
HOUSE BILL 2263

State of Washington 62nd Legislature 2012 Regular Session

By Representatives Kagi, Walsh, Carlyle, Ladenburg, Darneille,
Goodman, Fitzgibbon, Jenkins, Roberts, Ryu, and Kenney

Read first time 01/10/12. Referred to Committee on Ways & Means.

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; and creating a
4 new section.

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

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

18 (2) The legislature finds that the licensed out-of-home foster care
19 caseload has declined by eighteen percent from fiscal year 2008 to

1 fiscal year 2011. The legislature further finds that under the current
2 system, as caseloads decline, fewer state and federal funds are
3 available in the child welfare budget for prevention and reunification
4 services to continue improving outcomes.

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

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

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

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

26 (3)(a) The department of social and health services, in
27 collaboration with the office of financial management and the caseload
28 forecast council, shall develop a methodology for calculating the
29 savings under this section. The methodology must be used for the 2013-
30 2015 fiscal biennium, and for each biennium thereafter. The
31 methodology must establish a baseline for calculating savings. In
32 developing the methodology, the department of social and health
33 services shall incorporate the relevant requirements of any
34 demonstration waiver granted to the state under P.L. 112-34. If the
35 department does not receive a demonstration waiver, the department
36 shall use the 2013 fiscal year foster care appropriated funding as a
37 baseline in the methodology for at least five fiscal years. The

1 savings must be based on actual caseload and per capita expenditures.
2 By December 1, 2012, the department of social and health services shall
3 submit the proposed methodology to the governor and the appropriate
4 committees of the legislature. The methodology is deemed approved
5 unless the legislature enacts legislation to modify or reject the
6 methodology.

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

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

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

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

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