

HOUSE BILL REPORT

SSB 6832

As Reported by House Committee On:
Early Learning & Children's Services

Title: An act relating to the implementation of delivery of child welfare services through performance-based contracts by adding a foster youth representative to the child welfare transformation design committee.

Brief Description: Concerning child welfare services.

Sponsors: Senate Committee on Human Services & Corrections (originally sponsored by Senator Hargrove).

Brief History:

Committee Activity:

Early Learning & Children's Services: 2/19/10, 2/23/10 [DPA].

**Brief Summary of Substitute Bill
(As Amended by House)**

- Adds a representative of foster youth to the Child Welfare Transformation Design Committee (TDC).
- Extends the deadline by which the Department of Social and Health Services (DSHS) must consolidate and convert existing contracts to performance-based contracts from January 1, 2011, to July 1, 2011.
- Extends the deadline by which the DSHS must complete implementation of two demonstration sites from June 30, 2012, to December 30, 2012.
- Specifies that contracting for child welfare services must be accomplished in a manner that does not jeopardize receipt of federal funding.
- Specifies preferences for contract bidding after July 1, 2015.

HOUSE COMMITTEE ON EARLY LEARNING & CHILDREN'S SERVICES

Majority Report: Do pass as amended. Signed by 7 members: Representatives Kagi, Chair; Roberts, Vice Chair; Haler, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Angel, Goodman and Seaquist.

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.

Staff: Sydney Forrester (786-7120).

Background:

In 2009 the Legislature enacted Second Substitute House Bill 2106 (2SSHB 2106), which, among other things, established a Child Welfare Transformation Design Committee (TDC) to develop performance measures and criteria for contracting of child welfare case management services in two demonstration sites selected by the TDC. The TDC is charged with developing the transition plan under which the Department of Social and Health Services (DSHS) must fully implement the demonstration sites by June 30, 2012. The TDC reports quarterly to the Legislative Children's Oversight Committee (LCOC) and the Governor.

TDC Membership.

The TDC membership consists of a broad group of stakeholders, including:

- the Office of the Governor;
- the Office of the Attorney General;
- the Children's Administration within the DSHS;
- the Office of the Family and Children's Ombudsman;
- the Indian Policy Advisory Committee convened by the DSHS;
- the Racial Disproportionality Advisory Committee convened by the DSHS;
- the bargaining representative for the largest number of Children's Administration's employees;
- nationally recognized experts in performance-based contracting;
- private agencies providing child welfare services in Washington;
- parents with experience in the dependency process;
- Partners for Our Children;
- superior court judges; and
- foster parents.

Since its initial meeting, the TDC has included a representative of foster youth in its deliberations. Because the representation of foster youth is not listed in statute, however, the foster youth representative has not had formal voting rights in the TDC's decision making.

Performance-Based Contracting.

The 2SSHB 2106 also directed the DSHS to consolidate and convert existing contracts to performance-based contracts by January 1, 2011. The DSHS contracts with multiple private providers for the purchase of various child welfare services, including individual and group counseling or therapy; group care and behavioral health services; assessment and treatment for chemical dependence, domestic violence, or mental health needs; reunification services; and adoption services. These contracts are fee-for-service contracts with both nonprofit and for-profit entities. Nonprofit entities and federally recognized Indian tribes are preferred over for-profit entities contracting for the provision of child welfare services.

Recommendations from the TDC.

In its most recent quarterly report to the LCOC and the Governor, the TDC recommended the Legislature amend the statute governing the following aspects of performance-based contracting and implementation of the demonstration sites:

1. to include a representative of foster youth who will have full voting rights on the TDC;
2. to extend the date by which the DSHS must complete consolidation and conversion of contracts to performance-based contracts to July 1, 2011, to allow sufficient time for the DSHS and contracted providers to consolidate and convert contracts;
3. to extend the date by which the demonstration sites must be fully implemented to December 31, 2012, to allow for an orderly transition of existing dependency cases from the DSHS to the supervising agencies;
4. to clarify the authority to implement the demonstration sites using a random case assignment model within a fixed geographic area in which both supervising agencies and the Children's Administration will have case management responsibilities for separate groups of cases in order to allow for a comparison of outcomes with fewer variables requiring control in the evaluation process; and
5. to extend the period for evaluation by the Washington State Institute for Public Policy of the demonstration sites in order to allow a greater statistical validity for outcomes and allow for smaller demonstration sites.

Summary of Amended Bill:

The membership of the TDC is expanded to include a representative of foster youth who will be selected by the co-chairs of the TDC. The representative may be a youth currently in foster care, or a recent alumnus. The date by which the DSHS must convert all contracts for the purchase of child welfare services to performance-based contracts is extended from January 1, 2011, to July 1, 2011. The date by which the DSHS must complete implementation of the demonstration sites is extended from July 1, 2012, to December 30, 2012. Implementation of the demonstration sites may be accomplished through a random case assignment model allowing for both supervising agencies and the DSHS to provide case management services in the demonstration site.

The implementation of performance-based contracts and selection of the demonstration sites must be done in a matter that maintains the care and placement authority of the DSHS at a level that does not jeopardize federal funding eligibility, and that also provides flexibility and maximizes federal funding opportunities.

The definition of *supervising agency* is clarified to be consistent with the intent of the demonstration sites. The authority of Indian tribes to provide their own child welfare programs is expressly recognized.

For all purchases of child welfare services through performance-based contracts, including any expansion or continuation of the demonstration sites, after July 1, 2015, when all elements of the bids are equal, contracts with private nonprofit organizations, federally recognized Indian tribes, and state employees is preferred over contracts with private, for-profit entities.

Amended Bill Compared to Substitute Bill:

The amended bill makes two technical corrections by replacing the plural noun, alumni, with the singular noun, alumnus, and by more accurately characterizing the authority of the TDC to select the demonstration sites and the authority of the Washington State Institute for Public Policy to conduct the evaluation of the demonstration sites. The amended bill also specifies that the primary preference for contracting with private nonprofit entities, federally recognized Indian tribes, and state employees, for the purchase of child welfare services under performance-based contracts after June 1, 2015, applies when all other elements of the bids are equal.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is consistent with the recommendations from the TDC. It allows for a youth representing foster youth to participate on the TDC as a full voting member. We are particularly supportive of adding a representative of foster youth on the TDC. The young man who has been participating by invitation of the TDC and other youth who have participated have enriched the conversations tremendously.

The 2SSHB 2106 was a significant child welfare reform initiative and this bill recognizes that adjustments need to be made to some timelines for implementation and other elements. The extensions of time for phase one and phase two will support efforts to get it as right as possible from the beginning.

(Opposed) None.

Persons Testifying: Denise Revels Robinson, Department of Social and Health Services; and Laurie Lippold, Children's Home Society.

Persons Signed In To Testify But Not Testifying: None.