



Agency Recommendation Summary

The Department of Children, Youth and Families (DCYF) requests \$41,882,000 (\$35,948,000 General Fund-State) in the 2025-27 Biennial Budget to update rates for a variety of direct services offered to children and youth served in the Child Welfare (CW) program. DCYF proposes updates to following services: Combined in-Home Services (CIHS), Foster care basic rate for the age group of zero to five years old, Family Time (FT), and the Responsible Living Skills Program (RLSP).

Program Recommendation Summary

010 - Children and Families Services

The Department of Children, Youth and Families (DCYF) requests \$41,882,000 (\$35,948,000 General Fund-State) in the 2025-27 Biennial Budget to update rates for a variety of direct services offered to children and youth served in the Child Welfare (CW) program.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Staffing						
FTEs	0.0	0.0	0.0	0.0	0.0	0.0
Operating Expenditures						
Fund 001 - 1	\$17,974	\$17,974	\$35,948	\$17,974	\$17,974	\$35,948
Fund 001 - A	\$2,967	\$2,967	\$5,934	\$2,967	\$2,967	\$5,934
Total Expenditures	\$20,941	\$20,941	\$41,882	\$20,941	\$20,941	\$41,882
Revenue						
001 - 0393	\$2,967	\$2,967	\$5,934	\$2,967	\$2,967	\$5,934
Total Revenue	\$2,967	\$2,967	\$5,934	\$2,967	\$2,967	\$5,934

Decision Package Description

Current accurate and competitive rates are a cornerstone to having high quality services available for families. Some of DCYF CW rates were last updated using the 2019 entry level wage. Since 2019, costs have increased by 12.1% and consumer inflation has risen by an average of 3% per year ([link](#)) which has resulted in unprecedented changes impacting several key CW services.

The rate increases requested in the package do not involve any changes to policy or contract standards.

Foster Care Basic – Basic foster care rates are the reimbursement DCYF pays to licensed caregivers for the cost of care. The enacted 2024 supplemental budget included funding for a basic foster care rate increase in the 2025-27 biennium. However, funding in the outlook doesn't provide DCYF with appropriated funding. Therefore, DCYF is requesting funding for the basic foster care rate increase at the funding levels in the outlook in the Technical Correction decision package. This request includes funding for the foster care basic rate based on DCYF's updated cost model, which includes the cost of diapers for the zero to five age range which will change the basic rate to \$975 per month per youth.

Contracted Services- This service rate is more than 4 years old which DCYF has come to understand when costs and consumer inflation rise, contractors are increasingly forced to make decisions that compromise the quality and availability of the services DCYF is obligated to provide families of Washington, if the contractor rate is not adjusted due to the impact of inflation.

There are two dynamics that impact contracted providers to offer services:

1. Limited hiring pool – As wages increase in Washington and yet the rates for services do not, contractors are increasingly unable to hire and retain staff needed to deliver services that improve safety and well-being for the children and youth DCYF is required to serve.
2. Costs for running a business keeping pace with inflation- As inflation increases contractors need additional revenue to meet fixed operational costs. If the service rate is not adjusted to meet inflation, contractors will be forced to choose between maintaining operations or meeting the quality standards within the service contract, which could potentially diminished service availability from providers as increasing operational costs cannot be reduced.

This request focuses on contracted services that are most vulnerable to workforce fluctuations due to either length of time from the last rate setting or unique features of the workforce. The increases within Family Time, Combined In-Home Services, and Responsible Living Skills Program can be linked to supporting competitive wages, health insurance, and personal time off.

Family Time (FT)- FT is a contracted service that allows youth in DCYF care and custody to safely visit with their parent and siblings under direct supervision of the contracted provider while the current safety concerns are being addressed by the parents. These visits keep connections with the youth and their family so that transitions for the youth and to their family can be done more smoothly. It also helps to minimize the trauma that youth experience in out of home care. Staffing shortages due to wages have made hiring and retaining FT workers increasing challenging ([reference](#)) which has led to a decrease in FT service capacity.

Combined In-Home Service (CIHS) –CIHS services are an array of contracted services that DCYF can use on the front end of a case (Child Protective Services (CPS) or Family Alternative Response (FAR)) to help prevent out of home placement. These services are Evidence Based services (EBP) or promising practice services that meet the Family First Prevention Services Act (FFPSA) requirements. These services rely on therapists and counselors to deliver the services. The Washington workforce for counselors and therapists is estimated at up to an 80% shortage ([link](#)). The workforce shortage allows workers to be very selective in their jobs with the option to work at the highest paying jobs. DCYF CIHS rates are currently based on 2020 wages, making it extremely difficult for contractors to hire and retain staff.

Responsible Living Skills Program (RLSP)- This program is a reimbursement to providers that allows youth aged 16 through 17 years old to start to learn how to live more independently while providing staff supervision and assistance in long-term residential placement, obtaining educational and health services, along with training in independent living skills. The contracted rate for these services has not been refreshed for many years. At the current rate, providers are unwilling to provide the service at the current rates. The RLSP bed capacity is 10, with only 3 beds filled on average. This long overdue rate refresh will allow increase service availability with more providers willing to deliver this service.

Assumptions and Calculations

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

Historical expenditures based on current or previous rates are included in the detailed backup.

Detailed Assumptions and Calculations:

RLSP \$914,000 GF-S in FY2026 and ongoing.

This rate was last updated in 2009. Utilizing the current rate modeling calculations, DCYF determined that the previous monthly rate was preventing contractors from filling beds.

Number of beds	10
Current Rate/month	\$3,098
New Rate/month	\$10,746.6
New Yearly Cost (\$10,746 X10 beds)	\$1,289,592
Current Budget (\$3,098 x 10 beds)	\$375,000
Difference needed	\$914,000

Basic Foster Care \$1,734,000(\$1,041,000 GF-S) in FY2026 and ongoing.

The enacted 2024 supplemental budget included funding for the basic foster care adjustment in the outlook. However, funding in the outlook doesn't provide DCYF with the appropriation authority to implement the basic foster care rate. Therefore, DCYF requests funding to implement the basic foster care rate on July 1, 2025 based on the outlook funding levels in the Technical Correction decision package. This request includes funding the basic foster care rate based on DCYF's updated the cost model to include the cost of diapers for the ages zero to five which will change the basic rate to \$975 per month per youth. DCYF used the same number of children as was modeled and approved in the 2024 legislative session to determine the rate impact of 1,806 youth served per year (1,806 X \$80 rate difference = \$1,734,000).

# youth	rate variance	total new cost	GF-S	GF-F
1806	\$80	\$1,734,000	\$1,040,000	\$694,000

		Additional needed	GF-S	GF-F
	FY 26	\$1,734,000	\$1,040,000	\$694,000
	FY 27	\$1,734,000	\$1,040,000	\$694,000

Combined In Home Services \$5,871,000 GF-S in FY2026 and ongoing.

CIHS is an array of services that are intended to keep families together or can be used during the reunification process. These services are focused on helping parents gain an array of parenting skills that can mitigate child safety concerns in the home	FY25 Budget	% increase	\$ increase
Family Preservation Services (FPS)	\$12,218,007	12.8%	\$1,565,127
Functional Family Therapy (FFT)	\$970,000	30.0%	\$291,000
Parent Child Interactive Therapy (PCIT)	\$359,000	38.0%	\$136,420
Promoting First Relationships (PFR)	\$1,474,000	34.0%	\$501,160
Triple P	\$3,591,000	33.0%	\$1,185,030
SafeCare	\$3,541,000	17.0%	\$601,970
Incredible Years (IY)	\$1,079,000	32.0%	\$345,280
Intensive Family Preservation Services (IFPS)	\$5,582,000	22.0%	\$1,228,040
Crisis Family Intervention (CFI)	\$129,000	12.8%	\$16,525
		Total needed	\$5,871,000

Family Time \$12,422,000 (\$10,149,000 GF-S) in FY2026 and ongoing.

FT providers are responsible for all supervised visitation that is required as part of the case plan for children in DCYF care. This rate increase is requested for services providing safe supervised visitation for children and youth to maintain connections with their families while in an out of home placement.

	FY21/current	FY26	increase
Hrly Service Rate	\$37.19	\$47.51	28%
FY 25 budget	% increase	new total	Difference
\$44,366,000	28%	\$56,788,480	\$12,422,480
	Total	GF-S	GF-F
FY26	\$12,422,000	\$10,149,000	\$2,273,000
FY27	\$12,422,000	\$10,149,000	\$2,273,000

Workforce Assumptions:

N/A

Historical Funding:

RLSP:

FY24 budget \$375,382. This is for 10 beds statewide. The current monthly rate is \$3,098 per month per youth.

Basic Foster Care-

FY26 funding approve in 2024 legislative session.

Age Group	Current Rate (2022) /Child/Month	Rate/Child/Month beginning 7/1/25	FY 2026 Approved Funding
Birth to 5	\$722	\$895	\$3,749,000
6 to 11	\$846	\$1,100	\$2,802,000
12+	\$860	\$1,034	\$1,739,000
Total			\$8,290,000

Combined In-Home Services:

Title	FY25 allotment
Family Preservation Services (FPS)	\$12,218,007
Functional Family Therapy (FFT)	\$970,000
Parent Child Interactive Therapy (PCIT)	\$359,000
Promoting First Relationships (PFR)	\$1,474,000
Triple P	\$3,591,000
SafeCare	\$3,541,000
Incredible Years (IY)	\$1,079,000
Intensive Family Preservation Services (IFPS)	\$5,582,000
Crisis Family Intervention (CFI)	\$129,000

Family Time:

	Total	GF-S	GF-F
FY25	\$44,366,000	\$36,247,022	\$8,118,978

Strategic and Performance Outcomes

Strategic Framework:

- This funding request supports:
- DCYF’s strategic goal to standardize rates paid to providers across service lines with a commitment to public, transparent and data-driven methods to fully compensate providers for the cost of service.
- DCYF’s strategic plan calls for reducing the number of children in out-of-home care by half. Adequately compensating providers who serve children and youth in foster care will reduce the need for out of home placement and reduce the length of time in out-of-home placements and improve outcomes for families.

Performance Outcomes:

To retain high quality providers.

Equity Impacts

Community Outreach and Engagement:

Not Applicable

Disproportional Impact Considerations:

Black and Indigenous children are overrepresented in the child welfare system in Washington.

Target Communities and Populations:

Children and youth in foster care are disproportionately impacted by mental health needs and behavioral disabilities.

Community Inputs and Incorporation:

Provider community was involved in rate model update discussions.

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

Not applicable.

Puget Sound Recovery:

Not applicable.

State Workforce Impacts:

Not applicable.

Intergovernmental:

Not applicable.

Stakeholder Impacts:

Not applicable.

State Facilities Impacts:

Not applicable.

Changes from Current Law:

Not applicable.

Legal or Administrative Mandates:

Not applicable.

Governor's Salmon Strategy:

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
	2026	2027	2025-27	2028	2029	2027-29
Obj. N	\$20,941	\$20,941	\$41,882	\$20,941	\$20,941	\$41,882

Agency Contact Information

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