

Systems That Serve: Sustaining Performance-Based Contracting at Scale

The Washington State DCYF Performance-Based Contracting Initiative

When states consolidate agencies and mandate new ways of doing business, the hardest work often begins after the legislation passes. In 2017, Washington State merged child welfare, juvenile rehabilitation, and early learning into a single new agency, the Department of Children, Youth, and Families (DCYF), and required it by law to implement performance-based contracting across its entire portfolio.

That mandate covers roughly 1,200 contracts and nearly \$1 billion in biennial spending across Early Learning, Child Welfare Programs, Juvenile Rehabilitation, Tribal Services, and Partnership, Prevention, and Services, each with its own legacy systems, data infrastructure, and provider relationships to reconcile.

From 2018 to 2021, Third Sector partnered with DCYF, with support from the Ballmer Group, to translate that mandate into an operating model, building agency-wide governance, a shared-services/quality-outcomes framework, a cohort-based rollout, and equity standards from the start. Eight years later, that architecture remains DCYF's operating backbone across a system that has scaled from a four-group pilot to implementation.



Program Areas in Action

The project was implemented to deepen understanding, provide tailored support, and inform the long-term sustainability of CDEPs.

- **Early Learning (ECEAP)** paired strong longitudinal assessment data with embedded quality-improvement specialists, then lost five of about 30 staff without added coordination support.
- **Juvenile Rehabilitation** used existing client-tracking systems to catch data-entry discrepancies and adapted reporting to protect small, culturally responsive providers.
- **Child Welfare Programs** built dashboards that now automatically pull data from contractor systems, reducing manual entry and reporting burden.
- **Tribal Services** rebuilt contracts around logic models and reporting formats co-designed with Tribes, after early implementation excluded Tribal input.
- **Partnership, Prevention, and Services** adapted outcome measurement for voluntary, engagement-dependent programs where participation itself varies.



1,200+

Client-service contracts operate under performance-based contracting across DCYF's five program areas.



8 years

DCYF has scaled PBC from a four-group pilot in 2018 to agency-wide implementation.



~6 months

The average time it takes providers to fully trust a new performance-based contract group, per DCYF staff.

What Changed

→ Practices: Program areas built new infrastructure to track and act on performance

- Child Welfare Programs dashboards now automatically pull data from contractor systems, eliminating manual entry and reducing human error.
- ECEAP visualized longitudinal assessment data, making performance information accessible to contractors for the first time.
- Tribal Services moved from minimal, fund-focused reporting to structured quarterly reporting, cutting the risk of unused funds returned at period-end.
- Juvenile Rehabilitation adapted reporting requirements to avoid burdening small, culturally responsive community organizations.
- DCYF revised its PBC Logic Model agency-wide to distinguish proximal from distal outcomes.

→ People: Provider relationships shifted from oversight to partnership

- ECEAP staff described a shift from "when will you comply" to "how can we help."
- Child Welfare Programs staff estimate it takes about six months for a new contractor to fully trust the process.
- Tribal Services rebuilt trust by bringing Tribes into revising logic models and reporting formats, after early exclusion created concern and confusion.
- Juvenile Rehabilitation brought Tribes into data conversations early, rather than after requirements were already set.

→ Perspectives: Staff began treating performance data as a tool for learning, not just compliance

- Across program areas, staff described using dashboards for coaching and shared understanding rather than enforcement.
- Partnership, Prevention, and Services staff raised concerns about whether screening tools reflect the lived experience of the Native families they serve, pushing measurement design toward cultural responsiveness.
- Child Welfare Programs staff reframed conversations around what young people actually experience, rather than PBC terminology.

For more information, contact Managing Director of Workforce Pathways Jess Praphath at jpraphath@thirdsectorcap.org

www.thirdsectorcap.org

