

# FINAL BILL REPORT

## 2E2SHB 1661

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### C 6 L 17 E 3

Synopsis as Enacted

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

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Kagi, Sullivan, Dent, Senn, Muri, Kilduff, Klippert, Frame, Goodman, Ortiz-Self, Wilcox, Lovick, Hargrove, Clibborn, Lytton, Appleton, Fitzgibbon, Orwall, Kloba, Sells, Fey, Macri, Bergquist, Pollet, Hudgins, Robinson, Stanford and Slatter; by request of Office of the Governor).

**House Committee on Early Learning & Human Services**  
**House Committee on Appropriations**  
**Senate Committee on Human Services, Mental Health & Housing**  
**Senate Committee on Ways & Means**

#### **Background:**

##### The Department of Social and Health Services.

The Department of Social and Health Services (DSHS) was established in 1970 and was created by merging the former Department of Health, Department of Public Assistance, Department of Institutions, Veterans' Rehabilitation Council, and Division of Vocational Rehabilitation of the Coordinating Council on Occupational Education. The stated purpose of the DSHS was intended to "integrate and coordinate all those activities involving the provision of care for individuals who, as a result of their economic, social, or health condition, require financial assistance, institutional care, rehabilitation, or other social and health services."

The DSHS consists of seven program area administrations including the:

- Aging and Long-Term Support Administration;
- Behavioral Health Administration;
- Children's Administration (CA);
- Developmental Disabilities Administration;
- Economic Services Administration;
- Financial Services Administration; and
- Rehabilitation Administration.

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*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.*

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. If a child abuse or neglect allegation meets the criteria for a response, the case will be assigned to either Child Protective Services (CPS), the Family Assessment Response program, or to the Division of Licensing Resources. Serious allegations of child abuse or neglect will receive a CPS investigation within 24 hours. Allegations with low to moderately low risk of child abuse or neglect will receive a response from the Family Assessment Response program within 72 hours. The CA 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, to request that parents engage in services to correct parental deficiencies, and to terminate parental rights in cases where parents do not correct their deficiencies.

The Rehabilitation Administration has responsibility for the Division of Vocational Rehabilitation, Juvenile Rehabilitation (JR), the Office of Juvenile Justice (OJJ), and the Special Commitment Center. The JR serves youth committed to custody by county courts for periods of incarceration lasting longer than 30 days in three facilities: Echo Glen, Green Hill, and Naselle Youth Camp. 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.

The Department of Early Learning (DEL) was created by the Legislature in 2006 and has the duty to implement early learning programs including licensing centers 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 provides home visiting services in partnership with Thrive Washington, 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 the Working Connection Child Care and Seasonal Child Care and Homeless Child Care subsidy programs.

#### Blue Ribbon Commission on the Delivery of Services to Children and Families.

The Blue Ribbon Commission on the Delivery of Services to Children and Families (BRC) was established by executive order in early 2016 and directed to recommend an organizational structure for a new department focused solely on children and families. The BRC met monthly from May to November of 2016 and produced a final report after its last meeting recommending that the CA and juvenile justice functions of the DSHS should be integrated with the DEL to create a new state agency, among many other recommendations.

#### Child Care Licensing.

The DEL adopts licensing standards for child care and early education programs. The licensing standards must provide minimum requirements for health and safety, address quality, consider the different needs of family care providers and child care centers, and promote the continued safety of child care settings.

If a party does not meet the minimum licensing requirements or violates licensing rules, the DEL may take an adverse licensing action against the provider by assessing a fine, denying a license application, or suspending, modifying, or revoking an existing license. The DEL must give written notice of the agency's action and reasons for the action to the applicant or licensee. In general, the fine is due or the license revocation, suspension, or modification is effective 28 days after the licensee receives the notice. The DEL may make the effective date of license suspensions or revocations earlier than 28 days from the date of the notice in certain circumstances.

In lieu of taking an adverse licensing action against a child care provider, the DEL may develop a Facility Licensing Compliance Agreement (FLCA), which is an agreement between the DEL and the child care provider that the provider will take certain steps to correct violations of child care regulations. If a provider disagrees with the provisions of a FLCA, the provider may request review by a DEL supervisor. If a provider still disagrees with the FLCA after supervisory review, a provider may ask that the DEL Licensing Regional Administrator review the FLCA. The final review of a FLCA is with the DEL Statewide Licensing Administrator.

A license applicant or licensee who disagrees with the DEL's adverse licensing action has the right to an adjudicative proceeding governed by the provisions of the Administrative Procedure Act (APA). The aggrieved party must serve the DEL and the Office of Administrative Hearings (OAH) with written notice contesting the agency's action within 28 days of the party receiving the adverse notice.

### **Summary:**

#### The Department of Children, Youth, and Families.

A new state agency, called the Department of Children, Youth, and Families (DCYF), is created immediately. The secretary of the DCYF will be appointed by the Governor within 30 days of the Governor signing the act and will have the responsibility to work with the Governor's Office, the Office of Financial Management, the Department of Social and Health Services, the Department of Early Learning, and other impacted agencies to plan for the implementation of the DCYF and oversee the Office of Innovation, Alignment, and Accountability (OIAA) until the early learning and child welfare functions are transferred to the DCYF on July 1, 2018; on that date the Secretary will appoint a separate director of the OIAA.

The stated intent of creating this new agency is to improve the delivery of services and the outcomes for children and families through delivery of these services by housing early learning, child welfare, and juvenile justice services in the same agency. The DCYF must establish outcome measure goals and report to the Legislature on these outcome measures and progress toward these goals no less than annually. The outcome measures include: (1) improving child development and school readiness; (2) preventing child abuse and neglect; (3) improving child and youth safety, permanency, and well-being; (4) improving reconciliation of children and youth with their families; (5) improving adolescent outcomes; (6) reducing future demand for mental health and substance use disorder treatment; (7) reducing criminal justice involvement and recidivism; and (8) reducing racial and ethnic disproportionality and disparities.

The DCYF must lead ongoing work to minimize or eliminate systemic barriers to effective, integrated services across state agencies serving children, youth, and families and help the state create a data-focused environment in which there are aligned outcomes and shared accountability for those outcomes. Performance data for the DCYF must be available to the public beginning December 30, 2018. No funds may be expended by the DCYF on renewed or new contracted programs unless using performance-based contracts. The DCYF must report on outcome measures, actions taken, progress toward these goals, and plans for the future year no less than annually.

On July 1, 2018, the DEL is eliminated, and the functions performed by that agency are moved to the DCYF.

On July 1, 2018, the child welfare functions of the DSHS move from the DSHS to the DCYF.

On July 1, 2019, the juvenile justice functions of the DSHS Juvenile Rehabilitation Administration (JRA) move from the DSHS to the DCYF.

Office of Innovation, Alignment, and Accountability.

An OIAA is created within DCYF with the primary duty of developing and presenting a plan for the establishment of the DCYF.

The plan developed by OIAA must be delivered to the Governor and Legislature by December 1, 2017, and must include:

- coordinating and convening the DEL, the DSHS, policy work groups, research institutions, and others in the development of an integrated management portfolio and administrative structure for the DCYF, which would include a definition of outcomes to measure performance for the DCYF;
- developing a stakeholder advisory system for the DCYF;
- coordinating with other state agencies;
- developing an information technology design and investment plan required to effectively integrate the DEL, the CA of the DSHS, and the JRA of the DSHS, and to meet other goals for consideration in the 2018 Supplemental Budget;
- developing a consultation policy and protocol with the 29 federally recognized tribes in the Washington and signatories to the Centennial Accord; and
- reviewing existing statutes affecting the DEL and the DSHS and identifying conflicts or barriers that these statutes present.

The OIAA must also develop a report on how to incorporate the staff determining eligibility for the Working Connections Child Care program and other elements of that program into the DCYF.

Beginning July 1, 2018, the functions of the OIAA 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;

- leading collaboration with courts;
- producing an annual work plan that includes priorities for ongoing policy, practice, and system reform, tracking, and reporting on the performance of DCYF reforms;
- appointing members of an external stakeholder committee;
- providing quarterly updates on the implementation of the DCYF to the Oversight Board, between July 1, 2018 and July 1, 2019;
- providing a report to the Governor and Legislature by November 1, 2019, that includes recommendations regarding whether the Juvenile Rehabilitation Division of the DSHS should be integrated into the DCYF, and if so, what the appropriate timing and process is for integration of the Juvenile Rehabilitation Division into the DCYF;
- providing a report to the Governor and Legislature by November 1, 2018, that includes: (1) a review of the current process for addressing foster parent complaints and concerns through the DCYF and through the Office of the Family and Children's Ombuds (OFCO) that includes an examination of any deficiencies of the current system; and (2) recommendations for expanding, modifying, and enhancing the current system for addressing individual foster parent complaints to improve child welfare, the experience of foster parents, and the overall functioning of the child welfare system; and
- providing a report to the Governor and Legislature by November 1, 2018, that includes recommendations regarding whether the Office of Homeless Youth within the Department of Commerce should be integrated into the DCYF.

#### Oversight Board for Children, Youth, and Families.

The Office of the Family and Children's Ombuds (OFCO) must establish the Oversight Board for Children, Youth, and Families (Oversight Board) for the purpose of monitoring and ensuring that the DCYF achieves its stated outcomes. The Oversight Board assumes the duties of the Legislative Children's Oversight Committee from July 1, 2018, to July 1, 2019, and assumes its full duties beginning July 1, 2019. The Oversight Board includes four legislators, one nonvoting representative from the Governor's Office, four subject matter experts, one foster parent representative, one representative from an organization that represents the best interest of the child, one parent group representative, one law enforcement representative, one child welfare caseworker representative, one early childhood learning program implementation practitioner, two tribal representatives, and one judicial representative. The non-legislative members of the Oversight Board are nominated by the Governor, subject to approval of the appointed legislators by majority vote and serve four year terms.

The Oversight Board has the following powers: (1) receiving OFCO reports; (2) obtaining records from the OFCO; (3) selecting its officers and adopting rules; (4) requesting investigations by the OFCO; (5) requesting and receiving information from the DCYF; (6) determining whether the DCYF meets its performance measures; (7) conducting an annual review of a sampling of provider contracts to ensure that they are performance-based; (8) conducting periodic surveys of providers, customers, parent groups, and external services; and (9) issuing an annual report.

The Oversight Board must maintain a staff not to exceed one full time employee and a board-selected executive director. The Legislative Children's Oversight Committee is eliminated on July 1, 2019.

The Oversight Board may review decisions made by the internal review process for reviewing child care facility licensing compliance agreements developed by the DCYF that do not involve violations of health and safety standards and overturn, change, or uphold those decisions.

Child Care Licensing.

The licensing history the DCYF releases to parents and caregivers is limited to license suspension, surrender, revocation, denial, stayed suspension, or reinstatement. This single source of information may not include unfounded reports of child abuse and neglect.

The DCYF must establish an internal review process for reviewing child care facility licensing compliance agreements that do not involve violations of health and safety standards. The review process must be conducted by three DCYF employees and three child care providers. The internal review process may overturn, change, or uphold a department licensing decision by majority vote. In the event that the individuals conducting the internal review process are equally divided, the secretary makes the decision of the internal review process. A licensee must request review by the internal review process within 10 days of the development of a child care facility licensing compliance agreement and the internal review process must be completed within 30 days of receiving the request from the licensee to initiate the internal review process.

The DCYF is prohibited from developing child care facility licensing compliance agreements with a child care provider for first-time violations of rules that do not relate to health and safety standards and that can be corrected on the same day that the violation is identified.

**Votes on Final Passage:**

Regular Session

House 77 19

First Special Session

House 69 23

Second Special Session

House 72 22

Third Special Session

House 77 17

Senate 42 7

**Effective:** October 19, 2017

July 6, 2017 (Sections 101 and 103)

July 1, 2018 (Sections 102, 104–115, 201–227, 301–337, 401–419, 501–513, 801–803, and 805–822)

July 1, 2019 (Sections 601–631, 701–728, and 804)