective, integrated services across state agencies serving children, youth, and families. It must help the state create a data-focused environment in which there are aligned outcomes and shared accountability.

Performance data for the DCYF must be available to the public beginning December 30, 2018. No funds may be expended by the DCYF on renewed or new contracted programs unless using performance-based contracts. The DCYF will execute data sharing agreements when contracted services are managed through a network administrator, in order to track performance measures. When possible, contractor performance data will be made available to the public, consistent with confidentiality laws and individual rights to privacy.

Office of Innovation, Alignment, and Accountability (OIAA). This office is created within the DCYF and for the first year must focus on establishing the new department. The Secretary of DCYF must plan for the implementation of DCYF until July 1, 2018, when the Secretary must appoint a separate director of OIAA.

The plan developed by OIAA must be delivered to the Governor and Legislature by December 1, 2017, and must include:

- coordinating and convening certain entities in the development of an integrated management and administrative structure for the DCYF;
- developing a stakeholder advisory system;
- coordinating with other state agencies;
- developing an information technology design and investment plan to effectively integrate the DEL, the CA, and the JR, and to meet other goals for consideration in the 2018 Supplemental Budget;
- developing a consultation policy and protocol with the 29 federally recognized tribes in the state and signatories to the Centennial Accord;
- reviewing existing statutes affecting the DEL and the DSHS and identifying conflicts or barriers; and
- preparing a report with recommendations for effectively integrating staff determining eligibility for the Working Connections Child Care program and other elements of that program into DCYF by July 1, 2019.

Beginning on July 1, 2018, OIAA will focus on continuous improvements with the following functions:

- recommending implementation of advancements based on research and using data-driven interventions;
- aligning and measuring outcomes;
- conducting quality assurance and evaluation of programs and services;
- leading partnerships with the community, research and teaching institutions, philanthropic organizations, and nonprofit organizations;

- leading collaboration with courts;
- producing an annual work plan that includes priorities for ongoing policy, practice, and system reform, tracking and reporting on the performance of DCYF reforms;
- appointing members of an external stakeholder committee;
- providing a report to the Governor and Legislature by November 1, 2019, that includes:
  - recommendations regarding whether JR should be integrated into the DCYF, and if so the appropriate timing and process; and
  - recommendations regarding whether the Office of Homeless Youth within the Department of Commerce should be integrated into the DCYF.

Oversight Board for Children, Youth, and Families (Oversight Board). The OFCO must establish the Oversight Board for the purpose of monitoring and ensuring that the DCYF achieves its stated outcomes. The Oversight Board is required to begin its work and call its first meeting by July 1, 2018. Between July 1, 2018, through June 30, 2019, the OIAA must provide quarterly reports to the Oversight Board regarding the implementation of the DCYF. During this time, the Oversight Board must assume the duties of the Legislative Children's Oversight Committee, which is eliminated on July 1, 2019.

The Oversight Board includes four legislators, one nonvoting representative from the Governor's office, three subject matter experts, one subject matter expert in reducing disparities in child outcomes by family income, and race/ethnicity, two tribal representatives, one current or former foster parent, one representative from an organization that advocates for the best interest of the child, one parent stakeholder group, one law enforcement representative, one child welfare caseworker representative, one early childhood learning program implementation practitioner, and one judicial representative. The non-legislative members are nominated by the Governor, subject to the approval of the appointed legislative members by majority vote.

The Oversight Board has the following powers, which may be exercised by majority vote:

- receiving OFCO reports;
- obtaining records from the OFCO;
- selecting its officers and adopting rules;
- requesting investigations by the OFCO;
- requesting and receiving information from the DCYF;
- determining whether the DCYF meets its performance measures;
- conducting an annual review of a sampling of provider contracts to ensure that they are performance-based;
- conducting periodic surveys of providers, customers, parent groups, and external services; and
- issuing an annual report.

The Oversight Board must maintain a staff not to exceed one full time employee and a board-selected executive director.

Child Care Licensing. The DCYF is limited in its release of child care licensing history to parents and caregivers to license suspension, surrender, revocation, denial, stayed suspension, or reinstatement.

The DCYF must establish an internal review process for reviewing child care facility licensing compliance agreements that do not involve violations of health and safety standards. The review process must be conducted by three DCYF employees, and three child care providers. The process may overturn, change, or uphold a department licensing decision by majority vote. In the event that the individuals are equally divided, the Secretary must make a decision. A licensee must request review within ten days of the development of a child care facility licensing compliance agreement, and the internal review process must be completed within 30 days of receiving the request.

The DCYF is prohibited from developing child care facility licensing compliance agreements with a child care provider for first-time violations of rules that do not relate to health and safety standards and that can be corrected on the same day that the violation is identified.

The Oversight Board is granted the authority to review decisions made by the internal review process. It may overturn, change, or uphold those decisions.

Foster Care Parents. The DCYF must create and annually update a list of the rights and responsibilities of foster parents in partnership with foster parent representatives. This list must be posted on the DCYF website and provided to foster parents in writing at the time of licensure.

By November 1, 2018, OIAA must provide a report to the Governor and Legislature that includes a review of the current process for addressing foster parent complaints and concerns and an examination of any deficiencies of the current system. The report must include recommendations for expanding, modifying, and enhancing the current system for addressing individual foster parent complaints to improve child welfare, the experience of foster parents, and the overall functioning of the child welfare system.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** Yes.

**Effective Date:** This bill takes effect on July 1, 2018; except for sections 101 and 103, relating to the DCYF and the OIAA, which take effect immediately; and except for sections 601 through 631, sections 701 through 728, and section 804 relating to the transfer of juvenile justice programs, which take effect on July 1, 2019.