

Testimony provided by Mark E. Courtney, Executive Director, Partners for Our Children, School of Social Work, University of Washington, to the Washington State Senate Committee on Human Services and Corrections, February 13, 2009, in reference to Senate Bill 5943 requiring performance-based contracts for the provision of child welfare services.

The State of Washington needs a much more rational division of labor between the public and private sector in delivery of child welfare services. Senate Bill 5943, which establishes a process to require performance-based contracts for the provision of most child welfare services, offers a vehicle for establishing such a division of labor. It has the potential to clarify the relationships between the activities of the public and private actors in the child welfare system and outcomes for children and families. Currently there are over 1000 distinct contracting vehicles used by the public agency to purchase services from the private sector. This leaves public agency workers struggling to keep track of an impossibly complex array of potential services for families. It fragments service delivery to an extent that makes it impossible to hold contract providers accountable for meaningful outcomes. Contracts that incorporate a more comprehensive range of services than is currently the case and that tie reimbursement to achievement of desired safety, permanency and well-being outcomes, the kinds of contracts called for in SB5943, are sorely needed. SB 5943 also calls for a narrower role for the public child welfare agency in direct service provision, but in the process frees up the public agency to focus more effectively on the essential functions of identification of risks to child safety, setting standards for child welfare services provision (e.g., licensing), monitoring the performance of private-sector service providers, and providing technical assistance to providers in order to encourage ongoing system improvement.

Currently, the business success of private sector child welfare service providers in Washington bears little or no relationship to their effectiveness in helping families. The performance-based contracting called for in this legislation offers the potential for private-sector providers to be rewarded for innovation that leads to better outcomes for children and families. It will encourage more effective private sector entities—those that achieve superior outcomes for children and families—to thrive, and less effective ones to adapt, be absorbed, or go out of business.

While the overall vision provided in the legislation is compelling, the devil is always in the details when it comes to such fundamental system transformation, and thoughtful implementation will be required if the legislation is to lead to improvement in outcomes for children and families. We should not underestimate how far our child welfare system is from the one envisioned in the legislation. The overall level of private sector service provision called for in the legislation is much larger than the current capacity of the private sector. That capacity cannot and will not appear overnight and attempts to develop private sector capacity too quickly will lead to unreliable and poor-quality services and unwanted agency failures. The current contracting scheme has helped foster a wide array of providers, many of them very small and very specialized, and arguably none of them experienced in pulling together under one organizational roof all of the services needed to carry out the functions of the “supervising agencies” envisioned in the legislation. For performance contracting to lead to ongoing

improvement in outcomes for children and families, there will need to be an effective strategy for moving from the current organizational landscape to one in which there are enough effective supervising agencies to create healthy competition between agencies. Also, time will be required to train private agency staff to carry out activities now reserved for public agency staff.

The restructuring called for by SB 5943 will also require new capacity on the part of the public child welfare agency. The Children's Administration (CA) has many capable and creative managers that can help implement the proposed transformation. Moreover, CA employees already carry out many of the tasks they would be responsible for under the proposed restructuring. However, administration within CA has primarily been focused on managing public employees in delivering child welfare services and only secondarily on contracting with the private sector. The agency has little to no expertise in outcome-based performance contracting. Agency leadership must be given the time and resources to master their new responsibilities for the transition to a new division of labor between the public and private sector to succeed.

In summary, I believe that SB5943, in laying the groundwork for a more rational child welfare services delivery system in Washington, has the potential to lead to significant improvements in outcomes for children and families. However, success in this endeavor will require a sober assessment of implementation challenges, the political will and patience to address those challenges, and willingness to change course along the way when that is called for. Partners for Our Children is pleased that the legislation offers us the opportunity to contribute to the implementation of this bold vision for the future of the child welfare system in Washington.