

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2263

Chapter 204, Laws of 2012

62nd Legislature
2012 Regular Session

CHILD WELFARE SYSTEM--REINVESTING SAVINGS

EFFECTIVE DATE: 06/07/12

Passed by the House March 5, 2012
Yeas 60 Nays 38

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 1, 2012
Yeas 42 Nays 6

BRAD OWEN

President of the Senate

Approved March 30, 2012, 11:13 a.m.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2263** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

March 30, 2012

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2263

AS AMENDED BY THE SENATE

Passed Legislature - 2012 Regular Session

State of Washington 62nd Legislature 2012 Regular Session

By House Ways & Means (originally sponsored by Representatives Kagi, Walsh, Carlyle, Ladenburg, Darneille, Goodman, Fitzgibbon, Jinkins, Roberts, Ryu, and Kenney)

READ FIRST TIME 02/07/12.

1 AN ACT Relating to reinvesting savings resulting from improved
2 outcomes in the child welfare system; adding a new section to chapter
3 74.13 RCW; adding a new section to chapter 43.135 RCW; adding new
4 sections to chapter 43.131 RCW; creating a new section; and providing
5 an effective date.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** (1) The legislature finds that the federal
8 child and family services improvement and innovation act provides an
9 important new opportunity for Washington state to flexibly use federal
10 funding, traditionally limited to foster care, to achieve the following
11 outcomes: Increase permanency for all infants, children, and youth by
12 reducing the time spent in foster care placements when possible and
13 promoting a successful transition to adulthood for older youth;
14 increase the positive outcomes for infants, children, youth, and
15 families in their homes and communities, including tribal communities;
16 improve the safety and well-being of infants, children, and youth; and
17 prevent child abuse and neglect and the reentry of infants, children,
18 and youth into foster care.

1 (2) The legislature finds that the licensed out-of-home foster care
2 caseload has declined by eighteen percent from fiscal year 2008 to
3 fiscal year 2011. The legislature further finds that under the current
4 system, as caseloads decline, fewer state and federal funds are
5 available in the child welfare budget for prevention and reunification
6 services to continue improving outcomes.

7 (3) The legislature recognizes the need to reinvest savings related
8 to foster care caseload reductions into effective efforts that improve
9 outcomes. The legislature intends to maximize limited resources by
10 continuing to focus on efforts to improve child safety, child
11 permanency, and child well-being in Washington state.

12 NEW SECTION. **Sec. 2.** A new section is added to chapter 74.13 RCW
13 to read as follows:

14 (1) The child and family reinvestment account is created in the
15 state treasury. Moneys in the account may be spent only after
16 appropriation. Moneys in the account may be expended solely for
17 improving outcomes related to: (a) Safely reducing entry into the
18 foster care system and preventing reentry; (b) safely increasing
19 reunifications; (c) achieving permanency for children unable to be
20 reunified; and (d) improving outcomes for youth who will age out of the
21 foster care system. Moneys may be expended for shared savings under
22 performance-based contracts.

23 (2) Revenues to the child and family reinvestment account consist
24 of: (a) Savings to the state general fund resulting from reductions in
25 foster care caseloads and per capita costs, as calculated and
26 transferred into the account under this section; and (b) any other
27 public or private funds appropriated to or deposited in the account.

28 (3)(a) The department of social and health services, in
29 collaboration with the office of financial management and the caseload
30 forecast council, shall develop a methodology for calculating the
31 savings under this section. The methodology must be used for the 2013-
32 2015 fiscal biennium, and for each biennium thereafter. The
33 methodology must establish a baseline for calculating savings. In
34 developing the methodology, the department of social and health
35 services shall incorporate the relevant requirements of any
36 demonstration waiver granted to the state under P.L. 112-34. The
37 savings must be based on actual caseload and per capita expenditures.

1 By December 1, 2012, the department of social and health services shall
2 submit the proposed methodology to the governor and the appropriate
3 committees of the legislature. The methodology is deemed approved
4 unless the legislature enacts legislation to modify or reject the
5 methodology.

6 (b) The department of social and health services shall use the
7 methodology established in (a) of this subsection to calculate savings
8 to the state general fund for transfer into the child and family
9 reinvestment account in fiscal year 2014 and each fiscal year
10 thereafter. Savings calculated by the department under this section
11 are not subject to RCW 43.79.460. The department shall report the
12 amount of the state general fund savings achieved to the office of
13 financial management and the fiscal committees of the legislature at
14 the end of each fiscal year. The office of financial management shall
15 provide notice to the state treasurer of the amount of state general
16 fund savings, as calculated by the department of social and health
17 services, for transfer into the child and family reinvestment account.

18 (c) Nothing in this section prohibits (i) the caseload forecast
19 council from forecasting the foster care caseload under RCW 43.88C.010
20 or (ii) the department from including maintenance funding in its budget
21 submittal for caseload costs that exceed the baseline established in
22 (a) of this subsection.

23 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.135 RCW
24 to read as follows:

25 RCW 43.135.034(4) does not apply to the transfer established under
26 section 2 of this act.

27 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.131 RCW
28 to read as follows:

29 The child and family reinvestment account and methodology for
30 calculating savings as established under this act shall be terminated
31 on June 30, 2018, as provided in section 5 of this act.

32 NEW SECTION. **Sec. 5.** A new section is added to chapter 43.131 RCW
33 to read as follows:

34 The following acts or parts of acts, as now existing or hereafter
35 amended, are each repealed, effective June 30, 2019:

- 1 (1) Section 1 of this act;
- 2 (2) Section 2 of this act; and
- 3 (3) Section 3 of this act.

Passed by the House March 5, 2012.

Passed by the Senate March 1, 2012.

Approved by the Governor March 30, 2012.

Filed in Office of Secretary of State March 30, 2012.