

Childrens Administration

010 - M2 - AC - PERFORMANCE BASED CONTRACTING

Agency Submittal: 11-2017-19-YR Agency Req

Budget Period: 2017-19

SUMMARY

Engrossed Second Substitute House Bill (E2SHB) 2264 (2012) directed Children’s Administration (CA) to implement performance-based contracts with network administrators for family support and related services statewide by December 30, 2019. In 2015, CA piloted this approach in eight counties in Region 1 (Ferry, Stevens, Pend Oreille, Grant, Lincoln, Spokane, Adams, and Whitman). CA requests \$4,316,000 GF-State to establish network administrators in Regions 2 and 3; and additional funding to cover subscription fees for the OLIVER data collection and reporting tool in Region 1.

PROBLEM STATEMENT

No later than December 30, 2019, CA is required under E2SHB 2264 to enter into performance-based contracts with regional network administrators for all family support and related services.

Family support and related services include:

- crisis intervention and basic home safety,
- family education and support, and
- assessments for families with complex needs.

Clients who receive these services include children and families involved in the child welfare system through a child protective services investigation or family assessment response. These services are critical to stabilizing the family home and preventing out of home placement and assisting parents with reunification once the child has been removed.

Under the network administrator model, CA contracts directly with the network administrator. The network administrator subcontracts with service providers and collects performance data for each provider. CA social workers have access to the performance data when selecting a particular service or provider for a family in crisis. CA does not currently have a mechanism to collect performance data.

In 2015, CA conducted a Request for Proposal (RFP) and entered into a contract with a network administrator in Region 1. The services provided by the network administrator were limited to parent-child visitation; and the service area included eight counties (Ferry, Stevens, Pend Oreille, Grant, Lincoln, Spokane, Adams, and Whitman).

The performance data collected on these services will be used to better control costs and improve the service delivery. CA plans to add additional services to this contract.



DSHS VISION

People are healthy • People are safe • People are supported • Taxpayer resources are guarded

DSHS MISSION

To transform lives

DSHS VALUES

Honesty and Integrity • Pursuit of Excellence • Open Communication • Diversity and Inclusion • Commitment to Service

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PROPOSED SOLUTION

To comply with E2SHB 2264, CA will issue a RFP for network administrators for Regions 2 and 3, which cover all of western Washington. This request will be issued by September 2016 with responses expected back by November 2016.

The Network Administrators responsibilities include:

- developing a robust network of providers
- collecting data on performance and monitoring provider contracts
- maintaining a comprehensive knowledge of available services,
- sharing the knowledge and performance data of available services with social workers and providers.

CA requests \$4,316,000 GF-State to implement network administrators in Region 2 and 3. This is an estimate of the overhead necessary to run a network administrator based on the pilot in Eastern Washington.

	Annual Estimate
Region 2 Network Administrator Contract	\$780,000
Region 3 Network Administrator Contract	\$1,300,000
Oliver License/Subscription Fees	\$78,000
Annual Estimate:	\$2,158,000

The results of the RFP will inform a more refined estimate. These results are expected in November 2016.

EXPECTED RESULTS

Based on the pilot in region 1, the statewide expansion of network administrators will:

- increase quality of services offered in each region,
- engage and recruit service providers,
- leverage private donations,
- experiment with new ways of providing services,
- collect and report on performance,
- increase organizational and business capacity, and
- improve client outcomes.

By funding this request, children and families in the child welfare system in Regions 2 and 3 will benefit from higher quality service delivery.

If this request is not funded, CA will not have adequate funding to comply with statewide implementation of network administrators. CA would cost contain in other services or reduce the available services to cover the overhead and administrative costs of the network administrator.

STAKEHOLDER IMPACT

Once Network Administrators are established, families in Western Washington would receive services more quickly. The networks should increase the services available and the quality of services for families in Western Washington. There will be more efficient and effective service referral for all families in the area. Providers may experience initial

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disruption but will be able to have better support both in business practices and data collection from the network administrators.

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OTHER CONNECTIONS

Performance Outcomes/Important Connections

1. Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Goal 5: Efficient, Effective & Accountable Government - Customer Satisfaction and Confidence - 1.1 Increase customer services.

2. The decision package meets the following DSHS' strategic objectives:

4.3: The average number of days to complete an employee investigation will decrease.

Identify other important connections or impacts below. (Indicate 'Yes' or 'No'. If 'Yes' identify the connections or impacts related to the proposal.)

- a) Regional/County impacts? No.
- b) Other local government impacts? No.
- c) Tribal government impacts? No.
- d) Other state agency impacts? No.
- e) Responds to specific task force, report, mandate or executive order? No.
- f) Does request contain a compensation change or require changes to a Collective Bargaining Agreement? No.
- g) Facility/workplace needs or impacts? No.
- h) Capital budget impacts? No.
- i) Is change required to existing statutes, rules or contracts? No.
- j) Is the request related to litigation? No.
- k) Is the request related to Puget Sound recovery? No.
- l) Other important connections? No.

3. Please provide a detailed discussion of connections/impacts identified above.

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Alternatives/Consequences/Other

- 4. What alternatives were explored by the agency, and why was this alternative chosen?** CA is required to implement performance based contracting per state law. CA is writing a broad RFP to ensure the department ends up with sustainable and innovative network administrators on the West side of the state.
- 5. How has or can the agency address the issue or need within its current appropriation level?** CA could only implement the new network administrator and cover unanticipated costs related to Oliver by reducing expenditures on services to children and families.
- 6. Does this decision package include funding for any IT-related costs (hardware, software, services, cloud-based services, contracts or IT staff)?**
 - No**
 - Yes (Include an IT Addendum)**

Fiscal Detail**010 - M2 - AC - Performance Based Contracting**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
001-1 General Fund-State	2,158,000	2,158,000	2,158,000	2,158,000
Total Cost	2,158,000	2,158,000	2,158,000	2,158,000

Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
FTEs	0.0	0.0	0.0	0.0

Performance Measure Detail

		Incremental Changes			
Activity:		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
Program: 010					
A010	Children's Administration Client Services Staff and Support	0	0	0	0
A011	Program Support for Children's Administration	0	0	0	0
No measures submitted for package					

Object Detail

		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
C	Professional Service Contracts	2,130,000	2,130,000	2,130,000	2,130,000
E	Goods and Other Services	28,000	28,000	28,000	28,000
Total Objects		2,158,000	2,158,000	2,158,000	2,158,000

DSHS Source Detail**Overall Funding**

Operating Expenditures		<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>
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Fund 001-1, General Fund-State**Sources Title**

0011	General Fund State	2,158,000	2,158,000	2,158,000	2,158,000
Total for Fund 001-1		2,158,000	2,158,000	2,158,000	2,158,000
Total Overall Funding		2,158,000	2,158,000	2,158,000	2,158,000