

2018-20 Executive Progress Report

Commonwealth of Virginia Secretary of Health and Human Resources

Children's Services Act

At A Glance

Empowering Communities to Serve Youth

Staffing 14 Salaried Employees, 3 Contracted Employees, 14 Authorized, and 1 Wage Employees.

Financials Budget FY 2019, \$345.28 million, 84.76% from the General Fund.

Trends

Legend ↑ Increase, ↓ Decrease, → Steady

Key Perf Areas

↑ Community-based services only

↑ Training participants

Productivity

↑ Local audits

Legend

↑ Improving, ↓ Worsening, → Maintaining

For more information on administrative key, and productivity measures, go to www.vaperforms.virginia.gov

Background and History

Agency Background Statement

The Children's Services Act (CSA) is the law enacted in 1993 that establishes a single state pool of funds to coordinate and purchase services for eligible youth and their families. Until the 2015 General Assembly renamed the Act, it was titled the "Comprehensive Services for At Risk Youth and Families." The Office of Children's Services (OCS, Agency 200 - CSA,) is responsible for oversight and support of local governments in the implementation of this innovative, statewide system of care. Through high quality technical assistance and training, high standards for fiscal accountability, responsible use of taxpayer funds, and use of data for continuous program evaluation and improvement, OCS strives to improve outcomes for youth and families and ensure the effective and efficient use of the Commonwealth's resources. OCS partners with a large and diverse group of state, local, public, and private stakeholders to ensure effective implementation of CSA.

Major Products and Services

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

- 1. State share reimbursement.** Local governments receive reimbursement of state general fund for eligible services purchased for youth and families with local funds. All CSA-funded services carry a local matching requirement, averaging 34% of the overall expenditures reimbursed. Local governments coordinate a wide array of services for eligible 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 2017 program year, the agency served 15,738 youth at a total cost of \$382.1 million, with \$250.7 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 to support the required local share of Medicaid eligible services for children served through the CSA.
- 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 demographics, utilization, finances and 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.

Customers

Customer Summary

Children, Youth, and Families: Since FY 2009, the number of youth served under the Children's Services Act (CSA) has declined by 1,890 or 11% from 17,628 in FY 2009 to 15,738 in FY 2017. The decline is attributed primarily to the *Children's Services Systems Transformation* initiative, implemented in 2008, which supported an newly established "practice model" which values serving youth within family and community-based settings. This practice model initiative is credited with reducing the number of youth coming into foster care, the largest segment of those served through the CSA and therefore the overall number of youth served under the CSA as well as the number of youth served in restrictive, residential settings. Overall 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 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 special educational services. The FY 2017 General Assembly directed OCS to support the ongoing work of House Appropriations and Senate Finance Committee staff to explore options to address this issue. The FY 2018 General Assembly requires the OCS to work with the Department of Education to recommend a set of standardized outcome measures for private day special education placements and to conduct a cost study with recommendations for a potential statewide rate setting mechanism.

Local Governments: The CSA requires local governments to establish multidisciplinary team structures in order to receive state pool funds for the purchase of services for 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 (OCS), 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: OCS maintains a web-based, statewide automated database of authorized vendors of services under CSA (the Service Fee Directory); 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 receiving services	15,738	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

Finance and Performance Management

Finance

Financial Summary

For FY 2019, Children's Services Act is funded (Chapter 2, Tiems 282 and 283) with \$298.5 million in general funds \$52.6 million in non-general funds. These funds reimburse local government with the state share reimbursement for pool fund service expenditures and provide for administrative operations. In FY 2020, an additional \$9.9 million was appropriated. Of this appropriation, \$2.45 million general funds in both years is reserved for local government administrative funding, payment for the maintenance of the uniform assessment instrument, uniform web based reporting, and training. In both years, \$28.5 million of the general fund is dedicated to reimbursement of Medicaid funding for residential services and treatment foster care case management services.

Of the non-general funds, \$43.2 million in non-general funding is dedicated to Medicaid funding for residential services and treatment foster care-case management services. The remaining \$9.4 million (Social Services Block Grant) is reserved to reimburse local governments for state share pool fund expenditures.

Included in the FY2019-2020 budget is administrative funding for the Office of Children's Services (OCS) of \$1.9 million. OCS maintains a existing Memorandum of Understanding with the Virginia Department of Social Services (DSS) for on-going operational supports (i.e., fiscal, human resource, and information technology operations).

Fund Sources

Fund Code	Fund Name	FY 2019	FY 2020
01000	General Fund	\$298,576,916	\$308,493,301
10000	Federal Trust	\$52,607,746	\$52,607,746

Revenue Summary

The Office of Children's Services does not collect revenues.

Performance

Performance Highlights

Through collaboration with state and local government and private sector partners, and under the direction of the State Executive Council (SEC) and the Office of Children's Services continues to meet its relevant goals and objectives. These include reductions in the utilization of "deep-end", residential placements in favor of family- and community-based services, enhanced support of local government CSA programs through an enhanced training and technical assistance program, improved guidance and oversight through the OCS Audit program, modernization of OCS information technology, and expanded program evaluation and reporting capabilities.

Specific highlights include:

- Ongoing positive trend in the percentage of children and families served in which community-based services are provided to the exclusion of residential services. Costs for residential services have also been decreasing.
- CSA has partnered with the Department of Behavioral Health and Developmental Services to support the expansion of High Fidelity Wraparound a community- and family-based, evidence informed intervention for children which is supported by research indicating fewer placements and reduced length of stay in costly and restrictive, residential settings.
- OCS training activities have expanded along the following vectors: number of individuals annually participating in training, increase in the number of training engagements at local and interest group venues, diversity of audiences participating.
- Technical assistance requests are typically responded to within one business day and OCS customers report increased satisfaction with timeliness and quality of assistance.
- With the addition of two new audit staff, OCS is now able to meet its goal of auditing each local CSA program within a three year cycle. Time from initiation of audit engagements to completion of the final reports has been greatly reduced and this is reflected in the results of post-audit surveys.
- The adoption of SEC Policy 4.7 has provided local CSA program clarity with regard to possible financial and/or programmatic ramifications of various audit findings. The policy was the product of extensive consensus building work between the state and local partners.
- OCS has reduced local reporting complexity and improved financial and data accountability through the implementation of the Local Expenditure, Data and Reimbursement System (LEDRS) which replaced two legacy systems. LEDRS provides a single, integrated, and easily verifiable financial and program data reporting tool which eliminated problems with data matching and analysis in prior systems.
- OCS implemented an enhanced version of the Child and Adolescent Needs and Strengths (CANS), the required mandatory, uniform assessment instrument for all CSA funded children. Version 2.0 of the CANS included both content enhancements developed in partnership with the Virginia Department of Social Services and local departments of social services and a major upgrade to the user interface in the on-line CANS software.
- OCS has continued to build a transparent and information set of program evaluation and performance measurement tools which are available to all CSA partners and the public at large. These tools include those analyzing SEC approved performance metrics, financial activities, program utilization indicators, and outcome measures and reports.

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.	Community-based services only	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	Maintaining
200.0007	Number of participants trained annually.	Training participants	Improving

Key Risk Factors

Risk factors for the Office of Children's Services (OCS) for the FY2018-2020 biennium include the following:

- It is inherently difficult to precisely 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 special educational services. Costs related to these services are covered by federal law (Individuals with Disabilities Education Act, IDEA) and must be funded.
 - 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. The 2018 General Assembly directed OCS to make recommendations regarding a set of standard outcome measures for private day special education programs and to conduct a cost study of the programs with recommendations for potential state rate setting mechanisms.

- 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. While the majority of this conversion is now complete, the final 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).

Agency Statistics

Statistics Summary

The following statistics provide a snapshot of key CSA program outputs during the FY 2016 program year:

Statistics Table

Description	Value
Total number of youth served in FY 2017	15,738
Program year 2017 total expenditures	383,725,380
Percentage of youth served in community setting (2017)	52
Number of training participants (FY 2018)	3,118
Number of youth served in residential care (FY 2017)	1,751
Average age of youth served (years)	12

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 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

OCS will continue implementation of several major IT initiatives during the upcoming biennium including:

- Using data analytics for purposes of utilization management, program evaluation and program improvement.
- Completing the conversion of existing IT applications to comply with operating and security requirements of the Commonwealth.
- Redesigning and deployment of the CSA Service Fee Directory.
- Improving functionality of local government reporting.
- Enhancing management reports available to local governments, policy makers, and the public.

Continued growth of CSA IT applications is creating needs for additional storage (servers) and will likely result in need for additional funding to support this requirement.

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. Recruitment and retention of professional staff is a priority and has not been problematic although there are 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

the Department of General Services. Existing space is sufficient to house existing staff, however all available office space is currently occupied and alternative arrangements may be necessary should additional staff be required to support the Children's Services Act in the future.
