

2018 Supplemental Budget Decision Package

Agency: 307 Department of Children, Youth, and Families

Decision Package Code/Title: M2 – PH / Compliance with SHB2106

Budget Period: 2017-2019

Budget Level: Maintenance Level

Agency Recommendation Summary Text:

The Department of Children, Youth, and Families (DCYF) requests \$1,936,000 (\$1,897,000 GF-State) and 8.0 FTE to implement phase II requirements of the legislative bill SHB 2106. The Legislature passed SHB 2106 in 2009 that created a pilot project to privatize two Children's Administration (CA) offices to compare their performance of the “supervising agencies” to the performance of CA.

The funding and FTE will not be necessary if DCYF’s request legislation is adopted. The requested legislation will repeal RCW 74.13.360; 74.13.362; 74.13.364; 74.13.366; 74.13.370; 74.13.372. The proposed repeal would solely impact the implementation of the case management by a private “supervising agency”.

Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
001-1 General Fund-State	\$0	1,897,000	\$0	\$0
001-2 General Fund-Federal	\$0	39,000	\$0	\$0
Total Cost	\$0	1,936,000	\$0	\$0
Staffing	FY 2018	FY 2019	FY 2020	FY 2021
FTEs	0	8.0	0	0
Revenue	FY 2018	FY 2019	FY 2020	FY 2021
001-2 General Fund-Federal	\$0	39,000	\$0	\$0
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Object A – Salaries	\$0	770,000	\$0	\$0
Object B – Benefits	\$0	264,000	\$0	\$0
Object E – Goods and Services	\$0	902,000	\$0	\$0

Package Description:

In 2009, Second Substitute House Bill 2106 was enacted, which directed DCYF (then the Children’s Administration) to:

(1) Convert its existing contracts for child welfare services to performance-based contracts by January 1, 2011

(2) Contract with supervising agencies for child welfare services, including case management functions, in selected demonstration sites by June 30, 2012. The deadline has continued to get pushed out but remains an obligation. Currently the new implementation date is December 30, 2019.

Phase II implementation of SHB 2106 requires:

- DCYF to establish a committee to review three demonstration sites and compare their performances to that of the prior Children's Administration. The committee is also expected to clearly define contract monitoring and evaluation procedures that ensures children and families receive timely and quality services while under the contracted supervising agencies.
- DCYF to conduct performance-based budgeting and contracts.
- DCYF to build capacity of network administrators (supervising agencies) with appropriate infrastructure to efficiently handle the case management. In its original request for proposals, DCYF realized that none of the potential administrators could build their own administrative infrastructure without additional support from the State. .

Key components to the implementation of phase II:

RCW 74.13.368 establishes the requirement for DCYF to accomplish various functions including creation of a committee. However, the requirement to establish a committee expired in July 2016. DCYF will collaborate with stakeholders in order to determine the activities needed to meet the requirement set forth in statute.

The process of procuring and selecting supervising agencies, which need to have a capability for capacity building for onsite readiness reviews, processing acceptance of new referrals, and the gradual transition of legal cases, will be significant.

DCYF has agency request legislation to fully eliminate the requirement to select and implement supervising agencies. The Washington Federation of State Employees successfully won an injunction on the agency's Request for Proposal solicitation and this seems like to occur again if the department is required to implement the current law. Additionally, the timing for implementing these extreme changes to agency function is poor given the need to successfully create DCYF.

Base Budget: If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

This will be a new activity for DCYF.

Decision Package expenditure, FTE and revenue assumptions, calculations and details

DCYF needs 8.0 FTEs to establish the pilot program. Although a committee is no longer required by statute, DCYF believes a committee can be helpful in the implementation process.

- 2.0 WMS program managers: Engage with the committee
 - 1 FTE to provide ongoing administrative support to the committee.
 - 1 FTE to develop reinvestment proposals for the committee's approval

- 5.0 Social Services Specialist 3:
 - 2 FTE to oversee case management. 1 for each, Western and Eastern Washington.
 - 1 FTE to monitor contracts.
 - 2 FTE to conduct data analysis. 1 per project site.
- 1.0 ITS 4:
 - To redesign and incorporate security measures necessary for contractual staff to access FamLink.

Other Costs:

- \$24,000 to pay per diem for two nationally-recognized experts in performance-based contracted who are identified as members of the committee, and
- \$800,000 to redesign and incorporate security measures required to allow contractual staff to access FamLink.

Decision Package Justification and Impacts

What specific performance outcomes does the agency expect?

A model or framework for performance-based contracts to be used by DCYF that clearly defines: the target population, the contract referral and exit criteria, the child welfare services including the use of evidence-based services and practices to be provided by the contractor. The roles and responsibilities of public and private agency workers in key case decisions.

DCYF believes outsourcing monitoring can be counterproductive. If the agency request legislation is approved, DCYF will not need the funding requested in this DP.

States that have implemented outsourcing or privatization of child welfare (Florida, Kansas) have experienced declines in outcomes as a result. In order to not experience that in Washington, we will need sufficient resources, if agency request legislation is not passed, to ensure that Washington does not suffer the same fate.

Performance Measure detail:

The performance and outcomes and how to measure whether each contractor has met the goals of (A) child safety, (B) reunification of the child with the child’s parents, (C) child permanency and (D) child well-being

A method by which clients will access community-based services, how private supervising agencies will engage other services or form legal service networks, develop subcontracts and share information and supervision of children.

Contract monitoring will ensure compliance with contract requirements, so the contract requirements meet the needs of clients, review client outcomes, assure the quality of services to children and families, ensure the contract agency maintains fiscal solvency and is appropriately using agency funds, and ensure compliance with state and federal laws.

Fully describe and quantify expected impacts on state residents and specific populations served. DCYF will be doing this for the first time.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	Yes	Identify: Funding won't be required if RCW 74.13 that created the Child Welfare Transformation Committee is amended.
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

What alternatives were explored by the agency and why was this option chosen?

Legislative adoption of DCYF's agency legislation request to repeal RCW 74.13.360, 74.13.364; 74.13.366; 74.13.370, and 784.13.372 to remove the requirement of a private supervising agency will eliminate the need for the requested funding.

What are the consequences of not funding this request?

DCYF would be out of compliance with state law.

How has or can the agency address the issue or need in its current appropriation level?

DCYF will not be able to address this requirement within its current appropriation.

Other supporting materials:

Information technology:

- No
- Yes (Continue to IT Addendum below)

2018 Supplemental IT Addendum

Part 1: Itemized IT Costs

Please itemize any IT-related costs, including hardware, software, services (including cloud-based services), contracts (including professional services, quality assurance, and independent verification and validation), or IT staff. Be as specific as you can. (See chapter 12.1 of the operating budget instructions for guidance on what counts as “IT-related costs”)

Information Technology Items in this DP	FY 2018	FY 2019	FY 2020	FY 2021
Access to FamLink	0	800,000	0	0
IT Staff member to analyze/redesign	0	131,845	0	0
Total Cost	0	931,845	0	0

Part 2: Identifying IT Projects

If the investment proposed in the decision package is the development or acquisition of an IT project/system, or is an enhancement to or modification of an existing IT project/system, it will also be reviewed and ranked by the OCIO as required by RCW 43.88.092. The answers to the three questions below will help OFM and the OCIO determine whether this decision package is, or enhances/modifies, an IT project:

1. Does this decision package fund the development or acquisition of a new or enhanced software or hardware system or service? Yes No
2. Does this decision package fund the acquisition or enhancements of any agency data centers? (See [OCIO Policy 184](#) for definition.) Yes No
3. Does this decision package fund the continuation of a project that is, or will be, under OCIO oversight? (See [OCIO Policy 121](#).) Yes No

If you answered “yes” to any of these questions, you must complete a concept review with the OCIO before submitting your budget request. Refer to chapter 12.2 of the operating budget instructions for more information.