

**E2SHB 2264 - S AMD 185**

By Senators Hargrove, Stevens

ADOPTED 03/01/2012

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. A  
17 2007 Washington state children's administration workload study found  
18 significant gaps in the number of case-carrying social workers relative  
19 to the demands of their workload;

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

24 (2) The legislature intends:

25 (a) To reform the delivery of certain services to children and  
26 families in the child welfare system by creating a flexible,  
27 accountable community-based system of care that utilizes  
28 performance-based contracting, maximizes the use of evidence-based,  
29 research-based, and promising practices, and expands the capacity of

1 community-based agencies to leverage local funding and other resources  
2 to benefit children and families served by the department;

3 (b) To achieve improved child safety, child permanency, including  
4 reunification, and child well-being outcomes through the collaborative  
5 efforts of the department and contracted service providers and the  
6 prioritization of these goals in performance-based contracting; and

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

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

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

20 (2) "Child" means:

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

22 (b) A person age eighteen to twenty-one years who is eligible to  
23 receive the extended foster care services authorized under RCW  
24 74.13.031.

25 (3) "Child-placing agency" has the same meaning as in RCW  
26 74.15.020.

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

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

34 (b) Protecting and caring for dependent, abused, or neglected  
35 children;

36 (c) Assisting children who are in conflict with their parents, and

1 assisting parents who are in conflict with their children, with  
2 services designed to resolve such conflicts;

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

5 (e) Providing adequate care of children away from their homes in  
6 foster family homes or day care or other child care agencies or  
7 facilities.

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

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

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

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

23 (9) "Promising practice" means a practice that presents, based upon  
24 preliminary information, potential for becoming a research-based or  
25 consensus-based practice.

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

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

32 NEW SECTION. **Sec. 3.** (1) No later than December 1, 2013, the  
33 department shall enter into performance-based contracts for the  
34 provision of family support and related services. The department may  
35 enter into performance-based contracts for additional services, other  
36 than case management, in future procurements.

1 (2) Beginning December 1, 2013, the department may not renew its  
2 current contracts with individuals or entities for the provision of the  
3 child welfare services included in performance-based contracts under  
4 this section for services in geographic areas served by network  
5 administrators under such contracts, except as mutually agreed upon  
6 between the department and the network administrator to allow for the  
7 successful transition of services that meet the needs of children and  
8 families.

9 (3) The department shall conduct a procurement process to enter  
10 into performance-based contracts with one or more network  
11 administrators for family support and related services designed to  
12 improve family functioning, prevent children from entering out-of-home  
13 care, or to support reunification efforts when placement is  
14 unavoidable.

15 (4) As part of the procurement process, following the selection of  
16 the network administrators, the department, in collaboration with the  
17 network administrators, shall consult with, but not be limited to,  
18 department caseworkers, the exclusive bargaining representative for  
19 employees of the department, tribal representatives, parents who were  
20 formerly involved in the child welfare system, youth currently or  
21 previously in foster care, child welfare services researchers, and the  
22 Washington state institute for public policy to assist in identifying  
23 the array of family support and related services that will be included  
24 in the provider network. In identifying services, the department, in  
25 collaboration with the network administrators, must review current data  
26 and research related to the effectiveness of family support and related  
27 services, and prioritize those services that are most critical to the  
28 mitigation of child safety concerns and are evidence-based or research-  
29 based, while remaining cognizant of the need for diverse and culturally  
30 appropriate services. Expenditures for family support and related  
31 services purchased under this section must remain within the levels  
32 appropriated in the operating budget.

33 (5)(a) Network administrators shall, through subcontracts with  
34 service providers:

35 (i) Assist caseworkers in meeting their responsibility for  
36 implementation of case plans and individual service and safety plans;  
37 and

1 (ii) Provide the family support and related services included in a  
2 child or family's case plan or individual service and safety plan  
3 within funds available under contract.

4 (b) While the department caseworker retains responsibility for case  
5 management, nothing in this act limits the ability of the department to  
6 continue to contract for the provision of case management services by  
7 child-placing agencies, behavioral rehabilitation services agencies, or  
8 other entities that provided case management under contract with the  
9 department prior to July 1, 2005.

10 (6) In conducting the procurement, the department shall actively  
11 consult with other state agencies with relevant expertise, such as the  
12 health care authority, and with philanthropic entities with expertise  
13 in performance-based contracting for child welfare services. The  
14 director of the office of financial management must approve the request  
15 for proposal prior to its issuance.

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

21 (8) The procurement and resulting contracts must include, but are  
22 not limited to, the following standards and requirements:

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

26 (b) The use of parents and youth who are successful veterans of the  
27 child welfare system to act as mentors through activities that include,  
28 but are not limited to, helping families navigate the system,  
29 facilitating parent engagement, and minimizing distrust of the child  
30 welfare system;

31 (c) The establishment of qualifications for service providers  
32 participating in provider networks, such as appropriate licensure or  
33 certification, education, and accreditation by professional accrediting  
34 entities;

35 (d) Adequate provider capacity to meet the anticipated service  
36 needs in the network administrator's contracted service area. The  
37 network administrator must be able to demonstrate that its provider  
38 network is culturally competent and has adequate capacity to address

1 disproportionality, including utilization of tribal and other ethnic  
2 providers capable of serving children and families of color or who need  
3 language-appropriate services;

4 (e) Fiscal solvency of network administrators and providers  
5 participating in the network;

6 (f) The use of evidence-based, research-based, and promising  
7 practices, where appropriate, including fidelity and quality assurance  
8 provisions;

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

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

14 (i) Network administrator compliance with applicable provisions of  
15 intergovernmental agreements between the state of Washington and tribal  
16 governments and the federal and Washington state Indian child welfare  
17 act.

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

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

37 (11) The use of performance-based contracts under this section must  
38 be done in a manner that does not adversely affect the state's ability

1 to continue to obtain federal funding for child welfare-related  
2 functions currently performed by the state and with consideration of  
3 options to further maximize federal funding opportunities and increase  
4 flexibility in the use of such funds, including use for preventive and  
5 in-home child welfare services.

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

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

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

32 NEW SECTION. **Sec. 5.** (1) On an annual basis, beginning in the  
33 2015-2017 biennium, the department and contracted network  
34 administrators shall:

35 (a) Review and update the services offered through performance-  
36 based contracts in response to service outcome data for currently

1 contracted services and any research that has identified new evidence-  
2 based or research-based services not included in a previous  
3 procurement; and

4 (b) Review, and make public, service utilization and outcome data  
5 to determine whether changes are needed in procurement policies or  
6 performance-based contracts to better meet the goals established in  
7 section 1 of this act.

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

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

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

32 NEW SECTION. **Sec. 7.** For the purposes of the provision of child  
33 welfare services by provider networks, when all other elements of the  
34 responses to any procurement under section 3 of this act are equal,  
35 private nonprofit entities, federally recognized Indian tribes located



1 in this state, and state employees must receive primary preference over  
2 private for-profit entities.

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

5 ~~(1) ((No later than July 1, 2011, the department shall convert its~~  
6 ~~current contracts with providers of child welfare services into~~  
7 ~~performance based contracts. In accomplishing this conversion, the~~  
8 ~~department shall decrease the total number of contracts it uses to~~  
9 ~~purchase child welfare services from providers. The conversion of~~  
10 ~~contracts for the provision of child welfare services to performance-~~  
11 ~~based contracts must be done in a manner that does not adversely affect~~  
12 ~~the state's ability to continue to obtain federal funding for child~~  
13 ~~welfare related functions currently performed by the state and with~~  
14 ~~consideration of options to further maximize federal funding~~  
15 ~~opportunities and increase flexibility in the use of such funds,~~  
16 ~~including use for preventive and in home child welfare services.~~

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

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

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

28 ~~((3))~~ (2) No later than December 30, ~~((2012))~~ 2015, for families  
29 and children provided child welfare services by supervising agencies in  
30 the demonstration sites selected under RCW 74.13.368(4)(a), the  
31 department is responsible for only the following:

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

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

1 (c) Providing child protection functions and services, including  
2 intake and investigation of allegations of child abuse or neglect,  
3 emergency shelter care functions under RCW 13.34.050, and referrals to  
4 appropriate providers; and

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

6 ~~((+4))~~ (3) No later than December 30, ~~((2012))~~ 2015, for families  
7 and children provided child welfare services by supervising agencies in  
8 the demonstration sites selected under RCW 74.13.368(4)(a), the  
9 department may provide child welfare services only:

10 (a) For the limited purpose of establishing a control or comparison  
11 group as deemed necessary by the child welfare transformation design  
12 committee, with input from the Washington state institute for public  
13 policy, to implement the demonstration sites selected and defined  
14 pursuant to RCW 74.13.368(4)(a) in which the performance in achieving  
15 measurable outcomes will be compared and evaluated pursuant to RCW  
16 74.13.370; or

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

25 ~~((+5))~~ (4) For purposes of this chapter, on and after September 1,  
26 2010, performance-based contracts shall be structured to hold the  
27 supervising agencies accountable for achieving the following goals in  
28 order of importance: Child safety; child permanency, including  
29 reunification; and child well-being.

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

1 if the department continues to otherwise provide such services, or with  
2 federal agencies.

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

5 (1) Based upon the recommendations of the child welfare  
6 transformation design committee, including the two sets of outcomes  
7 developed by the committee under RCW 74.13.368(4)(b), the Washington  
8 state institute for public policy is to conduct a review of measurable  
9 effects achieved by the supervising agencies and compare those  
10 measurable effects with the existing services offered by the state.  
11 The report on the measurable effects shall be provided to the governor  
12 and the legislature no later than April 1, (~~(2015)~~) 2018.

13 (2) No later than (~~June 30, 2011~~) December 1, 2014, the  
14 Washington state institute for public policy shall provide the  
15 legislature and the governor an initial report on the department's  
16 conversion to the use of performance-based contracts as provided in  
17 (~~(RCW 74.13.360(1))~~) sections 3 and 4 of this act. No later than June  
18 30, (~~(2012)~~) 2016, the Washington state institute for public policy  
19 shall provide the governor and the legislature with a second report on  
20 the (~~(department's conversion of its contracts to performance-based~~  
21 ~~contracts)) extent to which the use of performance-based contracting  
22 has resulted in:~~

23 (a) Increased use of evidence-based, research-based, and promising  
24 practices; and

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

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

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

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

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

- 1 (i) The governor or the governor's designee;
- 2 (ii) Four private agencies that, as of May 18, 2009, provide child  
3 welfare services to children and families referred to them by the  
4 department. Two agencies must be headquartered in western Washington  
5 and two must be headquartered in eastern Washington. Two agencies must  
6 have an annual budget of at least one million state-contracted dollars  
7 and two must have an annual budget of less than one million state-  
8 contracted dollars;
- 9 (iii) The assistant secretary of the children's administration in  
10 the department;
- 11 (iv) Two regional administrators in the children's administration  
12 selected by the assistant secretary, one from one of the department's  
13 administrative regions one or two, and one from one of the department's  
14 administrative regions three, four, five, or six;
- 15 (v) The administrator for the division of licensed resources in the  
16 children's administration;
- 17 (vi) Two nationally recognized experts in performance-based  
18 contracts;
- 19 (vii) The attorney general or the attorney general's designee;
- 20 (viii) A representative of the collective bargaining unit that  
21 represents the largest number of employees in the children's  
22 administration;
- 23 (ix) A representative from the office of the family and children's  
24 ombudsman;
- 25 (x) Four representatives from the Indian policy advisory committee  
26 convened by the department's office of Indian policy and support  
27 services;
- 28 (xi) Two currently elected or former superior court judges with  
29 significant experience in dependency matters, selected by the superior  
30 court judges' association;
- 31 (xii) One representative from partners for our children affiliated  
32 with the University of Washington school of social work;
- 33 (xiii) A member of the Washington state racial disproportionality  
34 advisory committee;
- 35 (xiv) A foster parent;
- 36 (xv) A youth currently in or a recent alumnus of the Washington  
37 state foster care system, to be designated by the cochairs of the  
38 committee; and

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

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

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

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

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

15 (3) The plan shall include the following:

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

18 (i) The target population;

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

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

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

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

26 (vi) That supervising agencies will provide culturally competent  
27 service;

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

30 (viii) Incentives to meet performance outcomes;

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

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

37 (d) Methods to address the effects of racial disproportionality, as

1 identified in the 2008 Racial Disproportionality Advisory Committee  
2 Report published by the Washington state institute for public policy in  
3 June 2008;

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

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

9 (g) Contract monitoring and evaluation procedures that will ensure  
10 that children and families are receiving timely and quality services  
11 and that contract terms are being implemented;

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

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

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

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

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

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

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

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

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

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

1 (p) A description of the costs of the transition, the initial  
2 start-up costs and the mechanisms to periodically assess the overall  
3 adequacy of funds and the fiscal impact of the changes, and the  
4 feasibility of the plan and the impact of the plan on department  
5 employees during the transition; and

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

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

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

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

25 (5) The committee shall determine the appropriate size of the child  
26 and family populations to be provided services under performance-based  
27 contracts with supervising agencies. The committee shall also identify  
28 the time frame within which cases will be transferred to supervising  
29 agencies. The performance-based contracts entered into with  
30 supervising agencies shall encompass the provision of child welfare  
31 services to enough children and families in each demonstration site to  
32 allow for the assessment of whether there are meaningful differences,  
33 to be defined by the committee, between the outcomes achieved in the  
34 demonstration sites and the comparison sites or populations. To ensure  
35 adequate statistical power to assess these differences, the populations  
36 served shall be large enough to provide a probability greater than  
37 seventy percent that meaningful difference will be detected and a

1 ninety-five percent probability that observed differences are not due  
2 to chance alone.

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

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

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

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

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

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

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

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

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



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

3       Not later than June 1, (~~2015~~) 2018, the governor shall, based on  
4 the report by the Washington state institute for public policy,  
5 determine whether to expand chapter 520, Laws of 2009 to the remainder  
6 of the state or terminate chapter 520, Laws of 2009. The governor  
7 shall inform the legislature of his or her decision within seven days  
8 of the decision. The department shall, regardless of the decision of  
9 the governor regarding the delivery of child welfare services, continue  
10 to purchase services through the use of performance-based contracts.

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

13       For purposes of this chapter:

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

24       (2) "Child" means:

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

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

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

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

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

1 (b) Protecting and caring for dependent, abused, or neglected  
2 children;

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

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

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

11 "Child welfare services" does not include child protection  
12 services.

13 (5) "Committee" means the child welfare transformation design  
14 committee.

15 (6) "Department" means the department of social and health  
16 services.

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

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

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

35 (10) "Performance-based contracting" means the structuring of all  
36 aspects of the procurement of services around the purpose of the work  
37 to be performed and the desired results with the contract requirements

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

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

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

12 (13) "Supervising agency" means an agency licensed by the state  
13 under RCW 74.15.090, or licensed by a federally recognized Indian tribe  
14 located in this state under RCW 74.15.190, that has entered into a  
15 performance-based contract with the department to provide case  
16 management for the delivery and documentation of child welfare  
17 services, as defined in this section. This definition is applicable on  
18 or after December 1, 2015.

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

**E2SHB 2264** - S AMD  
By Senators Hargrove, Stevens

**ADOPTED 03/01/2012**

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

--- END ---