

# SENATE BILL REPORT

## ESHB 2226

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As of February 15, 1996

**Title:** An act relating to state government reorganization.

**Brief Description:** Creating the department of children and family services.

**Sponsors:** House Committee on Government Operations (originally sponsored by Representatives Reams, Mulliken, D. Sommers, Carrell, Campbell, Horn, L. Thomas, Sheahan, D. Schmidt, Elliot, Johnson, Thompson, Stevens, Goldsmith and Backlund).

**Brief History:**

**Committee Activity:** Human Services & Corrections: 2/22/96.

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### SENATE COMMITTEE ON HUMAN SERVICES & CORRECTIONS

**Staff:** Richard Rodger (786-7461)

**Background:** The Department of Social and Health Services (DSHS) was established in 1970. It was created by merging the former Department of Health, Department of Public Assistance, Department of Institutions, the Veterans' Rehabilitation Council, and the division of Vocational Rehabilitation of the Coordinating Council on Occupational Education. DSHS was designed to "integrate and coordinate all those activities involving 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."

In 1981, the Department of Corrections (DOC) was established. The responsibilities of DSHS for adult correctional programs and institutions were transferred to DOC at that time. In 1989, the Department of Health was established. The responsibilities of DSHS for programs relating to public health, personal health, environmental health, parent and child health, and other health services were transferred to the Department of Health.

In the 1995-97 biennium, DSHS programs accounted for approximately 25.9 percent of the \$17.2 billion state general fund operating budget. The total operating budget of DSHS in the 1995-97 biennium, including federal and other funds, was \$9.9 billion. DSHS currently has approximately 16,700 full-time employees.

The executive head of DSHS is the Secretary of Social and Health Services. The secretary is required to appoint a deputy secretary, a department personnel director, and such assistant secretaries as needed, including an assistant secretary for juvenile rehabilitation. The secretary is responsible for dividing the department into divisions, including a division of vocational rehabilitation, that are approved by the Governor.

The Employment Security Department administers programs that provide unemployment insurance, job placement, and employment and training services.

The Department of Labor and Industries manages a diverse set of programs involving employers and employees. The department manages claims and provides services to injured workers. Vocational rehabilitation is one of the services that can be provided to the injured worker.

**Summary of Bill:** All the children's administration functions of the Department of Social and Health Services (DSHS) are transferred to an independent agency effective July 1, 1997. Certain other children and youth program functions are transferred to this new agency from the Department of Community, Trade, and Economic Development. The Juvenile Rehabilitation Administration of DSHS is also transferred to this new agency and the Department of Corrections based on an allocation plan to be developed by November 15, 1996.

An 18-person task force, consisting of 12 legislative and six citizen members, is established to make policy recommendations by November 1, 1997, for restructuring the remainder of DSHS into new or existing departments. The task force will also examine a range of other related restructuring issues, including other state health care functions, as well as children's protective services.

An Office of Citizen Complaints is to be established and is intended to supply an independent review over allegations from individuals of abuse, neglect, and fraud concerning children and family services in state programs and state-licensed related operations.

Program fraud and internal investigative functions from DSHS are transferred to the Washington State Patrol, effective July 1, 1997. Program fraud functions may be undertaken by contract with local law enforcement at their option.

The existing named departments of state government involved in this initial restructuring of functions must develop a reorganization plan based on the effective date of the changes. The implementation plan must include recommendations for restructuring the administrative functions of DSHS and the family policy council. The plan for changes effective July 1, 1997, must be submitted to the Governor by November 15, 1996, and necessary implementing legislation must be submitted to the Governor and the Legislature by December 15, 1996.

**Appropriation:** None.

**Fiscal Note:** Available. New fiscal note requested on February 2, 1996.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.