



## Agency Recommendation Summary

The Department of Children, Youth, and Families (DCYF) requests \$22,063,000 (\$21,041,000 General Fund-State) and 4.0 Full Time Equivalents (FTE) in the 2025-27 Biennial Budget to continue to meet the agency's obligations under the Settlement Agreement in the D.S. lawsuit filed on behalf of children and youth experiencing placement instability. DCYF needs additional funding to implement the Emerging Adulthood Housing Program (EAHP), Hub Home system improvements, and to develop and expand receiving care resources to eliminate the use of placement exceptions including night-to-night foster care stays and improve placement stability as required by the agreement.

## Program Recommendation Summary

### 010 - Children and Families Services

The Department of Children, Youth, and Families (DCYF) requests \$21,335,000 (\$20,495,000 General Fund-State) and 1.0 Full Time Equivalents (FTE) in the 2025-27 Biennial Budget to continue to meet the agency's obligations under the Settlement Agreement in the D.S. lawsuit filed on behalf of children and youth experiencing placement instability. DCYF needs additional funding to implement the Emerging Adulthood Housing Program (EAHP), Hub Home system improvements, and to develop and expand receiving care resources to eliminate the use of placement exceptions including night-to-night foster care stays and improve placement stability as required by the agreement.

### 090 - Program Support

The Department of Children, Youth, and Families (DCYF) requests \$728,000 (\$ 546,000 General Fund-State) and 3.0 Full Time Equivalents (FTE) in the 2025-27 Biennial Budget to continue to meet the agency's obligations under the Settlement Agreement in the D.S. lawsuit filed on behalf of children and youth experiencing placement instability.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
<b>Staffing</b>						
FTEs	4.0	4.0	4.0	4.0	4.0	4.0
<b>Operating Expenditures</b>						
Fund 001 - 1	\$11,146	\$9,349	\$20,495	\$9,349	\$9,349	\$18,698
Fund 001 - A	\$799	\$41	\$840	\$41	\$41	\$82
Fund 001 - A	\$81	\$76	\$157	\$76	\$76	\$152
Fund 001 - C	\$13	\$12	\$25	\$12	\$12	\$24
Fund 001 - 1	\$281	\$265	\$546	\$265	\$265	\$530
Total Expenditures	\$12,320	\$9,743	\$22,063	\$9,743	\$9,743	\$19,486
<b>Revenue</b>						
001 - 0393	\$799	\$41	\$840	\$41	\$41	\$82
001 - 0393	\$94	\$88	\$182	\$88	\$88	\$176
Total Revenue	\$893	\$129	\$1,022	\$129	\$129	\$258

## Decision Package Description

In January 2021, plaintiffs filed a federal class action lawsuit on behalf of children and youth with behavioral health and developmental disabilities experiencing placement instability, including night-to-night foster care placements, hotel stays, and overnight stays in DCYF offices. In June 2022, DCYF reached a settlement agreement with plaintiffs, which requires the agency to make system improvements, offer services and support to class members, reduce the number of children in class, and eliminate placement exceptions. The enacted 2023-25 biennial budget provided funding to implement the required system improvements and help achieve the required outcomes. DCYF is requesting additional funding to address costs associated with four aspects of the settlement:

1. Costs associated with increasing the number of beds for Adolescent Transitional Living Program (ATLP) as part of the Emerging Adulthood Housing Program array of services.
2. Costs to implement the expanded Hub Home model.
3. Costs associated with the development of emergent facility based receiving care resources.
4. Funds for a Data, Research, and Implementation Manager to support implementation of D.S. system improvements.

### Emerging Adulthood Housing Program

The D.S. Settlement Agreement requires DCYF to develop and implement an array of supported housing statewide, known as the Emerging Adulthood Housing Program (EAHP), for 16 to 20-year-old youth and young adults. This program supports youth who want to live more independently in a successful transition to adulthood. The settlement agreement requires that DCYF allow all interested youth who qualify for the program to participate and to make good faith efforts to expand the program in DCYF regions where eligible youth must wait longer than 60 days to begin participation. To meet this requirement, DCYF must increase the array and capacity of EAHP services for youth and young adults transitioning out of foster care to respond to the requirements of the DS Settlement Agreement. Youth who enter the program are eligible to remain until they turn 21. DCYF is using ATLP as one model for developing supportive housing, as required under the agreement.

Adolescent Transition Living Program

DCYF requests \$3,153,000 GF-S in the 2025-27 biennium to expand the ATLP capacity by requesting funding to add 10 additional beds: five (5) in Region 4 and five (5) in Region 6. ATLP is one type of program designed to meet the needs of youth eligible for the EAHP. ATLP is a comprehensive program for dependent youth under Chapter 13.34 RCW, that provides transitional living and case management supports to ensure placement stability, promotes maintenance of mental health stability and well-being, and prepares youth for independent living. The enacted 2023-25 biennial budget funded a total of 33 beds across the six child welfare regions.

The beds in the current programs operating in Region 4 and Region 6 have successfully maintained a full census in their combined 14 placements. As of July 5, 2024, the total eligible population for EAHP in Region 4 was seventeen (17) and thirty-five (35) in Region 6. The current ATLP facility in Region 6 serves only females, leaving a gap in services for male adolescents. By adding five (5) beds for males in Region 6, DCYF can provide the necessary support and stability for this underserved population. Adding the additional 5 beds in Region 4 will move the agency toward meeting the access and capacity requirements under the settlement agreement.

**Hub Home Model**

DCYF requests \$245,000 GF-S in FY26 to comply with the settlement agreement’s requirement to build a statewide hub home model (HHM). The D.S. Settlement agreement requires DCYF to develop and implement HHM comprised of a minimum of one hub home group constellation per region to serve youth in the settlement class or at risk of entering the settlement class. The enacted 2023-25 biennial budget included funding for expansion of 15 new enhanced hubs, specifically to serve children and youth in the settlement class or who are at risk of entering the settlement class. Due to contracting delays associated contract negotiations and the complexity of the new contract, DCYF was unable to execute a contract during FY24. Therefore, DCYF requests this funding to be provided in FY26.

**Facility Based Receiving Care**

Under the D.S. Lawsuit and Settlement Agreement, DCYF is required to end the use of placement exceptions, including hotel and office stays, night-to-night foster care placements and placements in leased facilities. The D.S. settlement also requires DCYF to decrease the number of children and youth in class. The vast majority of children and youth who are D.S. class members meet the class criteria of five or more placements with the current placement less than a year.

DCYF uses placement exceptions for children and youth when there is an urgent or emergent need for placement and there is no ongoing or short-term licensed or unlicensed kinship placement available that can meet their needs. This includes no available receiving care resources. DCYF analysis of placement moves for children and youth in foster care indicate that addressing placement stability within the first 180 days of a child or youth entering care is crucial as outlined by the following data.

The July 2024 D.S. class report shows 15 (2 percent) of the 766 class members were in class solely because they had been in a placement exception. The proposed receiving care resources will provide immediate short-term stabilization options for these youth.

Placement stability in D.S. class data from July 2024, shows that 747 of the 766 class members (86 percent) had 5 or more placements. 22 class members (3 percent) experienced 5 or more placements within their first 180 days in care. In addition, children and youth with three or more placements are considered “at risk” for entering the class. On July 5, 2024, 1,569 of the 5,630 children and youth in DCYF’s care and custody had experienced three or more placements. Of these, 89 (5 percent) had been in care for less than 180 days and had already experienced three or more placements. Having emergent receiving care options that can immediately receive children and youth, will help youth stabilize without continued placement moves.

Licensed receiving care resources provide short-term placement for children and youth when there is an emergent need for placement and no ongoing placement is available. To meet the settlement agreement’s requirement to eliminate placement exceptions and reduce the number of children and youth in class, DCYF must expand receiving care resources and ensure those resources are available in the regions where children in need of those resources live. Available receiving care resources help to provide stable short-term placements while DCYF identifies ongoing placement resources, helping to eliminate the need for placement exceptions and improving placement stability. Group receiving Care (GRC) provides children and youth with an immediate placement when an ongoing placement with kin or community foster care is unavailable. Trained staff provide care for children and youth with a wide range of support needs until DCYF can identify an ongoing placement. Group receiving care is available 24 hours a day/365 day a year. Group Emergent Placement Services Receiving Care (EPS) provides immediate placement when youth are ages 12-17 and have moderately high to high levels of mental and behavioral health support needs. Children entering foster care need immediate access to placement resources that can support their needs to ensure they do not experience placement exceptions and can remain stable until DCYF locates an ongoing placement.

Below is a chart of the current number of beds by region and the number of needed beds to reduce placement instability and prevent unnecessary placement moves early in the case.

Current Capacity and Need for Receiving Care Beds							
		Eastern WA			Western WA		
<b>Region</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Group Receiving Care	Current	10	0	6	0	0	0
	Requesting	0	0	*	6	0	6
Group EPS Receiving Care	Current	22	10	0	0	5	8
	Requesting	0	0	0	5	0	5
Intensive Group Receiving Care	Current	0	0	0	0	0	0
	Requesting	0	0	0	3	0	3

\*No additional beds. Need to stabilize the current rates for the 6 beds to the modeled rate.

DCYF requests \$12,975,000 GF-S to increase rates for group receiving care, increase the number of group receiving care beds, expand EPS receiving care beds, and develop and implement an intensive group receiving care program, to comply with the settlement agreement's requirement to eliminate placement exceptions, including placements of children in leased facilities, and support a decrease in the size of the class. The proposed expansion to the contracted group receiving care and EPS continuum is as follows:

**Group Receiving Care (GRC):** Serves children under the age of 12 and accompanying siblings up to age 18 and sibling groups with a required 85 percent acceptance rate. Currently DCYF has a need for a total of 18 beds to be funded.

- Increase rates to fully fund six beds in the existing group receiving program in Region 3
- Expand capacity – establish six bed capacity in each of R4 and R6 (total 12 beds)

**Group EPS Receiving Care (EPS):** Serves youth ages 12-17 with moderately high to high levels of need with a required 85 percent acceptance rate. DCYF does not have any EPS beds in Region 4, and does not have a sufficient capacity in region 6.

- The enacted 2024 supplemental budget funded a rate increase for existing capacity. This did not include an increase in capacity.
- Funding for 10 additional beds in western Washington.

**Intensive Group Receiving Care:** Serves children ages 12-17 with the highest level of need with a required 100 percent acceptance rate. This is a new program type, with the goal of utilizing this new program to begin phasing out exceptional placements.

- Funding to establish six beds – three in FY26 and an additional three beds in FY27

### **Data, Research and Implementation Manager**

DCYF requests 1.0 FTE (MA5) Data, Research, and Implementation Manager to support D.S. system improvements, including (but not limited to): Hub Home model, Professional Therapeutic Foster Care, and Emerging Adulthood Housing Programs. This position will be utilized to align data collection and analysis for D.S. system improvements specific to the placement continuum. This will include using data to assess needs, gaps, eligibility criteria, referrals, and exit criteria for youth in the settlement class, and implementing a continuous quality improvement plan.

### **Fiscal Support for DS**

DCYF requests 3.0 FTE Fiscal Analyst 3 (FA3) staff to support all the various pay points within the DS settlement agreement. DCYF's fiscal staff are responsible for entries that open and close pay points, which results in an increased workload in supporting the DS requirements and services. Fiscal support for Hub Homes will require entries for opening and closing respite, hub home stipends, monthly hub home retainers, case aid, mileage, placement changes and respite payments. There will be an estimated 100 youth in hub homes. Fiscal support for Professional Therapeutic Foster Homes requires opening and closing monthly retainers, opening, validating, and closing payment points, such as mileage and case aides. Fiscal support for Referrals and Transitions requires opening and closing temporary situations for a youth in a second paid placement during the preplacement visits, opening, validating, and closing payment points for services such as, mileage, concrete goods, and transportation time.

### **Exceptional Placement Costs**

DCYF requests funding to offset the cost of leased facility placement exceptions. Youth in these settings are predominantly DS class members. DCYF has made significant progress with reducing the number of children and youth in all placement exception settings, however additional resources within the placement continuum are needed to fully eliminate the use of placement exceptions. Office stays have been eliminated and hotel stays have been significantly reduced. When placement exceptions are necessary, youth are in safer facilities that allow staff to assist and manage youth while they are waiting for their stable placement. DCYF has utilized leasing buildings and is internally staffing those buildings until the full placement continuum can be completed. Providing DCYF operated placement exceptions has resulted in youth achieving better outcomes and provided an alternative to hotel stays. DCYF anticipate that the use of hotels would increase if the alternative of leased facilities were eliminated prior to funding and implementation of the placement continuum. It is anticipated that the leased facilities will be phased out as capacity in the receiving care and other placement resources is established. With the increasing cost of exceptional placements, DCYF is requesting funding for the increased cost to lease the buildings and staff the exceptional placements until the placement continuum can be funded and implemented in FY27.

### **Plaintiff Fees**

DCYF requests the on-going funding for court monitor fees and plaintiff legal fees. The court monitor fees and the plaintiff legal fees are an ongoing requirement under the settlement agreement.

## **Assumptions and Calculations**

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

This funding request expands the service array required under the D.S. settlement.

### **Detailed Assumptions and Calculations:**

#### **Adolescent Transition Living Program:**

Additional 10 beds x \$13,137 per month per bed= \$1,576,000 (GF-S) per year

Biennium total- \$3,153,000 (GF-S)

#### **Hub Home Model:**

Cost of Agency (DCYF) certification \$245,000 GF-S one-time funding in FY26

### **Facility Based Receiving Care As Follows:**

#### **1. Group Receiving Care**

\$15,243 per bed per month

18 beds x 15,243= \$3,292,000 per year

Biennium total- \$6,585,000,000 (GF-S)

**2. Intensive Group Receiving Care**

FY 26- 3 beds X \$29,362 per bed per month X 12 months = \$1,057,000 per year

FY 27- 6 beds X \$29,362 per bed per month X 12 months= \$2,114,000 per year

Biennium total- \$3,171,000 (GF-S)

**3. EPS Group Receiving Care**

DCYF requests to add 10 beds at the current EPS rate.

EPS cost per bed is \$13,413 per month.

Additional authority \$13,413 X 10 beds X 12 month equals \$1,610,000 per year (GF-S only)

Biennium total- \$3,220,000 (GF-S)

**Exceptional Placement Costs**

DCYF estimates that youth in a hotel cost approximately \$31,744 per youth per month. When DCYF implemented leased facility placement exceptions, it resulted in a cost offset to hotel stays. However, the cost of leased placement exceptions has increased and therefore, this is no longer the case. DCYF requests funding for the increased cost to support exceptional placements. DCYF is currently operating three different leased facilities in regions four and six. The cost varies for each facility depending on the number and type of staff needed, number of beds at each facility, cost of the lease, etc. Based on the cost estimates for a youth in hotel (room, staffing, food, activities, etc), DCYF calculated the difference for the cost per bed per month at each facility compared to the non-leased hotel placement. The per bed cost was then converted to an equal cost for the same number of youth who would have been in a hotel.

To determine the monthly difference DCYF used per bed per month and multiplied it by the number of beds at each facility and hotel to calculate an equal cost difference. The chart below shows the costs associated with each of the three facilities and the per bed per month cost difference for each program and the same number of youth that would be in a hotel. The monthly differences for each facility are totaled and then multiplied by 12 to calculate the yearly difference. The difference includes both facility costs (GF-S only) and staffing costs (GF-S and GF-F).

Monthly difference (\$84,301 + \$52,041 + \$143,682) X 12 months= \$3,360,000

# Beds	6	12	4
Leased per bed/month cost	\$45,794	\$36,081	\$67,665
Non leased placement exception cost per youth/month	\$31,744	\$31,744	\$31,744
Monthly variance	\$14,050	\$4,337	\$35,920
Monthly Difference	\$84,301	\$52,041	\$143,682

**FY26- \$3,360,000 (\$2,604,000 GF-S, \$756,000 GF-F) one-time funding**

**Plaintiff Legal Fees**

DCYF pays plaintiff legal fees. These fees vary per quarter depending on the amount of negotiating that occurs between the plaintiffs and DCYF. DCYF estimates the cost to be \$160,000 per quarter for plaintiff legal fees. \$160,000 per quarter X 4 quarters = \$640,000 per year.

25-27 Biennium \$1,280,000 GF-S

**Workforce Assumptions:**

**010- Child Welfare**

**Data, Research and Implementation Manager**

The cost for the 1.0 FTE (MA5) Data implementation specialist is \$165,000.

FY 26- \$165,000 (GF-S- 122,000; GF-F \$43,000)

FY 27- \$158,000 (GF-S- 117,000; GF-F \$41,000)

Biennium total- \$323,000 (GF-S- \$240,000; GF-F- \$83,000)

**090- Program Support**

**Fiscal Support**

The cost for the 1.0 FTE (FA3) Fiscal Analyst 3 is \$125,000.

DCYF requests 3.0 FTE X \$125,000=

FY 26- \$375,000 (GF-S- 282,000; GF-F \$93,000)

FY 27- \$354,000 (GF-S- 266,000; GF-F \$88,000)

Biennium total- \$729,000 (GF-S- \$548,000; GF-F- \$181,000)

### **Historical Funding:**

FY2026

Existing funding for current EPS beds \$8,853,000 (GF-S only)

Existing funding for current ATLP beds \$5,360,000 (GF-S only)

- Total Funds = \$14,341,000 GF-S

FY2027

Existing funding for current EPS beds \$8,853,000 (GF-S only)

Existing funding for current ATLP beds \$5,360,000 (GF-S only)

- Total Funds = \$14,341,000 GF-S

## Strategic and Performance Outcomes

### **Strategic Framework:**

DCYF's strategic plan calls for reducing the number of children in out of home care by half and creating successful transitions into adulthood. To achieve these goals, the agency must reduce the length of time children and youth stay in foster care by expanding placement options, engaging and incorporating youth and family voice in planning and providing youth and their families needed resources and supports.

### **Performance Outcomes:**

This proposal will reduce the number of children and youth who are deemed "in class" by:

1. Supporting older youth in transitioning to adulthood.
2. Reducing the number of times a child or youth moves placements.
3. Reducing the number of children and youth in intensive group care placements.
4. Eliminating the use of placement exceptions and night-to-night foster care placements

## Equity Impacts

### **Community Outreach and Engagement:**

Black and Indigenous children are overrepresented in the child welfare system in Washington. Additionally, children and youth in exceptional cost 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 in this decision package will: 1. Reduce the number of children and youth who are “in class” and facing placement instability; 2. Ensure children and youth with high placement instability are better served in the least restrictive environment; and 3. Support older youth in a successful transition to adulthood.

### **Disproportional Impact Considerations:**

Children and youth "in class" in the settlement agreement are disproportionately children with mental health and developmental disabilities. This proposal will reduce the number of children "in class" and improve placement stability.

### **Target Communities and Populations:**

The target population is children and youth in “in class” in the settlement agreement. They disproportionately are children with mental health needs and developmental disabilities. This proposal will reduce the number of children “in class” and increase placement stability.

### **Community Inputs and Incorporation:**

#### Emerging Adulthood Housing Programs

DCYF's proposal for the expansion of ATLP has been shaped by extensive community input, ensuring this proposal addresses the specific needs and concerns of foster youth and their communities. Input was used to develop a program that is comprehensive, culturally competent, and effective support to foster youth aging out of care, thereby promoting their successful transition to independent adulthood.

#### Hub Home Model

The Mockingbird Family HUB Model was created in partnership with the community, specifically to address needs of caregivers to children and youth placed in out-of-home care. DCYF engaged caregivers (licensed foster and kinship) in conversation about retention supports needed through various channels, Child Placing Agencies were consulted in consideration of utilizing the model, and advocates of youth experiencing foster care have provided feedback. Their insights were incorporated in the original proposal and continue to influence this additional request.

#### Receiving Care

DCYF has engaged current contracted providers in identifying what aspects of the program support youth and families in the present space and what is still needed. Contracted group receiving care providers continue to share their struggles with the current rate and payment structure. Monthly meetings have been established to provide support to current providers and to continue conversations on how to enhance and expand the receiving care continuum with their support.



## Other Collateral Connections

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

Not Applicable

### **Puget Sound Recovery:**

Not Applicable

### **State Workforce Impacts:**

Not Applicable

### **Intergovernmental:**

Tribal Governments: Although children and youth under tribal jurisdiction are not D.S. class members, tribes will have access to these resources to help care for their children and youth who require out-of-home care. As placement resources are developed and expanded under the lawsuit and settlement agreement, they are required to be culturally responsive and collaboration with Tribal Nations will be an important aspect of program development.

### **Stakeholder Impacts:**

Non-governmental stakeholders impacted by this proposal include organizations such as the Mockingbird Society, Treehouse, Casey Family Programs, schools, mental health/behavioral health organizations and other community-based organizations that provide support and direct service to children, youth and families. Parents, youth, licensed and unlicensed caregivers, including kin, and contracted placement providers are also key stakeholders.

DCYF anticipates support for this request but ongoing work to communicate and engage in planning and implementation will be key to our success.

### **State Facilities Impacts:**

Not Applicable

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

Not Applicable

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

This decision package is in response to a settlement agreement with plaintiffs in a class action lawsuit in U.S. District Court. DCYF must have the necessary resources at its disposal to achieve the outcomes that are required in order to exit the settlement agreement.

### **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. A	\$98	\$98	\$196	\$98	\$98	\$196
Obj. B	\$32	\$32	\$64	\$32	\$32	\$64
Obj. E	\$2	\$2	\$4	\$2	\$2	\$4
Obj. G	\$2	\$2	\$4	\$2	\$2	\$4
Obj. J	\$7	\$0	\$7	\$0	\$0	\$0
Obj. N	\$11,780	\$9,232	\$21,012	\$9,232	\$9,232	\$18,464
Obj. T	\$24	\$24	\$48	\$24	\$24	\$48
Obj. A	\$208	\$208	\$416	\$208	\$208	\$416
Obj. B	\$80	\$80	\$160	\$80	\$80	\$160
Obj. E	\$5	\$5	\$10	\$5	\$5	\$10
Obj. G	\$7	\$7	\$14	\$7	\$7	\$14
Obj. J	\$22	\$0	\$22	\$0	\$0	\$0
Obj. T	\$53	\$53	\$106	\$53	\$53	\$106

## Agency Contact Information

Crystal Lester  
 (360) 628-3960  
[crystal.lester@dcyf.wa.gov](mailto:crystal.lester@dcyf.wa.gov)