

SENATE BILL REPORT

SB 5498

As of February 22, 2017

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

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

Sponsors: Senators O'Ban, Darneille, Warnick, Rivers, Billig, Zeiger, Carlyle, Walsh, Mullet, Miloscia, Liias, Keiser, Hunt and Saldaña; by request of Office of the Governor.

Brief History:

Committee Activity: Human Services, Mental Health & Housing: 2/08/17, 2/15/17 [DPS-WM, DNP].

Ways & Means: 2/21/17.

Brief Summary of Bill

- Creates the Department of Children, Youth, and Families (DCYF) which includes the Children's Administration of the Department of Social and Health Services; the Department of Early Learning—effective July 1, 2018; Juvenile Rehabilitation; and the Office of Juvenile Justice—effective July 1, 2019.
- Creates the Office of Innovation and Alignment within the Office of the Governor which will develop a plan for the establishment of the new department, among other duties, which is then transitioned into the new department.
- Creates the Oversight Board for Children, Youth, and Families which has general oversight over the performance and policies of the DCYF.
- Expands the Office of the Family and Children's Ombuds to include the jurisdiction of DCYF.

SENATE COMMITTEE ON HUMAN SERVICES, MENTAL HEALTH & HOUSING

Majority Report: That Substitute Senate Bill No. 5498 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators O'Ban, Chair; Miloscia, Vice Chair; Darneille, Ranking Minority Member; Carlyle, Hunt and Walsh.

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.

Minority Report: Do not pass.
Signed by Senator Padden.

Staff: Alison Mendiola (786-7444)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Maria Hovde (786-7474)

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: Aging and Long-Term Support Administration; Behavioral Health Administration; the Children's Administration (CA); Developmental Disabilities Administration; Economic Services Administration; Financial Services Administration; and the 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. The CA also offers voluntary services to parents through the Family Voluntary Services program. The CA may also seek court intervention to approve out-of-home placement for children, request that parents engage in services to correct parental deficiencies, and terminate parental rights in cases where parents do not correct their deficiencies.
- The Rehabilitation Administration is responsible for the Division of Vocational Rehabilitation, Juvenile Rehabilitation (JRA), the Office of Juvenile Justice (OJJ), and the Special Commitment Center. The JRA serves youth committed to custody by county courts for periods of incarceration lasting longer than 30 days in various facilities. 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 center 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 partners with Thrive Washington to provide 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 various child care subsidy programs.

Joint Task Force on Administration and Delivery of Services to Children and Families (Task Force). In 2005, the Legislature created the Task Force to determine the most appropriate and effective administrative structure for delivery of social and health services to children and families. The Task Force was directed to compare the effectiveness of service delivery as part of an umbrella agency as well as service delivery as a separate entity. In 2007, the Task Force produced a report which reflects majority and minority recommendations. The final report states that a majority of the Task Force members believed that an agency separate from DSHS would best serve the citizens of Washington State while a minority of the Task

Force believed that creating a separate agency would not be the best solution to the state's child welfare problems and that the creation of a separate agency has the potential to take the focus off changes currently underway.

Washington State Blue Ribbon Commission on Delivery of Services to Children and Families (BRC). On Feb. 18, 2016, Governor Inslee issued an executive order establishing the BRC. The Governor's executive order directs the BRC to recommend the organizational structure for a new department focused solely on children and families. The stated purpose of creating this new agency is to have a cabinet-level department that will align state policies across agencies and have accountability for better using the state's resources to improve the lives of children and families. This new agency is to ensure there is a focus on the well-being of children and reduce barriers to improving services so that better outcomes can be achieved. Governor Inslee appointed 16 commissioners, including two members from the House of Representatives and two members from the Senate. BRC was directed to recommend:

- a clear mission for the new organization;
- new organizational structure, including recommendations on which agencies, administrations, commissions, or other function of state government should be included within the new Children's Department;
- estimated costs of the reorganization—including IT and capital;
- a clear process for managing the reorganization, including the involvement of regional management and case-carrying staff; and
- measurable benchmarks by which the effectiveness of the new children and families department would be assessed.

The BRC was directed to produce a written report of its recommendations no later than November 1, 2016.

On November 8, 2016, the BRC released its report entitled *Improving the Well-Being of Washington State's Children, Youth, and Families*. BRC unanimously recommended the creation of a new agency, the Department of Children, Youth, and Families (DCYF). The BRC recommends that DCYF encompass DSHS programs operated by CA, JRA, OJJ, and DEL.

A separate department of children and families has been implemented in other jurisdictions including Indiana, New Jersey, New York City, Tennessee, Georgia, and Wisconsin.

Office of the Family and Children's Ombuds (OFCO). In 1996, the Legislature established the OFCO. OFCO investigates complaints about agency actions or inactions, specifically complaints that involve a child at risk of abuse, neglect, or other harm or a child or parent involved with child protection or child welfare services. OFCO collaborates with DSHS and the CA to conduct child fatality or near-fatality reviews when the cause of the fatality is suspected to involve child abuse or neglect of a minor in the care of the DSHS or a supervising agency. OFCO prepares an annual report regarding its work and includes recommendations.

Summary of Bill (First Substitute): Department of Children, Youth, and Families. The DCYF is created on July 1, 2018.

- Effective July 1, 2018: DEL is eliminated, and the functions performed by that agency are moved to the DCYF.
- Effective July 1, 2018: the child welfare functions of the DSHS Children's Administration move from DSHS to the DCYF.
- Effective July 1, 2019: the juvenile justice functions of the DSHS Juvenile Rehabilitation Administration move from DSHS to the DCYF.

Office of Innovation and Alignment (OIA). The OIA is created within the Office of the Governor with the primary duty of developing and presenting a plan for the establishment of the DCYF, which will include: coordinating and convening DEL, DSHS, policy workgroups, and research institutions in the development of an integrated management portfolio management and administrative structure for the DCYF, which would include a definition of outcomes to measure performance for DCYF; developing a stakeholder advisory system for the DCYF; developing an information technology design and investment plan required to effectively integrate the CA, JRA, OJJ, and DEL, and to meet other goals for consideration in the 2018 supplemental budget; developing a consultation policy and protocol with the various federally recognized tribes in the state of Washington; and reviewing existing statutes affecting DEL and DSHS and identifying conflicts or barriers that these statutes present.

On July 1, 2018, the OIA transitions from the Office of the Governor to the DCYF. Once part of DCYF, the responsibilities of the OIA include: recommending implementation of advancements based on research; alignment and measurement of outcomes; quality assurance and evaluation of programs and services; leading partnerships with the community, research and teaching institutions, philanthropic organizations, and nonprofit organizations; and producing an annual work plan that includes priorities for ongoing policy, practice, and system reform, tracking and reporting on the performance of DCYF reforms.

Additionally, the OIA must establish short- and long-term population-level outcome measures, including metrics regarding reducing disparities by income and race by each outcome. DCYF must report on outcome measures and progress towards these goals at least annually, beginning December 1, 2018.

Outcome measures include, but are not limited to:

1. Improving child and youth safety, permanency, and well-being.
2. Improving reconciliation of children and youth with their families.
3. Reducing criminal justice involvement and recidivism.
4. Improving child development and school readiness through voluntary, high-quality early learning opportunities.

No funds may be expended by DCYF unless pursuant to performance-based contracts.

Oversight Board for Children, Youth and Families (Board). DCYF is to establish the Board. The Board is to ensure DCYF's compliance with its statutory obligations and other responsibilities. To the extent possible, the Board is to co-locate with OFCO. The Board shall consist of the following 11 members: two senators and two representatives from the Legislature with one member from each caucus; three subject matter experts in early learning, child welfare, juvenile rehabilitation, and justice; two parent stakeholder group representatives, one of whom is a current or former foster parent and another an alumni of

the child welfare system; one law enforcement representative; and one judicial representative practicing in family law or other children's matters. The Governor is to appoint the non-Legislative members and those members are subject to the approval of the appointed Legislators.

- The Board has the following powers: to request investigations by OFCO; to identify policy changes; to conduct hearings; to request and receive data from DCYF; to request audits by the State Auditor related to areas of DCYF's performance; to review DCYF contracts; to provide advice and input to DCYF; to hold annual stakeholder meetings to hear any grievances; to engage in annual surveys to assess whether DCYF is meeting its annual benchmarks; and to elect an Executive Director, who is exempt from the provisions of the state civil service law.
- Together with the Director of DCYF, the Board is to identify and establish desired outcomes, performance metrics, and personnel objectives for DCYF.
- The Board is not to exceed a staff of three full-time equivalent employees.
- If there is a finding by the State Auditor that DCYF is failing to meet its statutory requirements regarding performance-based contracts, the Board may notify and direct the Director of the Office of Financial Management to revise allotments and appropriation levels for DCYF.
- By December 1, 2018, and annually thereafter, the Board is to issue an annual report to the Legislature and Governor. The report is to include information regarding DCYF's progress towards meeting its performance measures, performance outcomes, personnel matters, a review of DCYF's strategic plan, performance, policies, and rules. The initial report is limited to reporting on the work of the Office of Innovation and Alignment and the work of the DCYF as is practicable.

Office of the Family and Children's Ombuds. OFCO is expanded to monitor and recommend changes in the procedures for addressing the needs of children, youth, families, juvenile rehabilitation, juvenile justice, and child early learning. OFCO is to submit an annual report including any recommendations to the Board and Governor.

EFFECT OF CHANGES MADE BY HUMAN SERVICES, MENTAL HEALTH & HOUSING COMMITTEE (First Substitute): The parent representatives on the Board shall include one current or former foster parent and one alumni of the child welfare system. The Governor nominates non-Legislative members to the Board, and those members are subject to approval by the appointed Legislators.

The initial report by the Oversight Board is limited to reporting on the work of the Office of Innovation and Alignment and the initial work of the Department of Children, Youth, and Families, as is practicable.

The term Director is replaced with Secretary throughout the bill.

Appropriation: None.

Fiscal Note: Available.

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

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

Staff Summary of Public Testimony on Proposed Substitute (Human Services, Mental Health & Housing): *The committee recommended a different version of the bill than what was heard.* PRO: As we discuss the merging of different agencies and services, this is a great time to discuss the opportunity to require robust performance measures and other improvements to the delivery of services for children and their families. Brain science is at the core of this proposal and racial equality is at the forefront. This is a historic opportunity to help Washington's children. This proposal is more than moving around the deck chairs. We agree the new department needs a strong accountability framework. There is a nexus between accountability to population level results for children. This restructuring will create a seamless process for families to navigate the system. There is a focus on performance based contracts, accountability, and culture changes. There are some gaps regarding stakeholder performance, issues around workload/workforce. The department needs a mission statement. This new department embraces what we know about brain science, embraces adolescences as our next generation of leaders—there should be an adolescent unit. Parents shouldn't have to lose their kids before they get help. More connection is needed between OSPI and education. There is a disconnect with Working Connections Child Care and that is not addressed in this proposal; the split between DEL and DSHS's responsibilities. This is more than an alignment, it's a fundamental change, moving from a system of crisis to prevention and promoting family well-being. Tribes cautiously support this proposal; there is an unprecedented opportunity to provide more tribal inclusion. For tribal children, we also need to address issues like PTSD and child suicide- things are getting worse not better.

OTHER: There is some overlap between the Board, the Ombuds, and the Office of Innovation and Alignment that needs to be addressed. Not even the best reorganization will improve outcomes for children if workloads for front line workers aren't reduced.

Persons Testifying (Human Services, Mental Health & Housing): PRO: Senator Steve O'Ban, Prime Sponsor; Laurie Lippold, Partners for Our Children; David Beard, School's Out Washington; Alise Hegle, Washington State Parent Ally Committee; Jason Bragg, Washington State Parent Ally Committee; Melissa Johnson, Washington State Association of Headstart and ECEAP; Jim Theofelis, A Way Home Washington; Jon Gould, Children's Alliance; Mary Van Cleve, Columbia Legal Services; Michael Moran, Vice Chairman Confederated Tribes of the Colville Reservation; Jim Cooper, CEO United Ways of the Pacific Northwest; Michelle Demmert, Tulalip Tribes Office of the Reservation Attorney.

OTHER: Charles Loeffler, Washington Federation of State Employees; Patrick Dowd, Washington State Office of the Family & Children's Ombuds, Director; Ryan Pricco, Child Care Aware of WA.

Persons Signed In To Testify But Not Testifying (Human Services, Mental Health & Housing): PRO: Eric Trupin, Evidence Based Practices Institute.

Staff Summary of Public Testimony on First Substitute (Ways & Means): PRO: This bill is a shifting of existing departments that will result in better coordination for at-risk children. These children are not well served in our current structure resulting in multiple lawsuits and a damaged culture. We need change and innovation. The Oversight Board adds

costs but provides the accountability and culture change we want. By focusing on prevention, we are helping families and the result will be less intervention down the line. Despite initial hesitancy about creating a new agency, the question isn't can we afford to do this, but how can we afford not to. This new department is not just cosmetic; there will be performance based contracts, increased transparency, a change in the organizational structure, and specific metrics. We are wasting a lot of money right now by not addressing problems preventatively. We can pay now or pay more later. We do need an adolescent unit and to invest in our front line workers.

OTHER: Without addressing underlying employment issues, no amount of change will improve outcomes for children. Need to address the hemorrhaging of staff who need better pay and lower caseloads. Current caseload is at least 19:1; the Governor's budget funds 18:1—best practices call for 15:1. You can't improve the outcome for kids if you can't retain staff.

Persons Testifying (Ways & Means): PRO: Ben de Haan, Partners for Our Children; Alise Hegle, Children's Home Society of WA; Jim Theofelis, A Way Home WA; Seth Dawson, Washington Association for Children & Families; Erica Hallock, Fight Crime: Invest in Kids.

OTHER: Dennis Eagle, WA Federation of State Employees.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.