



STATE OF WASHINGTON
DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES
OFFICE OF THE SECRETARY

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September 16, 2020

David Schumacher
Director
Office of Financial Management
302 Sid Snyder Ave SW, Insurance Building
PO Box 43113
Olympia, WA 98504

SUBJECT: Department of Children, Youth, and Families Budget for Fiscal Year 2021-2023

Dear Director Schumacher:

On Monday we uploaded our Fiscal Year (FY) 2021-23 budget to the system. It was painful, as you might expect. We expect, and are ready to help the state address, a worldwide pandemic and the resulting economic downturn. What we're worried about is the sadly predictable increase in severe child abuse that we have seen after every other significant economic disruption in the past few decades.

Much of the savings is a result of work we have done to deliberately reduce the caseload in foster care. Our goal is to reduce this by a total of 50 percent over five years, and in our first year we are seeing the results: a 15 percent reduction. 35 percent to go. We're doing this with prevention, with careful attention to our practice standards on intake, and by working to reduce the length of time children experience in foster care. They should have a permanent home, as the chaos is not good for them.

You will see increases work their way into the per-capita costs of all of our systems as we make our delivery system resilient enough to handle the pandemic. This includes increased expenditures of personal protective equipment, technology to help enable required interactions digitally instead of in person where it is safe to do so, and in costs to handle shifts in placement as foster families or group homes experience Covid-19 outbreaks.

We are submitting several proposed increases, with a goal of reducing long-term costs and providing a more stable and less harmful system of care for adolescents. With a year of experience in running the Juvenile Rehabilitation (JR) system we see significant areas that must be strengthened. In order to reduce long-term costs to the state for additional incarceration, extended stays in foster care, teen pregnancies, and homelessness we need to ensure that our graduates have the ability to care for themselves. This means that they need to be on a solid educational pathway, have their physical and behavioral health needs met, and have housing lined up, and the income to support that housing into the future.

- Treatment. Long-term studies of our behavioral health treatment model show significant opportunities for improvement.
- Substance use disorder treatment. Only 1/3 of the youth with a diagnosed substance use disorder are provided with treatment, and the treatment model is not evidence-based. Much

like the federal court decisions on Hepatitis C treatment, SUD treatment is a due process right of youth who are incarcerated. Because of the antiquated way per-capita costs are calculated in JR's caseload forecast, the agency does not have funds to do this.

We are participating in a Legislative study of the institutional education system. This is not in our budget, but we expect that there will be additional support needed to ensure that incarcerated youth have the same right to an education that prepares them for citizenship under article IX in the state constitution. As you are aware, I spent a significant portion of my time in the Legislature working on the general education system's constitutional funding basis, and I believe that this small offshoot of it needs significant attention to avoid the same kind of lawsuit we saw in McCleary.

In addition to effective treatment and education, we're proposing a shift in how we house our clients in JR based on the theory that youth should be in the least restrictive setting possible. Less restrictive oddly turns out to also be less expensive, though our proposal has some initial cost to create additional space in community settings. We are also proposing legislation to allow electronic home monitoring for some youth, paired with support from our field staff. We expect significant dialog with you and the legislature about these options prior to and during session.

The pandemic has exposed a childcare system that does not work well for families in Washington. Safe childcare is inherently more expensive than most families not in the top 25-30 percent of the income distribution can afford. While I do not believe that we should create a shadow childcare system to replicate the K-12 system, many families are unable to afford the level of care they need to be able to go back to work. We have worked with you and the Legislature to make some changes for the remainder of the fiscal year, and I expect these to have significant effects on the take-up rate of subsidized childcare through the Working Connections program, which you will eventually see in the caseload forecast.

Finally, the Supreme Court of Washington decided *Greer* last week, and we expect that this will have substantial impact on how the child welfare system works with Native American children, imposing additional costs. The decision is quite extensive, but we do not completely understand it yet. We filed a placeholder decision package and expect to work with our sovereign tribal government partners to submit a more thoughtful, or at least not blank, decision proposal in the next few weeks once we have had time to understand the decision.

This will be a difficult budget. Previous versions of this letter have included plea for extensive investments in home visiting and high-quality pre-school. I still support these investments, but we are not proposing them until the economy returns to a more normal situation.

Should you have questions or concerns, please contact me directly by phone at (360) 407-7909 or via email at ross.hunter@dcyf.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Ross Hunter", with a stylized flourish at the end.

Ross Hunter
Secretary