HOUSE BILL REPORT
HB 2008

As Reported by House Committee On:
Appropriations

Title: An act relating to the budgeting process for core state services for children.

Brief Description: Addressing the budgeting process for core state services for children.

Sponsors: Representatives Kagi, Jinkins and Senn.

Brief History:
Committee Activity:
Appropriations: 2/15/17, 2/21/17 [DP].

Brief Summary of Bill

- Directs the Washington State Institute for Public Policy (WSIPP), in consultation with the Department of Social and Health Services (DSHS), to develop a single validated tool to assess the care needs of foster children, including whether Behavioral Rehabilitation Services (BRS) should be provided.
- Requires the Caseload Forecast Council to forecast the number of screened-in reports of child abuse or neglect and the number of children that require foster care-related services.
- Establishes that the Children's Administration services that must be forecasted and funded in maintenance level of the budget are:
  - social worker and related staff to receive, refer, and respond to screened-in reports of child abuse or neglect;
  - court-ordered parent-child and sibling visitation;
  - BRS placements if and when the DSHS implements a single validated assessment tool as developed by the WSIPP; and
  - foster care and adoption support services that are forecasted and funded in maintenance level under current practice.

HOUSE COMMITTEE ON APPROPRIATIONS

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Majority Report: Do pass. Signed by 20 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Caldier, Cody, Fitzgibbon, Hansen, Harris, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 10 members: Representatives Chandler, Ranking Minority Member; Buys, Condotta, Haler, Nealey, Schmick, Taylor, Vick, Volz and Wilcox.

Minority Report: Without recommendation. Signed by 3 members: Representatives MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Manweller.

Staff: Mary Mulholland (786-7391).

Background:

Operating Budget.
A two-year biennial operating budget appropriates funding for the operation of state government and is adopted every odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years after adoption of the biennial budget.

Although many elements of the budget process are contained in statute, others elements of the process reflect decisions made by the executive and legislative branches. In Washington, budget decisions are often categorized as being either a maintenance level or a policy level decision.

For the purposes of the four-year outlook, maintenance level has been defined to mean the estimated appropriations necessary to maintain the continuing costs of program and service levels either funded in the prior biennium or otherwise mandated by other state or federal law. Maintenance level items typically include adjustments for the forecasted changes in entitlement caseloads/enrollments and other mandatory expenses.

All other budget decisions are typically categorized as policy items. Examples include: creating a new program; eliminating a current program; increasing or decreasing vendor or employee payment rates; expanding or contracting program eligibility; and expanding or contracting the value of services provided by a program.

Department of Social and Health Services Children's Administration.
The Children's Administration (CA) is a program under the Department of Social and Health Services (DSHS) with responsibilities that include:

- receiving reports of child abuse or neglect and responding to reports that screen-in for intervention;
- providing temporary out-of-home placements for children who have been removed from their homes for safety reasons; and
- supporting families who adopt children from state foster care.

Child Protective Services.

Any person may call Child Protective Services (CPS) to report potential cases of child abuse or neglect. Intake CPS staff determine whether a report meets the following criteria to screen-in for child abuse or neglect:

- Is the victim under 18?
- If the allegation were true, would it meet the definition in the Washington Administrative Code of child abuse or neglect?
- Does the alleged subject have the role of parent or caregiver, is the alleged subject acting in loco parentis, or is the alleged subject unknown?

If the screening criteria are met, the intake workers refer the report for a CPS response. Screened-in reports are referred to one of two CPS pathways: traditional investigation or Family Assessment Response. Both CPS pathways focus on child safety and include an intervention by a CPS worker who conducts a face-to-face visit with the child and family to assess how the family may be engaged in services and whether the child is safe in the home. Reports that the intake worker determines to be higher-risk for child safety are referred for 24-hour response and traditional investigation. Reports determined by the intake worker to be low to moderate risk are referred for 72-hour response and may be referred for either an investigation or FAR.

There is no official forecast of the total number of CPS reports or of CPS reports that screen-in for response.

Temporary Out-of-Home Placements.
If the CPS social worker who responds to the report determines that the child is unsafe in the home, the child may be removed and placed in a temporary out-of-home placement until he or she can return to the home safely or be placed in another safe and permanent living arrangement. There are multiple types of temporary out-of-home placements including licensed family foster care, relative or kin placements, and Behavioral Rehabilitation Services (BRS).

Licensed Family Foster Care.
Licensed foster families receive monthly maintenance payments for the costs of caring for a child. Family foster care rates vary by the child's age and whether the child requires higher levels of nonroutine caretaking, as determined by a standardized rate assessment tool. On a case-by-case basis, the CA may enter into exceptional cost plans with foster families to provide rates that exceed the regular rates.

Behavioral Rehabilitation Services.
Behavioral Rehabilitation Services is designed to be a temporary, intensive service that utilizes a wraparound service approach for youth with high-level behavioral, medical, or mental health issues. Most BRS youth are served in out-of-home placements in congregate care settings or with specially trained foster families; it may also be provided as an in-home service. Contracted vendors provide BRS at monthly all-inclusive rates. On a case-by-case basis, the CA may enter into child-specific contracts with BRS vendors to provide rates that exceed the regular rate table. Regional CA BRS managers act as the gatekeepers for BRS referrals.

Two assessments are currently used for children in BRS. The Children's Functional Assessment Rating Scale must be completed by the BRS vendor for most youth within 14 days of BRS entry and within 30 days of exiting BRS. The Wraparound with Intensive Services screen is completed upon BRS referral and every six months during the youth's BRS stay to determine if the youth's needs could be met with in-home wraparound mental health services in place of BRS.

Visitation.
Children in temporary out-of-home placements receive visitation with their parents and siblings when the court determines visitation to be in the best interest of the child. Visits may be provided by contracted visitation vendors, CA social workers, or other appropriate persons. The level of supervision, frequency, and duration of visitation is determined by the court and often reflects recommendations of the child's CA social worker.

Caseload Forecast Council.
The Caseload Forecast Council (CFC) is a state agency charged with preparing official state forecasts of the number of persons expected to meet entitlement requirements and to require the services of certain public assistance programs, including foster care, adoption support, the prison population, K-12 students, Medicaid, and other specified programs. The CFC itself consists of two individuals appointed by the Governor, and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the Senate and the House of Representatives.

Budgeting Processes for Children's Administration Services.
Funding for some CA services are adjusted annually in maintenance level of the budget on the basis of actual and forecasted caseloads and per-capita costs. Children's Administration services for which funding is currently adjusted in maintenance level of the budget in part using current caseload forecasts are:

- foster care maintenance payments;
- child-placing agency (CPA) management fees;
- child care for children in foster care or relative placements when their foster parents are at work or school;
- child aides for children in foster care;
- support goods for children in foster care;
- Extended Foster Care (EFC) maintenance payments and related EFC expenses; and
- adoption support and other adoption-related expenses.

Funding for BRS and for visitation services was adjusted in maintenance level through the forecast process until the 2009-11 biennial budget and 2010 supplemental budget, respectively, when the Legislature chose to begin treating all funding changes for these items as policy decisions.

Funding for staff including CPS workers is not adjusted annually in maintenance level on the basis of actual and projected workload.

Washington State Institute for Public Policy.

The Washington State Institute for Public Policy (WSIPP) is a nonpartisan entity that conducts research and benefit-cost analyses at the direction of the Legislature.

Summary of Bill:

The WSIPP, in consultation with the DSHS, must develop a single validated tool to assess the care needs of foster children. Once the tool is available statewide, the DSHS must use it to assess the care needs of foster children, including but not limited to, whether the DSHS must provide BRS. The DSHS must notify the CFC, Office of Financial Management, and the appropriate legislative committees when it begins statewide use of the tool.

The CFC forecast of the foster care caseload is revised to include BRS and court-ordered visitations. In addition, the CFC must forecast the number of reports screened in for child abuse or neglect.

The following foster care and adoption support services must be budgeted in maintenance level:

- those that are currently treated as maintenance level costs, including but not limited to:
    - foster care maintenance payments;
    - CPA management fees;
    - child care for children in foster care or relative placements when their foster parents are at work or school;
    - child aides for children in foster care;
    - support goods for children in foster care; and
    - adoption support and other adoption-related expenses.

- certain specified items not currently treated as maintenance level:
    - court-ordered parent-child and sibling visitation;
    - social worker and related staff to receive, refer, and respond to screened-in reports of child abuse or neglect; and
    - BRS placements, if and only if the DSHS uses a single validated assessment tool statewide to determine care needs and BRS referrals.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The CA has a number of services that are forecasted and a number that are not. The biggest holes among non-forecasted services are supervised visitation, CPS child care, evaluations and treatment services, and BRS. Returning certain services to the forecast process will assist the CA and help avoid the need to make difficult decisions around how to use limited resources. From an outsider's perspective, there is little logic around which CA services are forecasted and which are not. Forecasting brings predictability and stability to the budget process. Certain services must be provided when children are in foster care, and resources need to be found somewhere.

The BRS caseload has declined from about 1,000 youth in 2009, when it was removed from the forecast, to about 600 youth now. The BRS spending declined from $71 million in 2009 to $61 million this fiscal year.

When BRS was created in 1994, legislation called for an assessment tool, but it never materialized. Now there is a good referral and assessment process between the CA and BRS vendors, but there needs to be a system that can be used going forward. The CA has a number of tools that it uses to determine the appropriate placement for a child and would ask to work with the WSIPP on a single assessment tool so that the wheel is not reinvented.

Supervised visitation costs have increased as expectations around the frequency of visitation have increased and as the CA spends more to transport children to and from visits. Spending on contracted visitation services increased from about $3 million in 2003 to about $17 million this fiscal year, partly due to the time it takes to transport kids.

Research on parent-child visitation shows that children who have regular, frequent contact with their family while in out-of-home care receive benefits such as increased likelihood of successful reunification and shorter stays in out-of-home care. Investing in visitation can prevent the state from incurring costs later on. State law identifies visitation as the right of the family and the child.

(Opposed) None.

Persons Testifying: Jennifer Strus, Department of Social and Health Services; Laurie Lippold, Partners for Our Children; Alise Hegle, Washington State Parent Advocacy Committee; and Brian Carroll, Washington Association for Children and Families.

Persons Signed In To Testify But Not Testifying: None.