

HOUSE BILL REPORT

HB 2795

As Reported by House Committee On:
Early Learning & Human Services

Title: An act relating to private case management of child welfare services.

Brief Description: Concerning private case management of child welfare services.

Sponsors: Representatives Kagi, Senn and Reeves; by request of Department of Social and Health Services.

Brief History:

Committee Activity:

Early Learning & Human Services: 1/26/18, 1/31/18 [DPS].

Brief Summary of Substitute Bill

- Eliminates the requirement that child welfare services be provided by supervising agencies such as private nonprofit entities starting on December 30, 2019.
- Increases the number of network administrators contracting with the Department of Children, Youth, and Families to provide family and support services to children and families in the child welfare service system through its provider network from one to three by July 1, 2021.

HOUSE COMMITTEE ON EARLY LEARNING & HUMAN SERVICES

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Kagi, Chair; Senn, Vice Chair; Dent, Ranking Minority Member; Eslick, Frame, Goodman, Griffey, Lovick, Muri and Ortiz-Self.

Minority Report: Do not pass. Signed by 2 members: Representatives McCaslin, Assistant Ranking Minority Member; Klippert.

Staff: Luke Wickham (786-7146).

Background:

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.

Supervising Agencies Performing Child Welfare Services.

Child welfare services must be provided in certain demonstration sites by supervising agencies with whom the Department of Children, Youth, and Families (DCYF) has entered into performance-based contracts by December 30, 2019. Supervising agency is defined as an agency licensed to care for children on a 24-hour basis that has entered into a performance-based contract with the DCYF to provide child welfare services. In these demonstration sites, the DCYF is only responsible for:

- monitoring the quality of services for which the DCYF contracts;
- ensuring the services are provided in accordance with state and federal law;
- providing child protection functions including intake and investigation of allegations of child abuse or neglect, emergency shelter care functions, and referrals to appropriate providers; and
- issuing licenses for foster homes.

In the demonstration sites, the DCYF may provide child welfare services only:

- for the limited purpose of establishing a control group, with input from the Washington State Institute for Public Policy (WSIPP), for research comparison purposes; or
- in an emergency or as a provider of last resort.

The demonstration sites for providing child welfare services through supervising agencies were identified by the Child Welfare Transformation Design Committee (CWTDC). The CWTDC included representatives from the Children's Administration of the Department of Social and Health Services (DSHS), other state agencies, private agencies, stakeholders, the Indian Policy Advisory Committee, and superior court judges. The CWTDC first met in 2009 and selected two demonstration sites in 2011. The Western Washington demonstration sites selected were Everett, Lynnwood, Sky Valley, Smokey Point, and two offices in Seattle. The Eastern Washington demonstration sites selected were Clarkston, Colfax, Moses Lake, and Spokane.

Children whose cases are managed by a supervising agency remain under the care and placement authority of the state.

The DCYF must give primary preference for performance-based contracts to private nonprofit entities, including federally recognized Indian tribes located in the state.

The WSIPP must provide a report to the Governor and the Legislature regarding the outcomes of the supervising agencies by April 1, 2023. No later than June 1, 2023, the Governor must determine whether to expand the demonstration sites to the rest of the state or terminate them based on the WSIPP report.

Network Administrators.

A network administrator is an entity that contracts with the DSHS and, after July 1, 2018, the DCYF to provide family and support services to children and families in the child welfare service system through its provider network.

Network administrators must assist caseworkers in meeting their responsibility for implementation of case plans and provide the family support services within the categories of contracted services that are included in a child or family's case plan.

The Family Impact Network (FIN) was selected as a network administrator serving eight counties in Eastern Washington including Spokane, Whitman, Stevens, Grant, Adams, Lincoln, Pend Oreille, and Ferry. The FIN began administering contracts for child welfare parent-child visitation in 2015 and has expanded to administer other family support services since then.

Summary of Substitute Bill:

The requirement that child welfare services be provided by supervising agencies such as private nonprofit entities in demonstration sites beginning December 30, 2019, is eliminated. The WSIPP report on the outcomes related to supervising agencies is eliminated. The requirement that the Governor determine whether to expand the demonstration sites is also eliminated.

References to supervising agencies are removed from statute.

The number of network administrators is increased from one to three. The requests for proposal for one additional network administrator in a new region must be issued by July 1, 2019, implementation must begin no later than December 30, 2019, and the expansion of network administrators must be fully implemented by July 1, 2021.

The requirement that the DCYF actively consult with other state agencies with relevant expertise and with philanthropic entities in conducting the procurement of network administrators is removed.

The requirement that the Director of Office of Financial Management (OFM) approve the network administrator request for proposal is removed.

Each network administrator shall: (1) manage the entire family support and related service array within the geographic boundaries of a given network; and (2) have the authority to redistribute funding within the network based on provider performance and to add services as funding is available.

The DCYF must: (1) share all relevant data with the network administrators; and (2) make all performance data available to the public.

Substitute Bill Compared to Original Bill:

The substitute bill increases the number of network administrators from one to three. The requests for proposal for one additional network administrator in a new region must be issued by July 1, 2019, implementation must begin no later than December 30, 2019, and the expansion of network administrators must be fully implemented by July 1, 2021.

The substitute bill removes the requirement that the DCYF actively consult with other state agencies with relevant expertise and with philanthropic entities in conducting the procurement of network administrators.

The substitute bill removes the requirement that the Director of the OFM approve the network administrator request for proposal.

The substitute bill specifies that each network administrator shall: (1) manage the entire family support and related service array within the geographic boundaries of a given network; and (2) have the authority to redistribute funding within the network based on provider performance and to add services as funding is available.

The substitute bill requires the DCYF to: (1) share all relevant data with the network administrators; and (2) make all performance data available to the public.

Appropriation: None.

Fiscal Note: Available. New fiscal note requested on February 1, 2018.

Effective Date of Substitute Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed, except sections 3, 8, 13, 20, 33, 36, and 67, relating to statutes that will be modified pursuant to the assumption of child welfare duties by the DCYF, which take effect July 1, 2018.

Staff Summary of Public Testimony:

(In support) This bill repeals the requirement that private agencies provide case management. This bill is very important to the DSHS and the DCYF. This demonstration site requirement created a chilling effect on the DSHS staff. This requirement came as a result of a national trend toward privatization of child welfare services. There were many individuals who left the DSHS Children's Administration because of the demonstration site requirement.

Now some individuals are interested in rejoining the Children's Administration, and when expressing interest in rejoining often ask whether the demonstration sites are still moving forward.

For most of the staff at the DSHS, there is increasing anxiety regarding the demonstration sites that are required to begin next year. This in no way alters the requirement of the DSHS and the DCYF to enter into performance-based contracts and use a network administrator.

This privatization effort could distract and take away from the laudable efforts to get the DCYF off to a good start.

There was an injunction regarding the first effort to contract with a network administrator, but the request for proposal was revised, and now there is a functioning network administrator in Spokane called the Family Impact Network.

(Opposed) None.

Persons Testifying: Representative Kagi, prime sponsor; and Connie Lambert-Eckel, Department of Social and Health Services.

Persons Signed In To Testify But Not Testifying: None.