Proposed Study Questions: Child and Family Reinvestment Account Sunset Review

State of Washington Joint Legislative Audit and Review Committee February 2017

Why a Sunset Review of the Child and Family Reinvestment Account?

The 2012 Legislature passed SHB 2263, creating the Child and Family Reinvestment Account (account). The account was designed to maintain state funding for the foster care system even when caseloads decline.

The account is scheduled to sunset on June 30, 2018 unless the Legislature reauthorizes it. As directed in the Sunset Act (Chapter 43.131. RCW), JLARC staff will review the extent to which the administration of the account has complied with legislative intent and met its performance targets.

Account funded by savings from reduction in foster care caseload

The Department of Social and Health Services (DSHS) manages the foster care system and the account. SHB 2263 required DSHS to collaborate with the Office of Financial Management and the Caseload Forecast Council to develop a methodology to calculate general fund savings from a reduction in the foster care caseload. The savings are to be transferred to the account. The account can also be funded through appropriations and deposits from other public and private sources. Budget provisos limit expenditures from the account to the Family Assessment Response (FAR) program.

Study questions

The JLARC sunset review will address the following questions:

1) Did DSHS collaborate with the Office of Financial Management and the Caseload Forecast Council to create a methodology that meets statutory intent?
2) Are there adequate cost controls to ensure that account expenditures are related to the FAR program?
3) Has the methodology met its goal of calculating savings to fund the account?
4) Does the account duplicate other public or private sector activities?

The Legislature separately directed the Washington State Institute for Public Policy to evaluate outcomes of the FAR program. Their report is expected by December 2017.

Sunset review timeframe

Preliminary Report: September 2017 Proposed Final Report: December 2017

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Study team

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More about the Child and Family Reinvestment Account

Until enactment of SHB 2263, DSHS funding for foster care was based on caseload and per capita costs. Washington's foster care caseload declined 18 percent from state fiscal year 2008 to 2011. This decline reduced the amount of funds available for prevention and reunification programs. The account is meant to capture savings resulting from reduced caseloads and make them available for prevention services (i.e., keeping children out of foster care).

State funding methodology must reflect requirements from federal waiver

DSHS receives federal funding for child welfare programs, including foster care, from the U.S. Department of Health and Human Services. Like state funding, the amount of federal funding changes based on caseload and per capita costs.

States cannot use federal funding for prevention services without a waiver. In 2012, DSHS received a five-year waiver. This federal waiver allows DSHS to use the savings that result from reductions in foster care for a pilot project that aims to reduce entry into foster care. This pilot project is the Family Assessment Response program. The methodology used to calculate savings for the Child and Family Reinvestment Account must incorporate the requirements of the federal waiver.

JLARC Study Process