
HOUSE BILL 3143

State of Washington

61st Legislature

2010 Regular Session

By Representatives Haler and Goodman

Read first time 01/28/10. Referred to Committee on Early Learning & Children's Services.

1 AN ACT Relating to revising provisions for the implementation of
2 the child welfare transformation demonstration sites; and amending RCW
3 74.13.360, 74.13.368, 74.13.370, and 74.13.372.

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

5 **Sec. 1.** RCW 74.13.360 and 2009 c 520 s 3 are each amended to read
6 as follows:

7 (1) No later than January 1, 2011, the department shall convert its
8 current contracts with providers into performance-based contracts. In
9 accomplishing this conversion, the department shall decrease the total
10 number of contracts it uses to purchase services from providers.

11 (2) (~~No later than July 1, 2012~~) According to the schedule set by
12 the legislature when funding is specifically appropriated by the
13 legislature for implementation of the demonstration site under RCW
14 74.13.368(4)(a):

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

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

6 (3) (~~No later than July 1, 2012,~~) For families and children
7 provided child welfare services by supervising agencies in the
8 demonstration sites selected under RCW 74.13.368(4)(a), the department
9 is responsible for only the following:

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

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

15 (c) Providing child protection functions and services, including
16 intake and investigation of allegations of child abuse or neglect,
17 emergency shelter care functions under RCW 13.34.050, and referrals to
18 appropriate providers; and

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

20 (4) (~~No later than July 1, 2012,~~) For families and children
21 provided child welfare services by supervising agencies in the
22 demonstration sites selected under RCW 74.13.368(4)(a), the department
23 may provide child welfare services only in an emergency or as a
24 provider of last resort. The department shall adopt rules describing
25 the circumstances under which the department may provide those
26 services. For purposes of this section, "provider of last resort"
27 means the department is unable to contract with a private agency to
28 provide child welfare services in a particular geographic area or,
29 after entering into a contract with a private agency, either the
30 contractor or the department terminates the contract.

31 (5) For purposes of this chapter, (~~on and after September 1,~~
32 ~~2010,~~) performance-based contracts shall be structured to hold the
33 supervising agencies accountable for achieving the following goals in
34 order of importance: Child safety; child permanency, including
35 reunification; and child well-being.

36 (6) A federally recognized tribe located in this state may enter
37 into a performance-based contract with the department to provide child

1 welfare services to Indian children whether or not they reside on a
2 reservation.

3 **Sec. 2.** RCW 74.13.368 and 2009 c 520 s 8 are each amended to read
4 as follows:

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

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

8 (ii) Four private agencies that, as of May 18, 2009, provide child
9 welfare services to children and families referred to them by the
10 department. Two agencies must be headquartered in western Washington
11 and two must be headquartered in eastern Washington. Two agencies must
12 have an annual budget of at least one million state-contracted dollars
13 and two must have an annual budget of less than one million state-
14 contracted dollars;

15 (iii) The assistant secretary of the children's administration in
16 the department;

17 (iv) Two regional administrators in the children's administration
18 selected by the assistant secretary, one from one of the department's
19 administrative regions one or two, and one from one of the department's
20 administrative regions three, four, five, or six;

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

23 (vi) Two nationally recognized experts in performance-based
24 contracts;

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

26 (viii) A representative of the collective bargaining unit that
27 represents the largest number of employees in the children's
28 administration;

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

31 (x) Four representatives from the Indian policy advisory committee
32 convened by the department's office of Indian policy and support
33 services;

34 (xi) Two currently elected or former superior court judges with
35 significant experience in dependency matters, selected by the superior
36 court judge's association;

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

3 (xiii) A member of the Washington state racial disproportionality
4 advisory committee;

5 (xiv) A foster parent; and

6 (xv) A parent representative who has had personal experience with
7 the dependency system.

8 (b) The president of the senate and the speaker of the house of
9 representatives shall jointly appoint the members under (a)(ii), (xiv),
10 and (xv) of this subsection.

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

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

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

20 (3) The plan shall include the following:

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

23 (i) The target population;

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

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

27 (iv) The roles and responsibilities of public and private agency
28 workers in key case decisions and functions. The description of roles
29 and responsibilities must describe the strategies to assure that no
30 public employee will be terminated from employment as a result of the
31 performance-based contracts for child welfare case management services
32 in the demonstration sites;

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

35 (vi) That supervising agencies will provide culturally competent
36 service;

37 (vii) How to measure whether each contractor has met the goals
38 listed in RCW 74.13.360(5); and

1 (viii) Incentives to meet performance outcomes;

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

4 (c) A method or methods by which clients will access community-
5 based services, how private supervising agencies will engage other
6 services or form local service networks, develop subcontracts, and
7 share information and supervision of children;

8 (d) Methods to address the effects of racial disproportionality, as
9 identified in the 2008 Racial Disproportionality Advisory Committee
10 Report published by the Washington state institute for public policy in
11 June 2008;

12 (e) Methods for inclusion of the principles and requirements of the
13 centennial accord executed in November 2001, executed between the state
14 of Washington and federally recognized tribes in Washington state;

15 (f) Methods for assuring performance-based contracts adhere to the
16 letter and intent of the federal Indian child welfare act;

17 (g) Contract monitoring and evaluation procedures that will ensure
18 that children and families are receiving timely and quality services
19 and that contract terms are being implemented;

20 (h) A method or methods by which to ensure that the children's
21 administration has sufficiently trained and experienced staff to
22 monitor and manage performance-based contracts;

23 (i) A process by which to expand the capacity of supervising and
24 other private agencies to meet the service needs of children and
25 families in a performance-based contractual arrangement;

26 (j) A method or methods by which supervising and other private
27 agencies can expand services in underserved areas of the state;

28 (k) The appropriate amounts and procedures for the reimbursement of
29 supervising agencies given the proposed services restructuring;

30 (l) A method by which to access and enhance existing data systems
31 to include contract performance information;

32 (m) A financing arrangement for the contracts that examines:

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

36 (ii) Ways to reduce a contractor's financial risk that could
37 jeopardize the solvency of the contractor, including consideration of

1 the use of a risk-reward corridor that limits risk of loss and
2 potential profits or the establishment of a statewide risk pool;

3 (n) A description of how the transition will impact the state's
4 ability to obtain federal funding and examine options to further
5 maximize federal funding opportunities and increased flexibility;

6 (o) A review of whether current administrative staffing levels in
7 the regions should be continued when the majority of child welfare
8 services are being provided by supervising agencies;

9 (p) A description of the costs of the transition, the initial
10 start-up costs and the mechanisms to periodically assess the overall
11 adequacy of funds and the fiscal impact of the changes, and the
12 feasibility of the plan and the impact of the plan on department
13 employees during the transition; and

14 (q) Identification of any statutory and regulatory revisions
15 necessary to accomplish the transition.

16 (4)(a) The committee, with the assistance of the department, shall
17 select two demonstration sites within which to implement chapter 520,
18 Laws of 2009. One site must be located on the eastern side of the
19 state. The other site must be located on the western side of the
20 state. Neither site must be wholly located in any of the department's
21 administrative regions. Implementation of the demonstration sites must
22 be accomplished according to the schedule to be set by the legislature
23 at the time funding is specifically appropriated by the legislature for
24 implementation of the demonstration sites.

25 (b) The committee shall develop two sets of performance outcomes to
26 be included in the performance-based contracts the department enters
27 into with supervising agencies. The first set of outcomes shall be
28 used for those cases transferred to a supervising agency over time.
29 The second set of outcomes shall be used for new entrants to the child
30 welfare system.

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

36 (5) The committee shall determine the appropriate size of the child
37 and family populations to be provided services under performance-based
38 contracts with supervising agencies. The committee shall also identify

1 the time frame within which cases will be transferred to supervising
2 agencies. The performance-based contracts entered into with
3 supervising agencies shall encompass the provision of child welfare
4 services to enough children and families in each demonstration site to
5 allow for the assessment of whether there are meaningful differences,
6 to be defined by the committee, between the outcomes achieved in the
7 demonstration sites and the comparison sites or populations. To ensure
8 adequate statistical power to assess these differences, the populations
9 served shall be large enough to provide a probability greater than
10 seventy percent that meaningful difference will be detected and a
11 ninety-five percent probability that observed differences are not due
12 to chance alone.

13 (6) When funding is appropriated by the legislature specifically
14 for the purpose of implementing the demonstration sites, the committee
15 shall also prepare as part of the plan a recommendation as to how to
16 implement chapter 520, Laws of 2009 so that full implementation of
17 chapter 520, Laws of 2009 is achieved (~~(no later than June 30, 2012)~~)
18 in accordance with the schedule set by the legislature.

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

22 (8) Beginning June 30, 2009, the committee shall report quarterly
23 to the governor and the legislative children's oversight committee
24 established in RCW 44.04.220. (~~(From June 30, 2012, until January 1,~~
25 ~~2015,)~~) After full implementation of the demonstration sites according
26 to the schedule set by the legislature, the committee need only report
27 twice a year. The committee shall report on its progress in meeting
28 its duties under subsections (2) and (3) of this section and on any
29 other matters the committee or the legislative children's oversight
30 committee or the governor deems appropriate. The portion of the plan
31 required in subsection (6) of this section shall be due to the
32 legislative children's oversight committee (~~(on or before June 1,~~
33 ~~2010)~~) according to the schedule to be set by the legislature when
34 funding for the demonstration sites is specifically appropriated. The
35 reports shall be in written form.

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

1 (10) All state executive branch agencies and the agencies with whom
2 the department contracts for child welfare services shall cooperate
3 with the committee and provide timely information as the chair or
4 cochairs may request. Cooperation by the children's administration
5 must include developing and scheduling training for supervising
6 agencies to access data and information necessary to implement and
7 monitor the contracts.

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

10 (12) Staff support for the committee shall be provided jointly by
11 partners for our children and legislative staff.

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

14 (14) This section expires July 1, 2015.

15 **Sec. 3.** RCW 74.13.370 and 2009 c 520 s 9 are each amended to read
16 as follows:

17 (1) Based upon the recommendations of the child welfare
18 transformation design committee, including the two sets of outcomes
19 developed by the committee under RCW 74.13.368(4)(b), the Washington
20 state institute for public policy is to conduct a review of measurable
21 effects achieved by the supervising agencies and compare those
22 measurable effects with the existing services offered by the state.
23 The report on the measurable effects shall be provided to the governor
24 and the legislature no later than (~~April 1, 2015~~) the date prescribed
25 by the legislature at the time funding is appropriated by the
26 legislature specifically for the purpose of implementing the
27 demonstration sites.

28 (2) No later than June 30, 2011, the Washington state institute for
29 public policy shall provide the legislature and the governor an initial
30 report on the department's conversion to the use of performance-based
31 contracts as provided in RCW 74.13.360(1). No later than June 30,
32 2012, the Washington state institute for public policy shall provide
33 the governor and the legislature with a second report on the
34 department's conversion of its contracts to performance-based
35 contracts.

36 (3) The department shall respond to the Washington state institute

1 for public policy's request for data and other information with which
2 to complete these reports in a timely manner.

3 **Sec. 4.** RCW 74.13.372 and 2009 c 520 s 10 are each amended to read
4 as follows:

5 (~~Not later than June 1, 2015,~~) The governor shall, based on the
6 report by the Washington state institute for public policy required by
7 RCW 74.13.370(1), determine whether to expand chapter 520, Laws of 2009
8 to the remainder of the state or terminate chapter 520, Laws of 2009.
9 The governor shall inform the legislature of his or her decision within
10 seven days of the decision. The department shall, regardless of the
11 decision of the governor regarding the delivery of child welfare
12 services, continue to purchase services through the use of performance-
13 based contracts.

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