

# 2014-16 Executive Progress Report

## Commonwealth of Virginia Secretary of Health and Human Resources

### Children's Services Act

#### At A Glance

During the 2015 Legislative session, Senate Bill 850 changed the agency name from Comprehensive Services for At Risk Youth and Families to the *Children's Services Act*. The mission of the Children's Services Act (CSA) is to create a collaborative system of services and funding that is child-centered, family-focused and community-based when addressing the strengths and needs of troubled and at-risk youths and their families in the Commonwealth.

**Staffing** 12 Salaried Employees, 2 Contracted Employees, 13 Authorized, and 0 Wage Employees.

**Financials** Budget FY 2015, \$271.69 million, 80.64% from the General Fund.

**Trends**

- ↑ Total annual program expenditure
- ↑ Youth served in the community
- ↓ Youth served in residential

**Key Perf Areas**

- ↑ Only community based services
- ↑ Intensive Care Coordination

**Legend** ↑ Increase, ↓ Decrease, → Steady

**Productivity Legend**

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to [www.vaperforms.virginia.gov](http://www.vaperforms.virginia.gov)

#### Background and History

##### Agency Background Statement

During the 2015 Legislative session, Senate Bill 850 changed the agency name from Comprehensive Services for At Risk Youth and Families to the *Children's Services Act*. The Office of Children's Services (Agency 200 - CSA) is responsible for oversight and support of local governments in the implementation of an innovative statewide system of care for at-risk youth and families. Through high quality technical assistance and training, high standards for sound fiscal accountability and responsible use of taxpayer funds, and use of data for continuous program evaluation and improvement, the agency strives to improve outcomes for youth and families and ensure the effective and efficient use of the Commonwealth's resources. The Office of Children's Services partners with a large and diverse group of state, local, public, and private stakeholders to ensure effective implementation of the Children's Services Act.

##### Major Products and Services

The primary products/outputs of the Office of Children's Services include:

- 1. State share reimbursement.** Local governments receive a formula-based reimbursement of state general fund for eligible services for youth and families purchased with local dollars. Local governments coordinate a wide array of services for eligible at-risk youth and families including, but not limited to, foster care services, private day and residential special education services, and behavioral health services. In the 2014 program year the agency served 14,972 youth at a cost of \$316.9 million (\$206.2 million general fund). An additional \$65.3 million was paid by the Department of Medical Assistance Services (DMAS) for Medicaid eligible CSA service expenditures.
- 2. Training and technical assistance.** A comprehensive array of technical assistance activities and robust training opportunities are provided to maximize the capacity of local governments and other stakeholders to implement best practices and maintain compliance with federal and state laws, regulations, and policies, as they apply to services and appropriate use of funds.
- 3. Program evaluation, utilization management, and utilization review.** The agency implements a comprehensive audit program; collects, integrates, analyzes, and reports data regarding local program performance; and provides oversight to ensure appropriate review of purchased services.

4. **Information technology.** The agency provides web-based information technology to support uniform assessment of children and youth, collect client-based demographic and service information, and support fiscal reporting and reimbursement processes.

## Customers

### Customer Summary

**Children, Youth, and Families:** Since FY 2009, the number of children served under the CSA has declined by 2,656 (FY 2009 = 17,628; FY 2014 = 14,972) representing a 15.1% decline. The decline is attributed primarily to the *Children's Services Systems Transformation* initiative, implemented in 2008, which supported implementation of an established "Practice Model" which values service to children within family and community based settings. The initiative is credited with reducing the number of youth coming into foster care, and therefore the overall number of youth served under the CSA, as well as reducing the number of youth served in restrictive, residential settings.

**Local Governments:** The Children's Services Act mandates local governments to establish multidisciplinary team structures in order to receive state pool funds for the purchase of services to eligible populations. There are 130 local government Community Policy and Management Teams (CPMT) established across the Commonwealth to receive state pool funds. The Office of Children's Services, in accordance with the Code of Virginia, is responsible for oversight of program administration; compliance with state policies and procedures; and the provision of training and technical assistance to localities in the provision of efficient and effective services.

**Private Providers:** The agency maintains a web-based statewide automated database of authorized vendors of services under the Children's Services Act; provides a model contract for local government contracting with private providers, offers training for providers on topics including best practice in service delivery, and provides data and reports evidencing program performance.

### Customer Table

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Child	Youth and families	14,972	16,000	Increase
Health Care	Service providers	1,200	1,300	Stable
Local or Regional Government Authorities	Local governments	130	130	Stable

## Finance and Performance Management

## Finance

### Financial Summary

For FY 2015, the agency is funded with general funding (\$217.4 million or 81%) and non-general funding (\$52.6 million or 19%). Just over \$28.5 million of the general fund is dedicated to Medicaid funding for residential services and treatment foster care-case management services, coupled with \$187.0 million general fund to reimburse local government with the state share reimbursement for pool fund service expenditures. The remaining \$1.9 million general fund is reserved for local government administrative funding, payment of the uniform assessment instrument, uniform web based reporting, partial procurement of data analytics services, and training.

Included in the FY15 appropriation is the transfer of administrative funding for the Children's Services from the Department of Social Services (DSS) of \$1.7M. In prior years, this administrative funding was appropriated to DSS, Agency 765, in a separate program and cost code. In order to provide transparency of overall operational costs of the CSA program, this administrative funding has been appropriated directly to CSA, Agency 200. The Office of Children's Services will continue to maintain its existing Memorandum of Understanding with DSS for on-going operational supports (i.e., support for fiscal, human resource, and information technology functional operations).

A total of \$43.2 million of the non-general funding is dedicated to Medicaid funding for residential services and treatment foster care-case management services. The remaining \$9.4 million is reserved to reimburse local governments for state share pool fund expenditures.

### Fund Sources

Fund Code	Fund Name	FY 2015	FY 2016
0100	General Fund	\$219,085,410	\$219,097,152
1000	Federal Trust	\$52,607,746	\$52,607,746

### Revenue Summary

The agency does not collect revenues.

## Performance

### Performance Highlights

Increasing utilization of community based services to decrease reliance on restrictive, residential placement is a key CSA performance

measure. Since 2008, several strategies have been implemented to decrease reliance on residential care including:

- In July 2008 the State Executive Council implemented an incentive match rate system designed to encourage implementation of best practice to serve youth in family-based settings and reduce reliance on residential care. The system provides tiered levels of state reimbursement, i.e., the locality pays 50% of its formula-based base match rate for community-based services and 25% above its base match rate for residential services.
- The *Children's Services Systems Transformation* initiative was implemented statewide. This initiative, supported by the Annie E. Casey Foundation, was designed to change local practice to increase use of community based services.

These two initiatives have been credited with reducing the overall service expenditures paid by the Children's Services Act, reducing the number of youth in foster care, and reducing the number of youth served in residential settings.

- Overall CSA expenditures declined from an apogee of \$380.5 million in the 2008 program year to \$316.9 million in the FY 2014 program year, a 16.7% decline in 6 years.
- Foster care case loads were reduced 31.9% between December 2007 and June 2014 (2007 = 7557; 2014 = 5147).
- Community based services represented 40.50% of total services in FY 2008 and increased to 44.7% in FY 2014.

While the *Children's Services Systems Transformation* initiative can be considered complete, focused discipline on aligning practice and policies will continue. In FY 2013, The Virginia Wraparound Center of Excellence (COE) was established through a four-year federal Substance Abuse and Mental Health Services Administration (SAMHSA) grant to the Department of Behavioral Health and Developmental Services. The mission of the COE is to bring the High Fidelity Wraparound model of care to scale in the Commonwealth. This mission is supported by the Code of Virginia's requirement for every locality to establish policy regarding the use of Intensive Care Coordination (ICC) and policy of the State Executive Council that providers of ICC be trained in High Fidelity Wraparound. The primary activity of the COE is the provision of training in High Fidelity Wraparound to ICC service providers and local CSA teams.

A key goal for CSA in the next biennium, as evidenced in the Biennial Plan of the State Executive Council, is continued support for implementation of a singular, unified system of care that ensures equal access to quality services for at risk youth across the Commonwealth. In the fall of 2013, the agency hired an Assistant Director who holds primary responsibility for advancing implementation of Virginia's system of care model statewide through assessment of community implementation; identification of outcomes and performance benchmarks; and coordinated training and technical assistance matched to community strengths and needs.

**Selected Measures**

Measure ID	Measure	Alternative Name	Estimated Trend
20045303.002.001	Percentage of CSA-funded youth receiving only community-based services compared to the total number of youth funded by CSA.	Only community based services	Improving
200.0003	Percentage of completed and in-process local audits compared to the total number of audits scheduled for the fiscal year.	Local audits	Improving
200.0004	Percentage of foster care children who are placed in family settings which are family and treatment foster care placements.	Family-based placements	Improving
200.0001	Percentage of youth receiving Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) services compared to the number of youth placed in residential settings.	Intensive Care Coordination	Improving

**Key Risk Factors**

Risk factors for the agency over the next biennium include the following:

- The agency's information technology applications were migrated from retired VITA servers in FY2013. The agency's longstanding, legacy applications were programmed in Cold Fusion, a language no longer supported by VITA. Conversion of applications into supported language (.Net) is being conducted through contracted IT support. The successful and timely conversion of applications presents an ongoing challenge given limited resources and the competing need to maintain essential operations, e.g., local financial reporting and reimbursement.
- Effective with FY 2014 OCS began collecting client specific expenditure data from local governments. Given the lack of a singular statewide data system, collected data lack standardization across localities. There is need to develop and implement standard data definitions which will require adjustment to local data applications. Reporting on services and program performance cannot be provided with the desired integrity prior to full implementation of data standardization. A workgroup of local representatives has begun this work with implementation of standardized data elements targeted for July 1, 2015.
- It is inherently difficult to forecast CSA costs at the state and local level due to the nature of the program. Costs are driven by multiple factors, many beyond state and local control, including: the number of eligible children requiring services; severity of presenting needs; availability, type and duration of services; service rates; client eligibility for and general availability of alternative funding sources; and local practice and policy changes.

## Agency Statistics

### Statistics Summary

The following statistics provide a snapshot of key CSA program outputs during the FY 2014 program year:

#### Statistics Table

Description	Value
Total number of youth served in FY 2014	14,972
Total youth served with a mental health diagnosis	6,620
Average age of youth served (years)	12
Percentage of youth served in community setting (2014)	45
Number of youth served in residential care (FY 2014)	1,932
Program year 2014 total expenditures	316,880,177

## Management Discussion

### General Information About Ongoing Status of Agency

The Office of Children's Services (OCS) is the administrative body of the State Executive Council for At-Risk Youth and Families (SEC), the supervisory council for the Children's Services Act. The Executive Director of OCS is hired by the SEC. The agency, under the leadership of the Executive Director, is responsible for implementing the decisions and policies of the SEC and is charged with responsibilities including consistent oversight for program administration and compliance with state policies and procedures; training and technical assistance to localities in the provision of effective and efficient services to at-risk youth and families; collection of data regarding CSA-funded services; and development and distribution of management reports.

The Department of Education serves as the fiscal agent for CSA service expenditures and disburses reimbursement to local governments on behalf of OCS. The Department of Social Services provides operational supports to OCS in areas of human resources, fiscal operations, and information technology.

### Information Technology

In 2012 the agency hired its first Information Technology Manager. This position plans and administers the technical and data operational activities for the CSA.

The agency will implement several major IT initiatives during the upcoming biennium including:

- Using data analytics for purposes of utilization management, program evaluation and program improvement.
- Implementing enhancements to the uniform assessment instrument (CANS) including: increased items for screening of trauma; increased report capabilities; and addition of a child welfare module.
- Conversion of existing IT applications to comply with operating and security requirements of the Commonwealth.
- Improving functionality of local government reporting.
- Enhancing management reports available to local governments, policy makers, and the public.

### Workforce Development

The agency is small with a staffing level of thirteen full-time-equivalent (FTE) positions, but funding for only twelve. Over the past three years, there has been increased attention to cross-training of expertise, sharing of responsibilities, and succession planning. A career development ladder has been drafted that will enable recognition of staff growth in knowledge, skills, abilities, and assumption of increased responsibilities. Implementation is dependent upon funding. The ability to attract and retain staff is a priority but presents ongoing challenges given the limited opportunities for professional advancement that exist within an agency of this size.

As possible the agency provides financial support for professional development activities including participation in conferences, educational opportunities, and membership in professional organizations.

### Physical Plant

The Office of Children's Services is physically located in leased office space located in Henrico County. Lease negotiations are coordinated by the Department of Social Services (DSS) pursuant to an agency memorandum of understanding; DSS coordinates the Capital Lease with General Services. Existing space is sufficient to house existing staff, however alternative arrangements may be necessary should additional staff be required in the future.