

SENATE BILL REPORT

EHB 2008

As Reported by Senate Committee On:
Ways & Means, February 26, 2018

Title: An act relating to the budgeting process for core state services for children.

Brief Description: Addressing the budgeting process for core state services for children.

Sponsors: Representatives Kagi, Jinkins and Senn.

Brief History: Passed House: 3/08/17, 61-36; 1/24/18, 63-34.

Committee Activity: Ways & Means: 3/29/17, 2/22/18, 2/26/18 [DPA(WM), DNP, w/oRec].

Brief Summary of Amended Bill

- Requires the Department of Children, Youth, and Families (DCYF) to facilitate a work group to design a rate payment methodology for Behavioral Rehabilitation Services (BRS) that is based on actual costs of care.
- Directs the Office of Innovation, Alignment, and Accountability (OIAA), to develop a single validated tool to assess the care needs of foster children, including whether BRS should be provided.
- Requires the Caseload Forecast Council to forecast the number of screened-in reports of child abuse or neglect and the number of youth expected to receive BRS.
- Requires that BRS placement expenditures be forecasted and budgeted as maintenance level costs.
- Requires DCYF (1) to review the most recent caseload forecast of children in foster care and the availability and capacity of licensed foster homes as part of the 2019-21 Biennial Operating Budget request process, and (2) to report its findings to the Office of Financial Management (OFM) and the Legislature by October 1, 2018.

SENATE COMMITTEE ON WAYS & MEANS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass as amended by Committee on Ways & Means.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Billig, Conway, Darneille, Fain, Hasegawa, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Rivers and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Honeyford, Assistant Ranking Member; Schoesler.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Ranking Member; Bailey, Becker, Brown, Wagoner and Warnick.

Staff: Maria Hovde (786-7474)

Background: Operating Budget. A two-year Biennial Operating Budget appropriates funding for the operation of state government and is adopted every odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget.

Budget decisions are often categorized as being either a maintenance level or a policy level decision. For the purposes of the four-year outlook, maintenance level has been defined to mean the estimated appropriations necessary to maintain the continuing costs of program and service levels either funded in the prior biennium or otherwise mandated by other state or federal law. Maintenance level items typically include adjustments for the forecasted changes in entitlement caseloads/enrollments and other mandatory expenses.

All other budget decisions are typically categorized as policy items. Examples include creating a new program, eliminating a current program, increasing or decreasing vendor or employee payment rates, expanding or contracting program eligibility, and expanding or contracting the value of services provided by a program.

Department of Social and Health Services (DSHS) and the CA. The CA is a program under DSHS with responsibilities that include:

- receiving reports of child abuse or neglect and responding to reports that screen-in for intervention;
- providing temporary out-of-home placements for children who have been removed from their homes for safety reasons; and
- supporting families who adopt children from state foster care.

Child Protective Services (CPS). Any person may call CPS to report potential cases of child abuse or neglect. Intake CPS staff determine whether a report meets the following criteria to screen-in for child abuse or neglect:

- if the victim is under 18;
- if the allegation were true, would it meet the definition in the Washington Administrative Code of child abuse or neglect; and
- does the alleged subject have the role of parent or caregiver, is the alleged subject acting in loco parentis, or is the alleged subject unknown.

If the screening criteria are met, the intake workers refer the report for a CPS response. Screened-in reports are referred to one of two CPS pathways: (1) traditional investigation, or (2) Family Assessment Response (FAR). Both CPS pathways focus on child safety and include an intervention by a CPS worker who conducts a face-to-face visit with the child and family to assess how the family may be engaged in services and whether the child is safe in the home. Reports that the intake worker determines to be higher-risk for child safety are referred for 24-hour response and traditional investigation. Reports determined by the intake worker to be low to moderate risk are referred for 72-hour response and may be referred for either an investigation or FAR.

Temporary Out-of-Home Placements. If the CPS social worker who responds to the report determines that the child is unsafe in the home, the child may be removed and placed in a temporary out-of-home placement until the child can return to the home safely or be placed in another safe and permanent living arrangement. There are multiple types of temporary out-of-home placements including licensed family foster care, relative or kin placements, and Behavioral Rehabilitation Services (BRS).

Licensed Family Foster Care. Licensed foster families receive monthly maintenance payments for the costs of caring for a child. Family foster care rates vary by the child's age and whether the child requires higher levels of nonroutine caretaking, as determined by a standardized rate assessment tool. On a case-by-case basis, the CA may enter into exceptional cost plans with foster families to provide rates that exceed the regular rates. Family foster homes may be licensed by the CA Division of Licensed Resources or through contracted child-placing agencies.

BRS. BRS is designed to be a temporary, intensive service that utilizes a wraparound service approach for youth with high-level behavioral, medical, or mental health issues. Most BRS youth are served in out-of-home placements in congregate care settings or with specially trained foster families; it may also be provided as an in-home service. Contracted vendors provide BRS at monthly all-inclusive rates. On a case-by-case basis, the CA may enter into child-specific contracts with BRS vendors to provide rates that exceed the regular rate table. Regional CA BRS managers act as the gatekeepers for BRS referrals.

Two assessments are currently used for children in BRS. The Children's Functional Assessment Rating Scale must be completed by the BRS vendor for most youth within 14 days of BRS entry and within 30 days of exiting BRS. The Wraparound with Intensive Services screen is completed upon BRS referral and every six months during the youth's BRS stay to determine if the youth's needs could be met with in-home wraparound mental health services in place of BRS.

Caseload Forecast Council (CFC). The CFC is a state agency charged with preparing official state forecasts of the number of persons expected to meet entitlement requirements and to require the services of certain public assistance programs, including foster care, adoption support, the prison population, K-12 students, Medicaid, and other specified programs. The CFC itself consists of two individuals appointed by the Governor, and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the Senate and the House of Representatives.

Budgeting Processes for CA Services. Funding for some CA services are adjusted annually in maintenance level of the budget on the basis of actual and forecasted caseloads and per-capita costs. These include:

- foster care maintenance payments;
- child-placing agency management fees;
- child care for children in foster care or relative placements when their foster parents are at work or school;
- child aides for children in foster care;
- support goods for children in foster care;
- Extended Foster Care maintenance payments and related expenses; and
- adoption support and other adoption-related expenses.

Funding for BRS and for visitation services was adjusted in maintenance level through the forecast process until the 2009-11 Biennial Budget and 2010 Supplemental Budget, respectively, when the Legislature chose to begin treating all funding changes for these items as discrete policy decisions. Funding for staff, including CPS workers, is a discrete policy decision made by the Legislature.

DCYF and OIAA. In 2017, the Legislature created DCYF. On July 1, 2018, child welfare programs from the CA within DSHS will move to DCYF. The OIAA was created with the primary duty of developing and presenting a plan for the establishment of DCYF.

Summary of Amended Bill: DCYF must facilitate a workgroup to design a rate payment methodology for BRS that is based on actual costs of care provided for such services. The workgroup may consider the findings of a contracted rate analysis in designing the methodology. DCYF must report the findings of the workgroup to the Legislature by November 30, 2018.

OIAA must develop a single validated tool to assess the care needs of foster children. Once the tool is available statewide, DCYF must use it to assess the care needs of foster children, including but not limited to, whether DCYF must provide BRS. DCYF must notify the CFC, OFM, and the appropriate legislative committees when it begins statewide use of the tool.

The CFC must forecast the number of youth expected to receive BRS while involved in foster care and the number of screened-in reports of child abuse or neglect. BRS placement expenditures must be forecasted and budgeted as maintenance level costs.

DCYF must, as part of its 2019-2021 Biennial Operating Budget request, review the most recent caseload forecast of children in foster care and the availability and capacity of licensed foster homes. The review shall include:

- an analysis of the need for licensed foster homes;
- a listing of support services available for parents in licensed foster homes; and
- a review of DCYF policies that affect the recruitment and retention of licensed foster homes.

DCYF must submit the results of its review to OFM and appropriate committees of the Legislature by October 1, 2018.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

- Requires DCYF to facilitate a work group to design a rate payment methodology for BRS that is based on actual costs of care. The work group must report their findings to the Legislature by November 1, 2018.
- Requires OIAA to develop a single validated tool for DCYF to use to assess the care needs of foster children, including whether BRS should be provided.
- Requires the CFC to forecast the number of youth expected to receive BRS and the number of screened in reports of abuse or neglect.
- Requires expenditures for BRS to be forecasted and budgeted as maintenance level costs.
- Requires DCYF to review the availability and capacity of licensed foster homes in comparison to the foster care caseload and submit the review as part of the 2019-2021 budget submittal.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Having visitation be part of the foster care forecast is essential to ensuring more predictability and reliability in funds to support visitation in order to increase the opportunities for reunification and lead to shorter stays in foster care. BRS children have behavioral issues that cannot be addressed through regular foster care. Development of an assessment tool is long overdue. Returning these caseloads to the forecast will stabilize funding and ensure that actual data is collected and evaluated. BRS and parent-child visitation are an integral part of foster care and BRS was part of the forecast until 2009. It is unclear why some things are or are not forecasted in the foster care system. Without a forecast, it is difficult for the department to plan for appropriate service delivery.

Persons Testifying: PRO: Seth Dawson, Washington Association for Children & Families; Laurie Lippold, Partners for Our Children; Cynthia Munoz, citizen.

Persons Signed In To Testify But Not Testifying: No one.