
HOUSE BILL 2337

State of Washington

63rd Legislature

2014 Regular Session

By Representatives Zeiger, Kagi, Magendanz, Sawyer, Jinkins, Parker, Walsh, Morrell, Farrell, Hayes, Lias, Kochmar, Freeman, Walkinshaw, Roberts, Clibborn, Dahlquist, Orwall, Tharinger, Habib, Robinson, and Goodman

Read first time 01/15/14. Referred to Committee on Early Learning & Human Services.

1 AN ACT Relating to public-private financing for prevention-focused
2 social services and health care services; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that there are
5 many prevention-focused social service programs and services for health
6 care that demonstrably result in positive impacts for individuals and
7 families that are cost-beneficial and that efficiently utilize
8 government resources. However, because government resources are
9 limited, the state is often unable to fund these programs or services.

10 (2) The legislature also finds that new, innovative financing
11 models, such as social impact bonds, are emerging, and these new models
12 allow the upfront investment of funds from nongovernment entities.
13 These upfront investments provide financing needed to provide
14 prevention-focused programs and services. These new, innovative
15 financing models provide an opportunity for governments to shift away
16 from a model of paying service providers for a defined quantity of
17 services to a model where providers are paid only upon the successful
18 achievement of agreed-upon financial and social outcomes.

1 (3) The legislature further finds that pay for success contracts
2 encourage partnerships between public, private, and philanthropic
3 sectors, emphasize accountability in the rendering of services, and
4 encourage the use of sophisticated program evaluations.

5 (4) The legislature intends to establish the Washington social
6 investment steering committee to develop and monitor the implementation
7 of at least one pilot program, financed by social impact bonds or other
8 public-private financing models, which delivers prevention-focused
9 services in areas such as early childhood development, child welfare,
10 mental health, juvenile justice, public assistance, or other identified
11 social or health care services.

12 NEW SECTION. **Sec. 2.** (1) The Washington social investment
13 steering committee is established. The steering committee shall be
14 composed of fourteen members, as identified in subsection (2) of this
15 section.

16 (2)(a) The president of the senate shall appoint one member from
17 each of the two largest caucuses of the senate.

18 (b) The speaker of the house of representatives shall appoint one
19 member from each of the two largest caucuses of the house of
20 representatives.

21 (c) The president of the senate and the speaker of the house of
22 representatives shall jointly appoint the following members:

23 (i) Two representatives from the office of financial management to
24 address policy and fiscal issues, respectively;

25 (ii) One representative from the office of the state treasurer;

26 (iii) One representative from the Washington state institute for
27 public policy;

28 (iv) One representative from a community development financial
29 institution;

30 (v) An expert in econometrics analysis and evaluation;

31 (vi) One representative from an entity that invests
32 philanthropically;

33 (vii) One representative from the University of Washington evidence
34 based practice institute;

35 (viii) One representative from a direct service provider; and

36 (ix) One consultant with knowledge and expertise in social impact
37 bonds.

1 (d) The cochairst of the steering committee shall be two legislative
2 members, one from the house of representatives and one from the senate.
3 The cochairst shall be from different caucuses. The cochairst shall
4 determine the meeting schedule for the steering committee.

5 (e) The steering committee may establish technical advisory
6 committees, as it deems necessary, and may consult with the relevant
7 human services or other state agencies.

8 (f) The first meeting of the steering committee must occur no later
9 than July 1, 2014.

10 (g) Staff support for the steering committee must be provided by
11 senate committee services and the office of program research.

12 (h) Private funding or grants must be used to provide for
13 facilitation and consulting services for the steering committee.

14 (3) No later than December 1, 2014, the steering committee shall
15 develop an implementation plan for at least one pilot program that uses
16 social impact bonds or other public-private financing mechanisms to
17 finance and deliver prevention-focused social or health care services.
18 The plan must include the following:

19 (a) Identification of the financing model to be used for the pilot
20 program, including a description of the financial mechanism for any use
21 of state funds and for obtaining private financing;

22 (b) Identification of target populations and services to be
23 provided in the pilot programs;

24 (c) Identification of specific and measurable outcomes to be
25 achieved in the pilot programs and establishment of baselines using
26 historical administrative data;

27 (d) Identification of the process to measure the identified
28 outcomes; and

29 (e) Legislative actions needed to implement the pilot program.

30 (4) No later than July 1, 2015, the office of financial management,
31 or a state agency designated by the office of financial management,
32 shall issue a request for proposal to implement the pilot programs
33 described in subsection (3) of this section.

34 (5) The pilot programs identified in subsection (3) of this section
35 must be implemented no later than January 1, 2016.

36 (6) No later than December 1, 2015, the steering committee must
37 provide a report to the legislature and the governor summarizing the
38 work of the committee.

1 (7) Beginning December 1, 2016, and annually throughout the
2 duration of the pilot programs, the steering committee must provide a
3 report to the legislature and the governor regarding the implementation
4 of the pilot programs and any recommendations for expanding the
5 utilization of social impact bonds or other public-private financing
6 mechanisms to finance and deliver prevention-focused social or health
7 care services.

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