



**Agency Recommendation Summary**

The Department of Children, Youth and Families (DCYF) requests \$11,747,000 General Fund-State in the 2024 Supplemental Budget to address the agency’s need for temporary placement when no other placement is available for children and youth with intensive support needs. DCYF requests resources to increase the rate paid for Emergent Placement Services (EPS) placements for children and youth in foster care and to allow the agency to develop additional placement options for emergent circumstances.

**Program Recommendation Summary**

**010 - Children and Families Services**

The Department of Children, Youth and Families (DCYF) requests \$11,747,000 General Fund-State in the 2024 Supplemental Budget to address the agency’s need for temporary placement when no other placement is available for children and youth with intensive support needs. DCYF requests resources to increase the rate paid for Emergent Placement Services (EPS) placements for children and youth in foster care and to allow the agency to develop additional placement options for emergent circumstances.

**Fiscal Summary**

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
<b>Operating Expenditures</b>						
Fund 001 - 1	\$0	\$11,747	\$11,747	\$11,747	\$11,747	\$23,494
Total Expenditures	\$0	\$11,747	\$11,747	\$11,747	\$11,747	\$23,494

**Decision Package Description**

Children and youth are frequently placed into foster care under emergent circumstances. Usually, DCYF is able to place the child into an ongoing placement at the time the child is removed. However, there are also times when there is not placement available and DCYF needs to place the child in some form of “receiving care” while the caseworker seeks an appropriate, ongoing placement. There are also times when children and youth with high levels of mental health or behavioral health support needs “disrupt” from a placement because relative or family foster home can no longer meet their needs. If no other placement is available, DCYF may need to place them into a receiving care placement. Receiving care placements may include:

- Regular Receiving Care: A family foster home that services as a temporary placement for up to 30 days.
- Specialized Receiving Care: A family foster home prepared to receive children who are in conflict with their parents, have run away from care or other children with special needs for up to 30 days.
- Emergent Placement Services (EPS): A placement with a contracted service provider able to receive children and youth with high levels of support needs for up to 15 days.

DCYF is conducting a statewide analysis of the regional need for receiving care in the placement continuum. This analysis has revealed a need to bring on additional EPS providers on the Western side of the state. It has also revealed a need to stream-line receiving care contracts and use of temporary placements in order to meet the need while reducing placement instability for children and youth.

DCYF is requesting funding to: 1. Increase EPS rates in order to bring more beds on line in Western Washington; and 2. Address the need for intensive receiving care placements when children and youth have high levels of mental and behavioral health support needs.

**Emergent Placement Services (EPS) rate increase:**

EPS is a contracted, short-term placement option for children and youth in foster care when there is no other placement available. DCYF caseworkers may make a referral to EPS for crisis intensive resources when there is an emergent need for placement with no other placement options available. EPS providers are contractually required to accept 85% of referrals. A child or youth may be placed in an EPS placement for up to 15 days while the caseworker develops a transition plan and identifies a more permanent placement.

In 2018, the Legislature created EPS as a placement resource by allocating the necessary funding in the 2018 Supplemental Budget, (ESSB 6032 (2018), Section 202(23)). The EPS rate is now outdated and must be updated to stabilize this line of service and bring more beds online in Western Washington. DCYF contracted with Western Washington University to conduct a cost analysis which identified a need to increase the rate model assumptions to reflect salaries and wages sufficient to recruit and retain staff. In addition, the rate needs to increase to reimburse providers for incidentals needed for the youth, such as clothing, materials for activities and other basic supplies.

Payment Structure	Current Rate (Per bed per Month)	New Rate (Per bed per Month)
Monthly Occupancy Rate (FFS)	\$4,867	\$6,837
Monthly Base Rate (Fixed per Bed)	\$ 4,400	\$6,063
<b>Total</b>	<b>\$9,267</b>	<b>\$12,900</b>

This rate increase reflects the need for DCYF to enable providers to recruit staff for service delivery. DCYF is committed to public, transparent, and data driven methods for developing rate models that fully compensate providers for the cost of a service and supports worker well-being. This commitment includes several key strategies:

- Use of Employment Security Department’s published Occupational Employment and Wage Estimates to identify competitive wages.
- Partnering with service providers to understand costs in delivering the service.
- Modeling the cost of benefits for personal time off and single participant health care.
- Using contract requirements to ensure wages and benefits are used for worker well-being.

This analysis will support the agency to stream-line the contracts for these services to ensure consistency in the use of receiving care across the state, reduce placement moves for children and youth and better facilitate transitions from receiving care to ongoing placements.

**Meeting the need for emergent, intensive receiving care placements:**

Although the number of children in out of placement in Washington is decreasing, DCYF is seeing an increase in the acuity of mental health and behavioral health support needs of youth in care. Approximately, 10-15 children and youth in foster care need a Children’s Long-term Inpatient Program (CLIP) placement each year. However, wait-lists for CLIP beds range from three to six months. DCYF needs to be able to establish additional emergent, short and medium-term licensed placements across the state to meet this need. DCYF requests funding to allow DCYF to implement or develop more options for children and youth without placement.

**Assumptions and Calculations**

**Expansion, Reduction, Elimination or Alteration of a current program or service:**

The 2023-25 Biennial Budget includes \$13.6 million (\$12.4 million GF-S) for EPS. This decision package requests to increase the rate paid to providers to cover the actual cost of providing the service.

**Detailed Assumptions and Calculations:**

DCYF request \$11,747,000 General Fund State in the 2024 Supplemental Budget.

**Increase EPS Rates**

DCYF estimates a cost of \$2,441,376 beginning in FY25 to increase EPS rates to cover the cost of the service. The service costs were estimated based on a service model that includes assumptions regarding staffing models, personnel costs, overhead, and taxes. DCYF continues to examine assumptions behind rate models to ensure that proposed rates are reflective of provider costs and that all data are up-to-date. There are currently 46 EPS beds statewide and 10 authorized but not contracted, totaling 56 authorized beds.

The previous rate was \$9,267/month. The new proposed rate is \$12,900/month, which represents an increase of \$2,441,376 in annual funding. The increase is calculated as the variance of \$3,633 x 56 beds x 12 months = \$2,441,376

**Funding for Placement options**

DCYF estimates a cost of \$9,305,136 for approximately 38 beds placement options at an estimated average rate of \$20,406. The number of beds was estimated by the average number of youth in hotels and offices between January and July 2023. The bed cost is estimated as the average of all DCYF placement beds, plus a contingency that is assumed to be offered to providers who offer a 100% acceptance rate. The total cost is estimated as the average of all bed rates x \$20,406 x 38 estimated beds x 12 months = \$9,305,136

**Workforce Assumptions:**

Not applicable. Staff are not requested in this decision package.

## Strategic and Performance Outcomes

### **Strategic Framework:**

DCYF's strategic plan calls for reducing the number of children in out of home care by half. In order to achieve this goal, the length of time children and youth stay in foster care must be reduced by developing supportive and stable placements while a permanent placement plan is determined. EPS services provide crisis intensive services while a permanent plan is developed.

### **Performance Outcomes:**

This proposal will contribute to reducing the number of times a child or youth moves placements.

## Equity Impacts

### **Community outreach and engagement:**

Black and Indigenous children are over represented in the child welfare system in Washington. Additionally, children and youth in emergent placements are more likely to have mental health and disability diagnoses. As a result, children and youth in the intersection of race and disability face the greatest barriers to placement stability in the foster care system. The resources requested in this decision package will contribute to reducing the number of children and youth facing placement instability.

### **Disproportional Impact Considerations:**

Children and youth in emergent placements are disproportionately children with mental health and behavioral disabilities. This proposal will contribute to improving placement stability.

### **Target Populations or Communities:**

This request will address children and youth in foster care experiencing placement instability.

## Other Collateral Connections

### **Puget Sound Recovery:**

Not applicable

### **State Workforce Impacts:**

Not applicable

### **Intergovernmental:**

Not applicable

### **Stakeholder Response:**

Not applicable

### **State Facilities Impacts:**

Not applicable

### **Changes from Current Law:**

Not applicable

### **Legal or Administrative Mandates:**

Not applicable

### **HEAL Act Agencies Supplemental Questions**

Not applicable

**IT Addendum**

***Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?***

No

**Objects of Expenditure**

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
Obj. N	\$0	\$11,747	<b>\$11,747</b>	\$11,747	\$11,747	<b>\$23,494</b>

**Agency Contact Information**

Crystal Lester  
(360) 628-3960  
crystal.lester@dcyf.wa.gov