

**E2SHB 2264 - S AMD 286**

By Senators Hargrove, Stevens

ADOPTED 03/07/2012

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** (1) The legislature finds that:

4 (a) The state of Washington and several Indian tribes in the state  
5 of Washington assume legal responsibility for abused or neglected  
6 children when their parents or caregivers are unable or unwilling to  
7 adequately provide for their safety, health, and welfare;

8 (b) Washington state has a strong history of partnership between  
9 the department of social and health services and contracted service  
10 providers who currently serve children and families in the child  
11 welfare system. The department and its contracted service providers  
12 have responsibility for providing services to address parenting  
13 deficiencies resulting in child maltreatment, and the needs of children  
14 impacted by maltreatment;

15 (c) Department caseworkers and contracted service providers each  
16 play a critical and complementary role in the child welfare system;

17 (d) The current system of contracting for services needed by  
18 children and families in the child welfare system is fragmented,  
19 inflexible, and lacks incentives for improving outcomes for children  
20 and families.

21 (2) The legislature intends:

22 (a) To reform the delivery of certain services to children and  
23 families in the child welfare system by creating a flexible,  
24 accountable community-based system of care that utilizes  
25 performance-based contracting, maximizes the use of evidence-based,  
26 research-based, and promising practices, and expands the capacity of  
27 community-based agencies to leverage local funding and other resources  
28 to benefit children and families served by the department;

29 (b) To achieve improved child safety, child permanency, including

1 reunification, and child well-being outcomes through the collaborative  
2 efforts of the department and contracted service providers and the  
3 prioritization of these goals in performance-based contracting; and

4 (c) To implement performance-based contracting under this act in a  
5 manner that supports and complies with the federal and Washington state  
6 Indian child welfare act.

7 NEW SECTION. **Sec. 2.** For purposes of this chapter:

8 (1) "Case management" means convening family meetings, developing,  
9 revising, and monitoring implementation of any case plan or individual  
10 service and safety plan, coordinating and monitoring services needed by  
11 the child and family, caseworker-child visits, family visits, and the  
12 assumption of court-related duties, excluding legal representation,  
13 including preparing court reports, attending judicial hearings and  
14 permanency hearings, and ensuring that the child is progressing toward  
15 permanency within state and federal mandates, including the Indian  
16 child welfare act.

17 (2) "Child" means:

18 (a) A person less than eighteen years of age; or

19 (b) A person age eighteen to twenty-one years who is eligible to  
20 receive the extended foster care services authorized under RCW  
21 74.13.031.

22 (3) "Child-placing agency" has the same meaning as in RCW  
23 74.15.020.

24 (4) "Child welfare services" means social services including  
25 voluntary and in-home services, out-of-home care, case management, and  
26 adoption services which strengthen, supplement, or substitute for,  
27 parental care and supervision for the purpose of:

28 (a) Preventing or remedying, or assisting in the solution of  
29 problems which may result in families in conflict, or the neglect,  
30 abuse, exploitation, or criminal behavior of children;

31 (b) Protecting and caring for dependent, abused, or neglected  
32 children;

33 (c) Assisting children who are in conflict with their parents, and  
34 assisting parents who are in conflict with their children, with  
35 services designed to resolve such conflicts;

36 (d) Protecting and promoting the welfare of children, including the  
37 strengthening of their own homes where possible, or, where needed;

1 (e) Providing adequate care of children away from their homes in  
2 foster family homes or day care or other child care agencies or  
3 facilities.

4 (5) "Department" means the department of social and health  
5 services.

6 (6) "Evidence-based" means a program or practice that is cost-  
7 effective and includes at least two randomized or statistically  
8 controlled evaluations that have demonstrated improved outcomes for its  
9 intended population.

10 (7) "Network administrator" means an entity that contracts with the  
11 department to provide defined services to children and families in the  
12 child welfare system through its provider network, as provided in  
13 section 3 of this act.

14 (8) "Performance-based contracting" means structuring all aspects  
15 of the procurement of services around the purpose of the work to be  
16 performed and the desired results with the contract requirements set  
17 forth in clear, specific, and objective terms with measurable outcomes  
18 and linking payment for services to contractor performance.

19 (9) "Promising practice" means a practice that presents, based upon  
20 preliminary information, potential for becoming a research-based or  
21 consensus-based practice.

22 (10) "Provider network" means those service providers who contract  
23 with a network administrator to provide services to children and  
24 families in the geographic area served by the network administrator.

25 (11) "Research-based" means a program or practice that has some  
26 research demonstrating effectiveness, but that does not yet meet the  
27 standard of evidence-based practices.

28 NEW SECTION. **Sec. 3.** (1) No later than December 1, 2013, the  
29 department shall enter into performance-based contracts for the  
30 provision of family support and related services. The department may  
31 enter into performance-based contracts for additional services, other  
32 than case management.

33 (2) Beginning December 1, 2013, the department may not renew its  
34 current contracts with individuals or entities for the provision of the  
35 child welfare services included in performance-based contracts under  
36 this section for services in geographic areas served by network  
37 administrators under such contracts, except as mutually agreed upon

1 between the department and the network administrator to allow for the  
2 successful transition of services that meet the needs of children and  
3 families.

4 (3) The department shall conduct a procurement process to enter  
5 into performance-based contracts with one or more network  
6 administrators for family support and related services. As part of the  
7 procurement process, the department shall consult with department  
8 caseworkers, the exclusive bargaining representative for employees of  
9 the department, tribal representatives, parents who were formerly  
10 involved in the child welfare system, youth currently or previously in  
11 foster care, child welfare services researchers, and the Washington  
12 state institute for public policy to assist in identifying the  
13 categories of family support and related services that will be included  
14 in the procurement. The categories of family support and related  
15 services shall be defined no later than July 15, 2012. In identifying  
16 services, the department must review current data and research related  
17 to the effectiveness of family support and related services that  
18 mitigate child safety concerns and promote permanency, including  
19 reunification, and child well-being. Expenditures for family support  
20 and related services purchased under this section must remain within  
21 the levels appropriated in the operating budget.

22 (4)(a) Network administrators shall, directly or through  
23 subcontracts with service providers:

24 (i) Assist caseworkers in meeting their responsibility for  
25 implementation of case plans and individual service and safety plans;  
26 and

27 (ii) Provide the family support and related services within the  
28 categories of contracted services that are included in a child or  
29 family's case plan or individual service and safety plan within funds  
30 available under contract.

31 (b) While the department caseworker retains responsibility for case  
32 management, nothing in this act limits the ability of the department to  
33 continue to contract for the provision of case management services by  
34 child-placing agencies, behavioral rehabilitation services agencies, or  
35 other entities that provided case management under contract with the  
36 department prior to July 1, 2005.

37 (5) In conducting the procurement, the department shall actively  
38 consult with other state agencies with relevant expertise, such as the

1 health care authority, and with philanthropic entities with expertise  
2 in performance-based contracting for child welfare services. The  
3 director of the office of financial management must approve the request  
4 for proposal prior to its issuance.

5 (6) The procurement process must be developed and implemented in a  
6 manner that complies with applicable provisions of intergovernmental  
7 agreements between the state of Washington and tribal governments and  
8 must provide an opportunity for tribal governments to contract for  
9 service delivery through network administrators.

10 (7) The procurement and resulting contracts must include, but are  
11 not limited to, the following standards and requirements:

12 (a) The use of family engagement approaches to successfully  
13 motivate families to engage in services and training of the network's  
14 contracted providers to apply such approaches;

15 (b) The use of parents and youth who are successful veterans of the  
16 child welfare system to act as mentors through activities that include,  
17 but are not limited to, helping families navigate the system,  
18 facilitating parent engagement, and minimizing distrust of the child  
19 welfare system;

20 (c) The establishment of qualifications for service providers  
21 participating in provider networks, such as appropriate licensure or  
22 certification, education, and accreditation by professional accrediting  
23 entities;

24 (d) Adequate provider capacity to meet the anticipated service  
25 needs in the network administrator's contracted service area. The  
26 network administrator must be able to demonstrate that its provider  
27 network is culturally competent and has adequate capacity to address  
28 disproportionality, including utilization of tribal and other ethnic  
29 providers capable of serving children and families of color or who need  
30 language-appropriate services;

31 (e) Fiscal solvency of network administrators and providers  
32 participating in the network;

33 (f) The use of evidence-based, research-based, and promising  
34 practices, where appropriate, including fidelity and quality assurance  
35 provisions;

36 (g) Network administrator quality assurance activities, including  
37 monitoring of the performance of providers in their provider network,  
38 with respect to meeting measurable service outcomes;

1 (h) Network administrator data reporting, including data on  
2 contracted provider performance and service outcomes; and

3 (i) Network administrator compliance with applicable provisions of  
4 intergovernmental agreements between the state of Washington and tribal  
5 governments and the federal and Washington state Indian child welfare  
6 act.

7 (8) As part of the procurement process under this section, the  
8 department shall issue the request for proposals no later than December  
9 31, 2012. The department shall notify the apparently successful  
10 bidders no later than June 30, 2013.

11 (9) Performance-based payment methodologies must be used in network  
12 administrator contracting. Performance measures should relate to  
13 successful engagement by a child or parent in services included in  
14 their case plan, and resulting improvement in identified problem  
15 behaviors and interactions. For the initial three-year period of  
16 implementation of performance-based contracting, the department may  
17 transfer financial risk for the provision of services to network  
18 administrators only to the limited extent necessary to implement a  
19 performance-based payment methodology, such as phased payment for  
20 services. However, the department may develop a shared savings  
21 methodology through which the network administrator will receive a  
22 defined share of any savings that result from improved performance. If  
23 the department receives a Title IV-E waiver, the shared savings  
24 methodology must be consistent with the terms of the waiver. If a  
25 shared savings methodology is adopted, the network administrator shall  
26 reinvest the savings in enhanced services to better meet the needs of  
27 the families and children they serve.

28 (10) The department must actively monitor network administrator  
29 compliance with the terms of contracts executed under this section.

30 (11) The use of performance-based contracts under this section must  
31 be done in a manner that does not adversely affect the state's ability  
32 to continue to obtain federal funding for child welfare-related  
33 functions currently performed by the state and with consideration of  
34 options to further maximize federal funding opportunities and increase  
35 flexibility in the use of such funds, including use for preventive and  
36 in-home child welfare services.

1        NEW SECTION.    **Sec. 4.**    (1) For those services included in contracts  
2 under section 3 of this act, the service providers must be chosen by  
3 the department caseworker from among those in the network  
4 administrator's provider network. The criteria for provider selection  
5 must include the geographic proximity of the provider to the child or  
6 family, and the performance of the provider based upon data collected  
7 and provided by the network administrator. If a reasonably qualified  
8 provider is not available through the network administrator's provider  
9 network, at the request of a department caseworker, a provider who is  
10 not currently under contract with the network administrator may be  
11 offered a provisional contract by the network administrator, pending  
12 that provider demonstrating that he or she meets applicable provider  
13 qualifications to participate in the administrator's provider network.

14        (2) The department shall develop a dispute resolution process to be  
15 used when the network administrator disagrees with the department  
16 caseworker's choice of a service provider due to factors such as the  
17 service provider's performance history or ability to serve culturally  
18 diverse families. The mediator or decision maker must be a neutral  
19 employee of the department who has not been previously involved in the  
20 case. The dispute resolution process must not result in a delay of  
21 more than two business days in the receipt of needed services by the  
22 child or family.

23        (3) The department and network administrator shall collaborate to  
24 identify and respond to patterns or trends in service utilization that  
25 may indicate overutilization or underutilization of family support and  
26 related services, or may indicate a need to enhance service capacity.

27        NEW SECTION.    **Sec. 5.**    (1) On an annual basis, beginning in the  
28 2015-2017 biennium, the department and contracted network  
29 administrators shall:

30        (a) Review and update the services offered through performance-  
31 based contracts in response to service outcome data for currently  
32 contracted services and any research that has identified new evidence-  
33 based or research-based services not included in a previous  
34 procurement; and

35        (b) Review service utilization and outcome data to determine  
36 whether changes are needed in procurement policies or performance-based

1 contracts to better meet the goals established in section 1 of this  
2 act.

3 (2) In conducting the review under subsection (1) of this section,  
4 the department must consult with department caseworkers, the exclusive  
5 bargaining representative for employees of the department, tribal  
6 representatives, parents who were formerly involved in the child  
7 welfare system, youth currently or previously in foster care, child  
8 welfare services researchers, representatives of child welfare service  
9 providers, and the Washington state institute for public policy.

10 NEW SECTION. **Sec. 6.** (1) To achieve the service delivery  
11 improvements and efficiencies intended in sections 1, 3, 4, and 7 of  
12 this act and in RCW 74.13.370, and pursuant to RCW 41.06.142(3),  
13 contracting with network administrators to provide services needed by  
14 children and families in the child welfare system, pursuant to  
15 sections 3 and 4 of this act, and execution and monitoring of  
16 individual provider contracts, pursuant to section 3 of this act, are  
17 expressly mandated by the legislature and are not subject to the  
18 processes set forth in RCW 41.06.142 (1), (4), and (5).

19 (2) The express mandate in subsection (1) of this section is  
20 limited to those services and activities provided in sections 3 and 4  
21 of this act. If the department includes services customarily and  
22 historically performed by department employees in the classified  
23 service in a procurement for network administrators that exceeds the  
24 scope of services or activities provided in sections 3 and 4 of this  
25 act, such contracting is not specifically mandated and will be subject  
26 to all applicable contractual and legal obligations.

27 NEW SECTION. **Sec. 7.** For the purposes of the provision of child  
28 welfare services by provider networks, when all other elements of the  
29 responses to any procurement under section 3 of this act are equal,  
30 private nonprofit entities and federally recognized Indian tribes  
31 located in this state must receive primary preference over private  
32 for-profit entities.

33 **Sec. 8.** RCW 74.13.360 and 2010 c 291 s 4 are each amended to read  
34 as follows:

35 (1) (~~No later than July 1, 2011, the department shall convert its~~



1 ~~current contracts with providers of child welfare services into~~  
2 ~~performance based contracts. In accomplishing this conversion, the~~  
3 ~~department shall decrease the total number of contracts it uses to~~  
4 ~~purchase child welfare services from providers. The conversion of~~  
5 ~~contracts for the provision of child welfare services to performance-~~  
6 ~~based contracts must be done in a manner that does not adversely affect~~  
7 ~~the state's ability to continue to obtain federal funding for child~~  
8 ~~welfare related functions currently performed by the state and with~~  
9 ~~consideration of options to further maximize federal funding~~  
10 ~~opportunities and increase flexibility in the use of such funds,~~  
11 ~~including use for preventive and in home child welfare services.~~

12 ~~(2))~~ No later than December 30, ~~((2012))~~ 2015:

13 (a) In the demonstration sites selected under RCW 74.13.368(4)(a),  
14 child welfare services shall be provided by supervising agencies with  
15 whom the department has entered into performance-based contracts.  
16 Supervising agencies may enter into subcontracts with other licensed  
17 agencies; and

18 (b) Except as provided in subsection ~~((4))~~ (3) of this section,  
19 and notwithstanding any law to the contrary, the department may not  
20 directly provide child welfare services to families and children  
21 provided child welfare services by supervising agencies in the  
22 demonstration sites selected under RCW 74.13.368(4)(a).

23 ~~((3))~~ (2) No later than December 30, ~~((2012))~~ 2015, for families  
24 and children provided child welfare services by supervising agencies in  
25 the demonstration sites selected under RCW 74.13.368(4)(a), the  
26 department is responsible for only the following:

27 (a) Monitoring the quality of services for which the department  
28 contracts under this chapter;

29 (b) Ensuring that the services are provided in accordance with  
30 federal law and the laws of this state, including the Indian child  
31 welfare act;

32 (c) Providing child protection functions and services, including  
33 intake and investigation of allegations of child abuse or neglect,  
34 emergency shelter care functions under RCW 13.34.050, and referrals to  
35 appropriate providers; and

36 (d) Issuing licenses pursuant to chapter 74.15 RCW.

37 ~~((4))~~ (3) No later than December 30, ~~((2012))~~ 2015, for families

1 and children provided child welfare services by supervising agencies in  
2 the demonstration sites selected under RCW 74.13.368(4)(a), the  
3 department may provide child welfare services only:

4 (a) For the limited purpose of establishing a control or comparison  
5 group as deemed necessary by the child welfare transformation design  
6 committee, with input from the Washington state institute for public  
7 policy, to implement the demonstration sites selected and defined  
8 pursuant to RCW 74.13.368(4)(a) in which the performance in achieving  
9 measurable outcomes will be compared and evaluated pursuant to RCW  
10 74.13.370; or

11 (b) In an emergency or as a provider of last resort. The  
12 department shall adopt rules describing the circumstances under which  
13 the department may provide those services. For purposes of this  
14 section, "provider of last resort" means the department is unable to  
15 contract with a private agency to provide child welfare services in a  
16 particular geographic area or, after entering into a contract with a  
17 private agency, either the contractor or the department terminates the  
18 contract.

19 ~~((+5))~~ (4) For purposes of this chapter, on and after September 1,  
20 2010, performance-based contracts shall be structured to hold the  
21 supervising agencies accountable for achieving the following goals in  
22 order of importance: Child safety; child permanency, including  
23 reunification; and child well-being.

24 ~~((+6))~~ (5) A federally recognized tribe located in this state may  
25 enter into a performance-based contract with the department to provide  
26 child welfare services to Indian children whether or not they reside on  
27 a reservation. Nothing in this section prohibits a federally  
28 recognized Indian tribe located in this state from providing child  
29 welfare services to its members or other Indian children pursuant to  
30 existing tribal law, regulation, or custom, or from directly entering  
31 into agreements for the provision of such services with the department,  
32 if the department continues to otherwise provide such services, or with  
33 federal agencies.

34 **Sec. 9.** RCW 74.13.370 and 2009 c 520 s 9 are each amended to read  
35 as follows:

36 (1) Based upon the recommendations of the child welfare  
37 transformation design committee, including the two sets of outcomes

1 developed by the committee under RCW 74.13.368(4)(b), the Washington  
2 state institute for public policy is to conduct a review of measurable  
3 effects achieved by the supervising agencies and compare those  
4 measurable effects with the existing services offered by the state.  
5 The report on the measurable effects shall be provided to the governor  
6 and the legislature no later than April 1, (~~(2015)~~) 2018.

7 (2) No later than (~~June 30, 2011~~) December 1, 2014, the  
8 Washington state institute for public policy shall provide the  
9 legislature and the governor an initial report on the department's  
10 conversion to the use of performance-based contracts as provided in  
11 (~~RCW 74.13.360(1)~~) sections 3 and 4 of this act. No later than June  
12 30, (~~(2012)~~) 2016, the Washington state institute for public policy  
13 shall provide the governor and the legislature with a second report on  
14 the (~~department's conversion of its contracts to performance-based~~  
15 ~~contracts~~) extent to which the use of performance-based contracting  
16 has resulted in:

17 (a) Increased use of evidence-based, research-based, and promising  
18 practices; and

19 (b) Improvements in outcomes for children, including child safety,  
20 child permanency, including reunification, and child well-being.

21 (3) The department and network administrators shall respond to the  
22 Washington institute for public policy's request for data and other  
23 information with which to complete these reports in a timely manner.

24 (4) The Washington state institute for public policy must consult  
25 with a university-based child welfare research entity to evaluate  
26 performance-based contracting.

27 **Sec. 10.** RCW 74.13.368 and 2010 c 291 s 2 are each amended to read  
28 as follows:

29 (1)(a) The child welfare transformation design committee is  
30 established, with members as provided in this subsection.

31 (i) The governor or the governor's designee;

32 (ii) Four private agencies that, as of May 18, 2009, provide child  
33 welfare services to children and families referred to them by the  
34 department. Two agencies must be headquartered in western Washington  
35 and two must be headquartered in eastern Washington. Two agencies must  
36 have an annual budget of at least one million state-contracted dollars

1 and two must have an annual budget of less than one million state-  
2 contracted dollars;

3 (iii) The assistant secretary of the children's administration in  
4 the department;

5 (iv) Two regional administrators in the children's administration  
6 selected by the assistant secretary, one from one of the department's  
7 administrative regions one or two, and one from one of the department's  
8 administrative regions three, four, five, or six;

9 (v) The administrator for the division of licensed resources in the  
10 children's administration;

11 (vi) Two nationally recognized experts in performance-based  
12 contracts;

13 (vii) The attorney general or the attorney general's designee;

14 (viii) A representative of the collective bargaining unit that  
15 represents the largest number of employees in the children's  
16 administration;

17 (ix) A representative from the office of the family and children's  
18 ombudsman;

19 (x) Four representatives from the Indian policy advisory committee  
20 convened by the department's office of Indian policy and support  
21 services;

22 (xi) Two currently elected or former superior court judges with  
23 significant experience in dependency matters, selected by the superior  
24 court judges' association;

25 (xii) One representative from partners for our children affiliated  
26 with the University of Washington school of social work;

27 (xiii) A member of the Washington state racial disproportionality  
28 advisory committee;

29 (xiv) A foster parent;

30 (xv) A youth currently in or a recent alumnus of the Washington  
31 state foster care system, to be designated by the cochairs of the  
32 committee; and

33 (xvi) A parent representative who has had personal experience with  
34 the dependency system.

35 (b) The president of the senate and the speaker of the house of  
36 representatives shall jointly appoint the members under (a)(ii), (xiv),  
37 and (xvi) of this subsection.

1 (c) The representative from partners for our children shall convene  
2 the initial meeting of the committee no later than June 15, 2009.

3 (d) The cochairs of the committee shall be the assistant secretary  
4 for the children's administration and another member selected by a  
5 majority vote of those members present at the initial meeting.

6 (2) The committee shall establish a transition plan containing  
7 recommendations to the legislature and the governor consistent with  
8 this section for the provision of child welfare services by supervising  
9 agencies pursuant to RCW 74.13.360.

10 (3) The plan shall include the following:

11 (a) A model or framework for performance-based contracts to be used  
12 by the department that clearly defines:

13 (i) The target population;

14 (ii) The referral and exit criteria for the services;

15 (iii) The child welfare services including the use of evidence-  
16 based services and practices to be provided by contractors;

17 (iv) The roles and responsibilities of public and private agency  
18 workers in key case decisions;

19 (v) Contract performance and outcomes, including those related to  
20 eliminating racial disparities in child outcomes;

21 (vi) That supervising agencies will provide culturally competent  
22 service;

23 (vii) How to measure whether each contractor has met the goals  
24 listed in RCW 74.13.360(~~(+5+)~~) (4); and

25 (viii) Incentives to meet performance outcomes;

26 (b) (~~A method by which the department will substantially reduce  
27 its current number of contracts for child welfare services;~~

28 ~~(+)~~) A method or methods by which clients will access community-  
29 based services, how private supervising agencies will engage other  
30 services or form local service networks, develop subcontracts, and  
31 share information and supervision of children;

32 (~~(+d)~~) (c) Methods to address the effects of racial  
33 disproportionality, as identified in the 2008 Racial Disproportionality  
34 Advisory Committee Report published by the Washington state institute  
35 for public policy in June 2008;

36 (~~(+e)~~) (d) Methods for inclusion of the principles and  
37 requirements of the centennial accord executed in November 2001,

1 executed between the state of Washington and federally recognized  
2 tribes in Washington state;

3 ~~((+f))~~ (e) Methods for assuring performance-based contracts adhere  
4 to the letter and intent of the federal Indian child welfare act;

5 ~~((+g))~~ (f) Contract monitoring and evaluation procedures that will  
6 ensure that children and families are receiving timely and quality  
7 services and that contract terms are being implemented;

8 ~~((+h))~~ (g) A method or methods by which to ensure that the  
9 children's administration has sufficiently trained and experienced  
10 staff to monitor and manage performance-based contracts;

11 ~~((+i))~~ (h) A process by which to expand the capacity of  
12 supervising and other private agencies to meet the service needs of  
13 children and families in a performance-based contractual arrangement;

14 ~~((+j))~~ (i) A method or methods by which supervising and other  
15 private agencies can expand services in underserved areas of the state;

16 ~~((+k))~~ (j) The appropriate amounts and procedures for the  
17 reimbursement of supervising agencies given the proposed services  
18 restructuring;

19 ~~((+l))~~ (k) A method by which to access and enhance existing data  
20 systems to include contract performance information;

21 ~~((+m))~~ (l) A financing arrangement for the contracts that  
22 examines:

23 (i) The use of case rates or performance-based fee-for-service  
24 contracts that include incentive payments or payment schedules that  
25 link reimbursement to outcomes; and

26 (ii) Ways to reduce a contractor's financial risk that could  
27 jeopardize the solvency of the contractor, including consideration of  
28 the use of a risk-reward corridor that limits risk of loss and  
29 potential profits or the establishment of a statewide risk pool;

30 ~~((+n))~~ (m) A description of how the transition will impact the  
31 state's ability to obtain federal funding and examine options to  
32 further maximize federal funding opportunities and increased  
33 flexibility;

34 ~~((+o))~~ (n) A review of whether current administrative staffing  
35 levels in the regions should be continued when the majority of child  
36 welfare services are being provided by supervising agencies;

37 ~~((+p))~~ (o) A description of the costs of the transition, the  
38 initial start-up costs and the mechanisms to periodically assess the

1 overall adequacy of funds and the fiscal impact of the changes, and the  
2 feasibility of the plan and the impact of the plan on department  
3 employees during the transition; and

4 ~~((g))~~ (p) Identification of any statutory and regulatory  
5 revisions necessary to accomplish the transition.

6 (4)(a) The committee, with the assistance of the department, shall  
7 select two demonstration sites within which to implement chapter 520,  
8 Laws of 2009. One site must be located on the eastern side of the  
9 state. The other site must be located on the western side of the  
10 state. Neither site must be wholly located in any of the department's  
11 administrative regions.

12 (b) The committee shall develop two sets of performance outcomes to  
13 be included in the performance-based contracts the department enters  
14 into with supervising agencies. The first set of outcomes shall be  
15 used for those cases transferred to a supervising agency over time.  
16 The second set of outcomes shall be used for new entrants to the child  
17 welfare system.

18 (c) The committee shall also identify methods for ensuring that  
19 comparison of performance between supervising agencies and the existing  
20 service delivery system takes into account the variation in the  
21 characteristics of the populations being served as well as historical  
22 trends in outcomes for those populations.

23 (5) The committee shall determine the appropriate size of the child  
24 and family populations to be provided services under performance-based  
25 contracts with supervising agencies. The committee shall also identify  
26 the time frame within which cases will be transferred to supervising  
27 agencies. The performance-based contracts entered into with  
28 supervising agencies shall encompass the provision of child welfare  
29 services to enough children and families in each demonstration site to  
30 allow for the assessment of whether there are meaningful differences,  
31 to be defined by the committee, between the outcomes achieved in the  
32 demonstration sites and the comparison sites or populations. To ensure  
33 adequate statistical power to assess these differences, the populations  
34 served shall be large enough to provide a probability greater than  
35 seventy percent that meaningful difference will be detected and a  
36 ninety-five percent probability that observed differences are not due  
37 to chance alone.

1 (6) The committee shall also prepare as part of the plan a  
2 recommendation as to how to implement chapter 520, Laws of 2009 so that  
3 full implementation of chapter 520, Laws of 2009 is achieved no later  
4 than December 30, ~~((2012))~~ 2015.

5 (7) The committee shall prepare the plan to manage the delivery of  
6 child welfare services in a manner that achieves coordination of the  
7 services and programs that deliver primary prevention services.

8 (8) Beginning June 30, 2009, the committee shall report quarterly  
9 to the governor and the legislative children's oversight committee  
10 established in RCW 44.04.220. From June 30, 2012, until ~~((January 1))~~  
11 December 30, 2015, the committee need only report twice a year. The  
12 committee shall report on its progress in meeting its duties under  
13 subsections (2) and (3) of this section and on any other matters the  
14 committee or the legislative children's oversight committee or the  
15 governor deems appropriate. The portion of the plan required in  
16 subsection (6) of this section shall be due to the legislative  
17 children's oversight committee on or before June 1, 2010. The reports  
18 shall be in written form.

19 (9) The committee, by majority vote, may establish advisory  
20 committees as it deems necessary.

21 (10) All state executive branch agencies and the agencies with whom  
22 the department contracts for child welfare services shall cooperate  
23 with the committee and provide timely information as the chair or  
24 cochairs may request. Cooperation by the children's administration  
25 must include developing and scheduling training for supervising  
26 agencies to access data and information necessary to implement and  
27 monitor the contracts.

28 (11) It is expected that the administrative costs for the committee  
29 will be supported through private funds.

30 ~~((Staff support for the committee shall be provided jointly by  
31 partners for our children and legislative staff.~~

32 ~~((13))~~) The committee is subject to chapters 42.30 (open public  
33 meetings act) and 42.52 (ethics in public service) RCW.

34 ~~((14))~~) (13) This section expires July 1, ~~((2015))~~ 2016.

35 **Sec. 11.** RCW 74.13.372 and 2009 c 520 s 10 are each amended to  
36 read as follows:

37 Not later than June 1, ~~((2015))~~ 2018, the governor shall, based on



1 the report by the Washington state institute for public policy,  
2 determine whether to expand chapter 520, Laws of 2009 to the remainder  
3 of the state or terminate chapter 520, Laws of 2009. The governor  
4 shall inform the legislature of his or her decision within seven days  
5 of the decision. The department shall, regardless of the decision of  
6 the governor regarding the delivery of child welfare services, continue  
7 to purchase services through the use of performance-based contracts.

8 **Sec. 12.** RCW 74.13.020 and 2011 c 330 s 4 are each reenacted and  
9 amended to read as follows:

10 For purposes of this chapter:

11 (1) "Case management" means (~~the management of services delivered~~  
12 ~~to children and families in the child welfare system, including~~  
13 ~~permanency services, caseworker-child visits, family visits, the~~  
14 ~~convening of family group conferences, the development and revision of~~  
15 ~~the case plan, the coordination and monitoring of services needed by~~  
16 ~~the child and family,~~) convening family meetings, developing,  
17 revising, and monitoring implementation of any case plan or individual  
18 service and safety plan, coordinating and monitoring services needed by  
19 the child and family, caseworker-child visits, family visits, and the  
20 assumption of court-related duties, excluding legal representation,  
21 including preparing court reports, attending judicial hearings and  
22 permanency hearings, and ensuring that the child is progressing toward  
23 permanency within state and federal mandates, including the Indian  
24 child welfare act.

25 (2) "Child" means:

26 (a) A person less than eighteen years of age; or

27 (b) A person age eighteen to twenty-one years who is eligible to  
28 receive the extended foster care services authorized under RCW  
29 74.13.031.

30 (3) "Child protective services" has the same meaning as in RCW  
31 26.44.020.

32 (4) "Child welfare services" means social services including  
33 voluntary and in-home services, out-of-home care, case management, and  
34 adoption services which strengthen, supplement, or substitute for,  
35 parental care and supervision for the purpose of:

36 (a) Preventing or remedying, or assisting in the solution of

1 problems which may result in families in conflict, or the neglect,  
2 abuse, exploitation, or criminal behavior of children;

3 (b) Protecting and caring for dependent, abused, or neglected  
4 children;

5 (c) Assisting children who are in conflict with their parents, and  
6 assisting parents who are in conflict with their children, with  
7 services designed to resolve such conflicts;

8 (d) Protecting and promoting the welfare of children, including the  
9 strengthening of their own homes where possible, or, where needed;

10 (e) Providing adequate care of children away from their homes in  
11 foster family homes or day care or other child care agencies or  
12 facilities.

13 "Child welfare services" does not include child protection  
14 services.

15 (5) "Committee" means the child welfare transformation design  
16 committee.

17 (6) "Department" means the department of social and health  
18 services.

19 (7) "Extended foster care services" means residential and other  
20 support services the department is authorized to provide to foster  
21 children. These services include, but are not limited to, placement in  
22 licensed, relative, or otherwise approved care, or supervised  
23 independent living settings; assistance in meeting basic needs;  
24 independent living services; medical assistance; and counseling or  
25 treatment.

26 (8) "Measurable effects" means a statistically significant change  
27 which occurs as a result of the service or services a supervising  
28 agency is assigned in a performance-based contract, in time periods  
29 established in the contract.

30 (9) "Out-of-home care services" means services provided after the  
31 shelter care hearing to or for children in out-of-home care, as that  
32 term is defined in RCW 13.34.030, and their families, including the  
33 recruitment, training, and management of foster parents, the  
34 recruitment of adoptive families, and the facilitation of the adoption  
35 process, family reunification, independent living, emergency shelter,  
36 residential group care, and foster care, including relative placement.

37 (10) "Performance-based contracting" means the structuring of all  
38 aspects of the procurement of services around the purpose of the work

1 to be performed and the desired results with the contract requirements  
2 set forth in clear, specific, and objective terms with measurable  
3 outcomes. Contracts shall also include provisions that link the  
4 performance of the contractor to the level and timing of reimbursement.

5 (11) "Permanency services" means long-term services provided to  
6 secure a child's safety, permanency, and well-being, including foster  
7 care services, family reunification services, adoption services, and  
8 preparation for independent living services.

9 (12) "Primary prevention services" means services which are  
10 designed and delivered for the primary purpose of enhancing child and  
11 family well-being and are shown, by analysis of outcomes, to reduce the  
12 risk to the likelihood of the initial need for child welfare services.

13 (13) "Supervising agency" means an agency licensed by the state  
14 under RCW 74.15.090, or licensed by a federally recognized Indian tribe  
15 located in this state under RCW 74.15.190, that has entered into a  
16 performance-based contract with the department to provide case  
17 management for the delivery and documentation of child welfare  
18 services, as defined in this section. This definition is applicable on  
19 or after December 30, 2015.

20 NEW SECTION. Sec. 13. Sections 1 through 7 of this act constitute  
21 a new chapter in Title 74 RCW."

**E2SHB 2264** - S AMD

By Senators Hargrove, Stevens

**ADOPTED 03/07/2012**

22 On page 1, line 2 of the title, after "system;" strike the  
23 remainder of the title and insert "amending RCW 74.13.360, 74.13.370,  
24 74.13.368, and 74.13.372; reenacting and amending RCW 74.13.020; adding  
25 a new chapter to Title 74 RCW; and providing an expiration date."

EFFECT: With the extension of the deadline for the Phase 2

demonstration projects under 2SHB 2106 (2009), several other dates in current law had to be extended. A subsection of the intent section was removed because it referred to a provision that was removed several versions of the bill ago. Clarifies that the definition of "supervising agency" which pertains only to Phase 2 does not go into effect until December 30, 2015, which is the date by which Phase 2 must also go into effect. Extends the deadline for the Governor to decide whether Phase 2 should be implemented statewide.

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