

2016-18 Strategic Plan

Children's Services Act [200]

Mission

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 youth and their families in the Commonwealth.

Vision

The Office of Children's Services (OCS) envisions the Children's Services Act (CSA) as a national model in providing effective and innovative systems of care statewide for Virginia's youth and their families. We strive for CSA to be highly regarded as a leader in: improving outcomes for children and their families; facilitating the highest quality technical assistance and training to strengthen the capacity of communities to implement CSA; maintaining high standards for sound fiscal accountability and responsible use of taxpayer funds; and partnering with families and all CSA stakeholders to implement best practices and technology to continually improve the performance of CSA. OCS strives to maintain an enthusiastic, creative and knowledgeable staff empowered to work with CSA stakeholders to sustain the highest quality system of care for Virginia's youth and their families. We embrace the concepts and philosophy of the Virginia Children's Services Practice and Family Engagement Models.

Values

Systems of Care: Promotes policies, uniform guidelines, services, funding, and practices that support systems of care in communities that can be tailored to meet the unique strengths, resources, and needs of youth, families, and communities.

Family Focused: Promotes working in partnership with families to ensure that the assessment, design, delivery, and management of service is family driven.

Continuum of Care: Provides access to a continuum of assessment, early intervention, treatment, and transition services and supports in communities.

Integrated Services across Agencies: Provides for integrated services and funding for youth and their families with designated care management to ensure multiple services are coordinated across agencies and evolve over time to meet the changing strengths and needs of children and their families.

Collaboration: Supports open communication, active participation, and collaboration among CSA stakeholders across all sectors and at all levels on program and fiscal policy development and service development, delivery, and management.

Fiscal Accountability: Ensures fiscal accountability in that funds are spent effectively, efficiently, and equitably, maximizing the use of all local, state, federal, and private funding streams.

Finance

Financial Overview

For Fiscal Year (FY) 2017, the agency budget is funded with general funds of \$237.7 million (81%) and non-general funds of \$52.6 million (19%). The 2017 General Assembly increased this appropriation to \$278.9 million for FY2017 and \$281.3 million general funds for FY2018. These increases are explained by programmatic growth over the past five years and anticipated continuing growth of 6% annually. Out of this appropriation, \$28.5 million of the general fund and \$43.2 million of the non-general funds are transferred to Department of Medical Assistance Services to support the state's share of Medicaid funding of residential treatment and treatment foster care management. Out of the overall general fund appropriation, \$2.46 million is reserved to provide local government administrative funding and to support the uniform assessment of youth, a uniform web based reporting system for local data, comprehensive data analytics, and training activities. The Virginia Department of Education serves as the fiscal administrative entity for these funds found in Item 285 of the Appropriation Act.

Included in the FY2017 appropriation is \$1.76 million for the administrative functions of the Office of Children's Services (OCS). This amount increases to \$1.85 million for FY2018. This appropriation is found in Item 286 of the Appropriations Act. OCS maintains a Memorandum of Understanding with the Virginia Department of Social Services (VDSS) to provide continued support of human resources and certain information technology and fiscal functions of OCS.

Biennial Budget

| | 2017 General Fund | 2017 Nongeneral Fund | 2018 General Fund | 2018 Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 237,676,729 | 52,607,746 | 236,817,533 | 52,607,746 |
| Changes to Initial Appropriation | 41,226,438 | 0 | 44,521,228 | 0 |

(Changes to Initial Appropriation will be 0 when the plan is created. They will change when the plan is updated mid-biennium.)

Customers

Anticipated Changes to Customer Base

The Office of Children's Services anticipates the customer base to remain stable through the biennium.

Current Customer List

| Predefined Group | User Defined Group | Number Served Annually | Potential Number of Annual Customers | Projected Customer Trend |
|--|---------------------------------------|------------------------|--------------------------------------|--------------------------|
| Child | Youth and families receiving services | 15,519 | 16,000 | Stable |
| Local or Regional Government Authorities | Local governments | 130 | 130 | Stable |
| Health Care | Private service providers | 1,345 | 1,400 | Stable |
| State Agency(s), | Partner State Agencies | 7 | 7 | Stable |

Partners

| Name | Description |
|---|---|
| Community Policy and Management Teams (CPMT) | Manager of local CSA administration pursuant to COV 2.2-5206 |
| Local elected and appointed government officials | Fiscally responsible stakeholder and member of local CPMT (COV 2.2-5206) |
| CSA Coordinators | Local employees who coordinate local CSA activities |
| Family Assessment and Planning Teams (FAPT) | Local team that coordinates child and family service needs pursuant to COV 2.2-5207 |
| Children and families | Partners in service planning |
| Parents | Partner in state and local implementation of CSA (COV 2.2-2648; COV 2.2-5206) |
| Virginia Department of Social Services | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| Virginia Department of Education | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| Virginia Department of Juvenile Justice | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| Virginia Department of Behavioral Health and Developmental Services | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| Virginia Department of Health | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| Virginia Department of Medical Assistance Services | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| The Office of the Executive Secretary of the Supreme Court | Partner in state implementation of CSA (COV 2.2-2648; COV 2.2-5201) |
| Private providers of children's services | Partner in state and local implementation of CSA (COV 2.2-2648 and COV 2.2-5206); Organizations that provide services to children |
| Local health districts | Partner in local implementation of CSA (COV 2.2-5206 and 2.2-5207); providers of certain children's services |
| Community Services Boards (CSB) | Partner in local implementation of CSA (COV 2.2-5206 and 2.2-5207); providers of certain children's services |
| Local Departments of Social Services (LDSS) | Partner in local implementation of CSA (COV 2.2-5206 and 2.2-5207); providers of certain children's services |
| Court Service Units (CSU) | Partner in local implementation of CSA (COV 2.2-5206 and 2.2-5207); providers of certain children's services |
| Local School Divisions | Partner in local implementation of CSA (COV 2.2-5206 and 2.2-5207); providers of certain children's services |
| Juvenile and Domestic Relations District Courts | Key stakeholder for many youth served under the CSA; Ex-officio partner in state implementation of CSA (COV 2.2-2648) |
| Virginia Association of Counties | Stakeholder |
| Virginia Municipal League | Stakeholder |
| Virginia Association of Community Services Boards | Stakeholder |

| | |
|--|-------------|
| Virginia Coalition of Private Provider Associations | Stakeholder |
| Virginia League of Social Service Executives | Stakeholder |
| Virginia Court Service Unit Directors Association | Stakeholder |
| Council of Administrators of Special Education | Stakeholder |
| Virginia Association of Local Human Services Officials | Stakeholder |

Agency Goals

- **Support implementation of a unified system of care that ensures equal access to quality services for at-risk youth across the Commonwealth. Chapter 52 of Title 2.2 (§ 2.2-5200 et seq) of the Code of Virginia.**

Summary and Alignment

A comprehensive system of care ensures that at-risk youth and families have access to high-quality services; youth are served in the least restrictive environments possible; funds and resources are effectively used in a flexible, coordinated, and sustainable way that is critical to the success of efforts to improve the coordination and impact of interventions; and services are culturally competent, trauma-informed, and client driven.

Associated State Goal

Health & Family: Inspire and support Virginians toward healthy lives and strong and resilient families.

Associated Societal Indicator

Foster Care

Objectives

- » **To maximize the number of youth served in community and family-based settings.**

Description

This objective supports the stated mission of the CSA to provide services that are community based and reflects Virginia's Practice Model which recognizes the importance of serving youth within families and within their home community to the greatest extent possible.

Objective Strategies

- Provide training and resources on best practices related to community-based services.
- Identify localities with lower than desired annual metrics on community-based services and offer tailored technical assistance.
- Continue fiscal incentives for the use of community-based services.

Measures

- ◆ Number of individuals trained as Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) facilitators and Family Support Partners.
- ◆ Number of participants at annual New CSA Coordinator Academy.
- ◆ Percentage of CSA-funded youth receiving only community-based services compared to the total number of youth funded by CSA.
- ◆ Percentage of foster care children who are placed in family settings which are family and treatment foster care placements.
- ◆ Percentage of youth receiving Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) services compared to the number of youth placed in residential settings.

- » **To promote the engagement of families in service planning and participation in services.**

Description

This objective supports the mission of CSA and is a hallmark principle of systems of care, i.e., that services must be family-focused. Families must be highly involved in all aspects of service planning including the identification of appropriate goals and strategies to achieve those goals.

Objective Strategies

- Provide training and technical support in topics including High Fidelity Wraparound and family engagement.
- Maximize family member participation on local FAPT/CPMT committees through making this a point of emphasis in local CSA program audits.

Measures

- ◆ Number of local CSA programs cited for failure to have the required parent representation on FAPT and/or CPMT during the triennial audit cycle

- ◆ Percentage of youth receiving Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) services compared to the number of youth placed in residential settings.

» **To maximize the use of Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) for children and youth who are in, or are at risk of placement in, residential settings to prevent unnecessary residential placements and to ensure that residential placements are of the shortest duration necessary to deliver effective treatment.**

Description

The use of intensive care coordination is recognized as a key component of an effective system of care and, as an evidenced-informed practice, produces positive impact on youth outcomes while reducing the cost of services.

Objective Strategies

- Provide training for CSA Coordinators, FAPTS, CPMTs, ICC/HFW coordinators, family support partners, and supervisors on ICC/HFW.

Measures

- ◆ Number of individuals trained as Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) facilitators and Family Support Partners.
- ◆ Percentage of youth receiving Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) services compared to the number of youth placed in residential settings.

• **Improve the operational effectiveness of CSA administration. Chapter 52 of Title 2.2 (§ 2.2-5200 et seq) of the Code of Virginia.**

Summary and Alignment

The Office of Children's Services (OCS) is established by § 2.2-2649 of the Code of Virginia to serve as the administrative entity of the State Executive Council for Children's Services (SEC) to ensure that its policies and decisions are implemented. OCS holds responsibility for oversight of program administration and compliance with state policies and procedures.

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Government Operations

Objectives

» **To enhance knowledge, skills, and abilities of partners responsible for implementation of CSA at the local level.**

Description

This objective supports OCS in its statutory responsibilities to enable local CSA programs to deliver efficient and effective services that are responsive to the strengths and needs of youth and families and which assist localities in effective operation of their CSA programs.

Objective Strategies

- Conduct annual statewide conference at which a majority of localities are represented.
- Conduct an annual new CSA Coordinator Academy, inviting all local CSA Coordinators hired in the previous year.
- Provide technical assistance to address locality needs as identified by localities, through local audits and/or through data analysis
- Implement a strong audit program to assist localities in identifying areas for improvement.

Measures

- ◆ Locality representation at annual CSA conference.
- ◆ Number of participants at annual New CSA Coordinator Academy.
- ◆ Number of participants trained annually.
- ◆ Percentage of completed and in-process local audits compared to the total number of audits scheduled for the fiscal year.
- ◆ Percentage of utilization reports timely completed.
- ◆ Percentage of youth receiving Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) services compared to the number of youth placed in residential settings.

» **To provide timely and meaningful utilization review of residential placements per Memoranda of Agreement with local CSA programs.**

Description

The Office of Children's Services is committed to providing high quality customer service to support local governments in their provision of effective services to youth and families.

Objective Strategies

- Provide timely clinical review and recommendations to local CPMTs regarding residential services.

Measures

- ◆ Percentage of utilization reports timely completed.

• **Manage a strong financial infrastructure and continue to maximize all available resources. Chapter 52 of Title 2.2 (§ 2.2-5200 et seq) of the Code of Virginia.**

Summary and Alignment

Virginia's taxpayers, who provide the funding for the delivery for troubled youth and families, expect the state to professionally monitor service expenditures, appropriately budget for state supported programs, and reimburse local governments the appropriate state contribution of expenditures in a timely and efficient manner.

Associated State Goal

Economy: Be a national leader in the preservation and enhancement of our economy.

Associated Societal Indicator

Business Climate

Objectives

- » **To provide timely and accurate reimbursement of the state's share of cost for CSA funded services to local governments.**

Description

The Office of Children's Services strives to provide effective customer service and to ensure that local governments receive the fiscal support necessary to operate local CSA programs effectively and efficiently.

Objective Strategies

- Maintain effective information technology applications for tracking fiscal operations.
- Continually monitor performance of OCS fiscal operations.

Measures

- ◆ Number of findings by the Auditor of Public Accounts related to CSA fiscal operations.

- » **To maximize efficient and effective use of federal and state fiscal resources.**

Description

The Office of Children's Services is responsible for oversight of fiscal and program operations and the assurance of fiscal accountability. The appropriate use of resources ensures that funds are available to provide necessary services to youth and families. This objective supports oversight for program administration and compliance with state policies and procedures.

Objective Strategies

- Provide an array of public facing reports so that local CSA programs, local governments, and the public can monitor the use of CSA resources and relevant outcome metrics.
- Monitor local program use of fiscal resources through period review by the OCS Business Office and through regular and ad hoc program audits.
- Monitor and report trends in fund usage and service patterns via data integration and analytics applications.

Measures

- ◆ Average annual per child cost of purchased services through CSA State Pool funding.
- ◆ Average per diem per child cost of purchased services across Medicaid, Title IV-E, and State Pool Funds
- ◆ Percentage of completed and in-process local audits compared to the total number of audits scheduled for the fiscal year.

• **Support informed decision-making through utilization of data to improve child and family outcomes and public and private performance in the provision of services to at-risk youth and families. Chapter 52 of Title 2.2 (§ 2.2-5200 et seq) of the Code of Virginia.**

Summary and Alignment

OCS is responsible for the development and implementation of uniform data collection standards and uniform performance measures;

distribution of management reports; and reporting on the nature and cost of all services provided to the population of at-risk children within the scope of responsibility of the State Executive Council (§ 2.2-2648 of the Code of Virginia).

Associated State Goal

Government and Citizens: Be recognized as the best-managed state in the nation.

Associated Societal Indicator

Government Operations

Objectives

- » **To utilize data and data analytics to improve outcomes and inform state and local decision makers regarding the use of funds and the delivery of effective services.**

Description

This objective supports accountability for use of funds and continuous quality improvement in CSA programs.

Objective Strategies

- Collect, integrate, analyze, and report client-specific expenditure, assessment, and demographic data related to the CSA population of youth and families.

Measures

- ◆ Percent of youth who had a decrease in their score on the Child Behavioral and Emotional Needs Domain of the Child and Adolescent Needs and Strengths (CANS), the mandatory CSA assessment instrument, from a baseline assessment to the most recent re-assessment.
- ◆ Percent of youth who had a decrease in their score on the School Domain of the Child and Adolescent Needs and Strengths (CANS), the mandatory CSA assessment instrument, from a baseline assessment to the most recent re-assessment.
- ◆ Percentage of CSA-funded youth receiving only community-based services compared to the total number of youth funded by CSA.
- ◆ Percentage of youth receiving Intensive Care Coordination (ICC)/High Fidelity Wraparound (HFW) services compared to the number of youth placed in residential settings.

Major Products and Services

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

- 1. State share reimbursement.** Local governments receive a formula-based reimbursement of state general fund for eligible services purchased for youth and families with local funds. Local governments coordinate a wide array of services for eligible at-risk youth and families including, but not limited to, foster care and related services, private day and residential special education services, and behavioral health services. In the 2016 program year the agency served 15,519 youth at a total cost of \$363.9 million, with \$237.2 million of that amount from the state general fund. An additional \$28.5 million in general funds was transferred to the Department of Medical Assistance Services for the required local share of Medicaid eligible Children's Services Act 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 effective services and appropriate use of funds.
- 3. Program evaluation, utilization management, and utilization review.** OCS 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.** OCS provides web-based information technology to support uniform assessment of youth, collect client-based demographic and service information, and support the fiscal reporting and reimbursement processes.

Performance Highlights

Increasing utilization of community based services to decrease reliance on restrictive, residential placement is a key Children's Services Act (CSA) performance measure. Since 2008, several strategies have been implemented to decrease reliance on residential care including:

- In July 2008, the State Executive Council for Children's Services (SEC) 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 (e.g., 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 was designed to change local practice to increase use of community-based services.
- In collaboration with the Department of Behavioral Health and Developmental Services, the Office of Children's Services (OCS) has

provided training in Intensive Care Coordination (ICC) / High Fidelity Wraparound (HFW), an evidence informed service delivery model implemented in 2013, which has proven effectiveness at reducing placements and length of stay in restrictive, residential treatment facilities for high risk children. The SEC established policy guidelines for the delivery of this service by both public and private sector providers. In FY 2016, an additional 60 ICC/HFW facilitators and 35 ICC/HFW family support partners were training through the OCS HFW Center of Excellence and 579 youth received the HFW service.

These initiatives have been credited with reducing the overall service expenditures paid by CSA, reducing the number of youth in foster care and reducing the number of youth served in residential settings.

- Utilization and expenditures for residential care declined from 3,036 youth and \$68.8 million in FY 2009 to 1,986 youth and \$40.7 million in FY 2016.
- Foster care caseloads were reduced 35.7% between 2007 and 2016 (2007 = 7557; 2016 = 4865).
- Community-based services represented 47.1% of total services in FY 2010 and increased to 50.5% in FY 2016.

A key goal for CSA as evidenced in the Biennial Plan of the SEC, 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. OCS, in collaboration with the other partners and stakeholders represented on the OCS, continues to advance statewide implementation of Virginia's system of care model through assessment of community implementation; identification and dissemination of outcomes and performance benchmarks; and coordinated training and technical assistance matched to community strengths and needs.

Staffing

| | |
|---|----|
| Authorized Maximum Employment Level (MEL) | 14 |
| Salaried Employees | 12 |
| Wage Employees | 1 |
| Contracted Employees | 4 |

Key Risk Factors

Risk factors for the Office of Children's Services (OCS) over the remainder of the current biennium include the following:

- OCS's information technology (IT) applications were migrated from retired VITA servers in FY 2013. 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 and upgrade essential operations (e.g., local financial reporting and reimbursement).
- It is inherently difficult to forecast Children Services Act (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 youth 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. Over the past several years, CSA expenditures have been increasing significantly, primarily due to the increase in number and cost of private day educational services. The FY 2017 General Assembly directed OCS to support the work of House Appropriations and Senate Finance Committee staff to explore options to address this issue. Additionally, a recent decision of the Supreme Court of the United States (*Endrew F. v. Douglas County School District*, March 22, 2017) has the potential to lead to increased costs to provide services via the CSA to students with educational disabilities.

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 Children's Services (SEC), the supervisory council for the Children's Services Act. The Executive Director of OCS, a classified state-employee, is hired by the SEC. OCS, under the leadership of the Executive Director, is responsible for implementing the decisions and policies of the SEC and is charged with responsibilities including, but not limited to the following: 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, and information technology operations.

Information Technology

In 2012, the Office of Children's Services (OCS) hired its first Information Technology (IT) Director. This position plans and administers the technical and data operational activities for the Children's Services Act.

OCS will complete or continue implementation of several major IT initiatives during the remainder of the current biennium including:

- Using data analytics for purposes of utilization management, program evaluation and program improvement.
- Enhancements to the uniform assessment instrument (Virginia Child and Adolescent Needs and Strengths Assessment) 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.

Estimate of Technology Funding Needs

Workforce Development

The Office of Children's Services (OCS) is a small agency, with a staffing level of fourteen (14) full-time equivalent (FTE) positions. Over the past several years, there has been increased attention to cross-training of expertise, sharing of responsibilities, and succession planning. 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, OCS 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 Virginia 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 to support the Children's Services Act in the future.

Supporting Documents

| Title | File Type |
|-------|-----------|
|-------|-----------|

Financial Assistance for Child and Youth Services [45303]

Description of this Program / Service Area

The Office of Children's Services provides resources, technical assistance, training, and utilization management services to localities so they can maintain a system of services and funding for at-risk youth and their families. It forecasts, budgets, reimburses, and monitors funds that local governments use to purchase services for youth and families under the Children's Services Act (CSA). It directs, manages, and reports data on CSA funded services. It works collaboratively with its partners (state and local government agencies, service providers, and families) to increase the capacity of communities across the Commonwealth to successfully implement CSA. It ensures the decisions of the State Executive Council for Children's Services are implemented.

Specific services falling under the umbrella of this service area as required by the Appropriations Act include:

- Reimbursing local government the state share of services purchased for eligible youth and families.
- Reimbursing the Department of Medical Assistance Services for eligible expenditures made by the department on behalf of CSA.
- Maintaining agency performance measures, the Governor's agency administrative measurements, and other required administrative activities.
- Assisting Community Policy and Management Teams (CPMTs) to ensure that services and funding are consistent with the Commonwealth's policies of preserving families and providing appropriate services in the least restrictive environment.
- Providing communities with technical assistance on ways to implement a comprehensive system of care, promote system transformation, encourage wrap around service alternatives, control costs, use alternative/flexible funding sources, conduct utilization management, and conduct other administrative and fiscal operations.
- Providing upon request clinical consultation and utilization review services for youth in residential care to assist localities to serve youth in the most appropriate, least restrictive, and cost effective manner.
- Conducting fiscal and program audits to provide assessment of operations, identify areas for improvement, and provide consult and support for program improvement.
- Strengthening the role of families and the planning and implementation of services.
- Improving data collection, integration, analysis, and utilization to improve outcomes for youth and families.
- Providing support for uniform assessment of youth functioning, e.g., managing training and electronic collection of data.
- Advancing Systems of Care statewide through assessment of community implementation, the identification of outcomes and performance benchmarks, and coordinated training matched with the community strengths and needs.

Mission Alignment

This service area is directly aligned with the State Executive Council for Children's Services' mission to direct a cost-effective collaborative system of services for youth that is child centered, family focused and community based. This service area is further aligned with the Governor's enterprise strategic priorities in the area of health and family. Authority for this service area is found in the following sections of the Code of Virginia:

- § 2.2-2648
- § 2.2-2649
- § 2.2-5200 et seq.

Additional authority is found in the federal Individuals with Disabilities Education Act (IDEA; P.L.108-446); regulations of the Virginia Department of Education (8VAC20-81); and Title IV-E of the Social Security Act.

Products and Services

Description of Major Products and Services

State Share Reimbursement: reimbursement of state share to local governments for services they purchase for youth and families.

Guidance on CSA Implementation: clear and consistent guidance across the Commonwealth's child serving agencies on policy, program, fiscal, and practice issues.

Training: training opportunities to support local governments and other stakeholders in the effective implementation of CSA.

Information Technology: development and support of information technology systems to effectively and accountably implement the CSA.

Anticipated Changes

The 2017 Appropriation Act, Chapter 780, included language (Item 1 #6c) requiring that staff of the Senate Finance and House Appropriation Committees, in collaboration with OCS, other state agencies and stakeholders examine various options regarding CSA's role in the funding of private educational services for students with disabilities. This action is related to a rapid and sustained increase in both state and local CSA costs for such services over the past four years. The report is due for completion by November 1, 2017.

Factors Impacting

Over the past three years, overall state and local CSA expenditures have increased 16% (from \$314 million in FY2013 to \$364 million in FY2016). This increase has placed increased pressures on both the state CSA budget as well as that of local governments. The major driving influence in this increase has been from the mandated provision of private special education services, as mandated by children's Individualized Education Plans (IEP) under the federal Individuals with Disabilities in Education Act (IDEA). Such educational services accounted for \$28 million of the overall increase. Annual cost per child served reached \$25,119 in FY2016, an increase of almost \$4,000 above what had previously been a stable annualized per capita cost since FY2008.

It is difficult to forecast CSA costs at the state and local level due to the nature of the program. CSA costs are driven by multiple factors, many beyond state and local control, including: the number of children requiring services; severity of child and family needs; type and duration of services needed; provider rates for services; and eligibility for and availability of alternative funding sources. The nature of the CSA program is that over 98% of expenditures are tied to sum-sufficient or "mandated" services over which the CSA exerts only limited control.

Budgetary pressures make it difficult for the State Executive Council and the Office of Children's Services to explore innovations in service delivery as available funds are already insufficient to meet demand.

Financial Overview

For FY2017, the agency budget is funded with general funds of \$235.9 million (81%) and non-general funds of \$52.6 million (19%). The 2017 General Assembly increased this appropriation to \$277.1 million for FY2017 and \$279.4 million general funds for FY2018. These increases are explained by programmatic growth over the past five years and anticipated continuing growth of 6% annually. Out of this appropriation, \$28.5 million of the general fund and \$43.2 of the non-general funds are transferred to DMAS to support the state's share of Medicaid funding of residential treatment and treatment foster care management. Out of the overall general fund appropriation, \$2.46 million is reserved to provide local government administrative funding and to support the uniform assessment of youth, a uniform web based reporting system for local data, comprehensive data analytics, and training activities. The Virginia Department of Education serves as the fiscal administrative entity for these funds found in Item 285 of the Appropriations Act.

Biennial Budget

| | 2017 General Fund | 2017 Nongeneral Fund | 2018 General Fund | 2018 Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 235,915,105 | 52,607,746 | 234,970,527 | 52,607,746 |
| Changes to Initial Appropriation | 41,226,438 | 0 | 44,521,228 | 0 |

Supporting Documents

Title **File Type**

Administrative and Support Services [499]

Description of this Program / Service Area

This service area provides overall administrative and technical oversight of the implementation of the Children's Services Act (CSA) in accordance with state law and policies of the State Executive Council for Children's Services.

Mission Alignment

This service area is directly aligned with the State Executive Council for Children Service' mission to direct a cost-effective, collaborative system of services for youth that is child centered, family focused, and community based. This service area is further aligned with the Governor's enterprise strategic priorities in the area of health and family. Authority for this service area is found in the following sections of the Code of Virginia:

- § 2.2-2648
- § 2.2-2649
- § 2.2-5200 et seq.

Products and Services

Description of Major Products and Services

Guidance on CSA Implementation: clear and consistent guidance across the Commonwealth's youth serving agencies on policy, program, fiscal, and practice issues.

Technical Assistance and Training: published resources, technical assistance activities, training opportunities, and management tools to support local governments and other stakeholders in the effective implementation of CSA.

Utilization Review: upon local request, conduct state-sponsored review and clinical consultation of residential services for youth funded through CSA.

Program Audits: independent, objective assurance, and consulting services designed to add value and improve the operations of locally administered CSA programs. Local program audits ensure a systematic, disciplined approach of evaluation to improve the effectiveness of risk management, control, and governance processes. Program Audits evaluate the effectiveness of internal controls and organizational practices applicable to financial and operational activities of CSA.

Utilization Management/Statistical Reporting: Integration, analysis, and reporting on fiscal, demographic, and assessment data for purposes of program evaluation and improvement.

Information Technology: Development, implementation, and support of information technology systems to manage state and local implementation of the CSA.

Anticipated Changes

None.

Factors Impacting

None.

Financial Overview

Included in the FY2017 appropriation is \$1.76 million in general funds for the administrative functions of the Office of Children's Services (OCS). This amount increases to \$1.85 million in general funds for FY2018. This appropriation is found in Item 286 of the Appropriations Act. OCS maintains a Memorandum of Understanding with the Virginia Department of Social Services (VDSS) to provide continued support of human resources, certain information technology and fiscal functions of the OCS.

Biennial Budget

| | 2017 General Fund | 2017 Nongeneral Fund | 2018 General Fund | 2018 Nongeneral Fund |
|--|----------------------|-------------------------|----------------------|-------------------------|
| Initial Appropriation for the Biennium | 1,761,624 | 0 | 1,847,006 | 0 |
| Changes to Initial Appropriation | 0 | 0 | 0 | 0 |

Supporting Documents

Title

File Type

General Management and Direction [49901]

Description of this Program / Service Area

This service area provides overall administrative and technical oversight of the implementation of the Children's Services Act (CSA) in accordance with state law and policies of the State Executive Council for Children's Services.

Mission Alignment

This service area is directly aligned with the State Executive Council for Children Service' mission to direct a cost-effective, collaborative system of services for youth that is child centered, family focused, and community based. This service area is further aligned with the Governor's enterprise strategic priorities in the area of health and family. Authority for this service area is found in the following sections of the Code of Virginia:

- § 2.2-2648
- § 2.2-2649
- § 2.2-5200 et seq.

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Factors Impacting

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