

# 2018-20 Strategic Plan

## Children's Services Act [200]

### Mission

Empowering Communities to Serve Youth

### Vision

A collaborative, child-centered, family-focused, community-based system of care that effectively meets the needs of youth and their families in the Commonwealth.

### 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) 2019, the agency budget is funded with \$351.2 million (\$298.6 million (85%) in general funds and \$52.6 million in non-general funds (15%)). For Fiscal Year (FY) 2020, the agency budget is funded with \$361.1 million (\$308.5 million of general funds (85%) and \$52.6 million in non-general funds (15%)). The 2018 General Assembly increased this appropriation by \$17.1 million in general funds for FY2019 and an additional \$10.0 million in FY2020. These increases are explained by programmatic growth over the past five years and anticipated continuing growth of 6% annually. The General Assembly did not fully fund the anticipated 6% annual growth in FY2020 due to a rate control plan to be implemented for private special education day placements of 2% on provider rates above the FY2019 level.

The 2019 General Assembly reduced the agency's FY2019 appropriation by \$5.9 million and its FY2020 appropriation by \$5.9 million. The reduction in funds results from a recalculation of the projected growth in expenditure. In FY2018 the agency's expenditures over FY2017 was 3% down from the project 6% growth. Therefore, the Department of Planning and Budget recommend a reduction in the agency's funding.

Out of this appropriation (Item 282, Program 45303) of Chapter 2, \$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, \$2.7 million is reserved to provide local government administrative funding (\$2.1 million) 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 282 of the Appropriation Act.

Included in the FY2019-2020 appropriation (Item 283, Program 49901) is \$1.93 million for the administrative functions of the Office of Children's Services (OCS). 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.

#### Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	298,576,916	52,607,746	308,493,301	52,607,746
Changes to Initial Appropriation	-5,900,000	0	-5,873,177	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 relatively 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	15,738	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

## 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 eligible youth and families across the Commonwealth. Sections 2.2-2648, 2.2-2649 and 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 eligible 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 evidence-based, 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, recognizing 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 average annual metrics on community-based services and offer tailored technical assistance.
- Continue fiscal incentives for the use of community-based services (differential local CSA match rates)..
- Actively contribute to cross-system efforts to increase the use of evidence-based and trauma-informed practices across service populations.

#### 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 support of the family perspective in CSA processes.**

#### 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. Family representation on local CSA FAPT and CPMTs is also supported.

#### 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 collaboration with local CSA programs, the State and Local Advisory Team (SLAT) and family support organizations (e.g, NAMI of Virginia).

#### Measures

- ◆ 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. Sections 2.2-2648, 2.2-2649 and 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.

- » **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.
- ◆ Percentage of completed and in-process local audits compared to the total number of audits scheduled for the fiscal year.

### » **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 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.

## • **Manage a strong financial infrastructure and continue to maximize all available resources. Sections 2.2-2648, 2.2-2649 and 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 services to 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*

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- 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.

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#### 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.
- ◆ 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. Sections 2.2-2648, 2.2-2649 and 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.

## 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.

## 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.

## Staffing

Authorized Maximum Employment Level (MEL)	14
Salaried Employees	14
Wage Employees	1
Contracted Employees	3

## 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).

## 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.

### 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. 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.

## Supporting Documents



**Title**

**File Type**

**Financial Assistance for Child and Youth Services [45303]**

**Description of this Program / Service Area**

This Service Area of the Children's Services Act (Agency 200) provides the state share of reimbursements to local governments operating CSA programs for eligible expenditures for youth and families as authorized by the local Community Policy and Management Teams. This includes the state share of identified funding for local administrative costs and community-based "wraparound" services for students with educational disabilities. Additionally, this Service Area provides support to local CSA programs through training and the development and maintenance of information technology systems required to process reimbursements and to report on the CSA uniform assessment instrument, as well as other expenditure and programmatic data.

Specific activities under this service area as required by the Appropriation Act include reimbursing local governments the state share of funds for services purchased for eligible youth and families and transferring to the Department of Medical Assistance Services (DMAS) funds to support provider payments for eligible expenditures made by DMAS on behalf of CSA. CSA assists Community Policy and Management Teams (CPMTs) through training matched with community strengths and needs 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. Training efforts also focus on operating effective and accountable local CSA programs and the identification of outcomes and performance benchmarks. Improvement of data collection, integration, analysis, and utilization to improve outcomes for youth and families is also addressed as is providing support for the uniform assessment of youth functioning, e.g., managing training and electronic collection of data.

**Mission Alignment**

This service area is directly aligned with the Children's Service's Act vision to support a collaborative, child- centered, family-focused and community- based system of care that effectively meets the needs of youth and their families in the Commonwealth. 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.

2018-2020 Appropriation Act, Items 282 and 283.

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.

**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.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
State share reimbursement	Chapter 854, Item 282, Item B.1.c., 2.a., 10, C.4.	§ 2.2-5211, COV; § 2.2-5209, COV, Title IV-E of the Social Security Act	Required	269,553,137	9,419,998
State share reimbursement	Chapter 854, Item 282, B.1.b.	Medicaid	Required	28,526,197	43,187,748
State share reimbursement	Chapter 854, Item 282, L	Public Law 108-446 (Individuals with Disabilities Education Act)	Required	2,200,000	0
Training	Chapter 854, Item 282, B. 6.	'§ 2.2-2649.B. (4), (10), COV;	Required	50,000	0
Information Technology/Data Reporting and Management	Chapter 854, Item 282, B.7. and I.;	'§2.2-2649.B. (12), COV; subdivision D 16 of § 2.2-2648	Required	345,000	0

**Anticipated Changes**

The 2018 Appropriation Act, Chapter 2, included language (Items M. and N.) requiring that the Office of Children's Services conduct a study on the current rates paid by localities for special education private day placements (Item M.) and placed a 2% limit on rate increases in FY 2020 (Item N.) for these services. It is anticipated that these activities, along with ongoing work by staff of the Senate Finance and House Appropriation Committees, in collaboration with OCS, other state agencies and stakeholders examining various options regarding of private educational services for students with disabilities may result in changes to funding and programmatic activities in the Service Area. 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.

**Factors Impacting**

Over the past five years, overall state and local CSA expenditures have increased 22% (from \$314 million in FY2013 to \$382 million in FY2017). 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 required by children's Individualized Education Plans (IEP) under the federal Individuals with Disabilities in Education Act (IDEA). Such educational services accounted for \$55 million of the overall increase. Annual cost per child served reached \$24,857 in FY 2017. Private special education day placements had an annualized per child cost of \$41,088 in FY 2017.

It is difficult to precisely 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. The Department of Planning and Budget has accurately forecast program growth at approximately 6% annually over the past several years.

Budgetary pressures due to the aforementioned private educational services 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 FY2019, Service Area 45303 is funded with general funds of \$296.6 million and non-general funds of \$52.6 million (19%). For FY 2020, the general fund appropriation increases to \$306.6 million with the non-general fund appropriation remaining unchanged. 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 for FY 2019 and FY 2020, \$2.4 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. In FY 2019, \$250,000 has been provided to conduct a cost and rate setting study on private day special education services provided under the CSA.

The Virginia Department of Education serves as the fiscal administrative entity for these funds found in Item 282 of the Appropriation Act.

**Biennial Budget**

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	296,643,858	52,607,746	306,560,243	52,607,746
Changes to Initial Appropriation	-5,900,000	0	-5,885,909	0

**Supporting Documents**

**Title** **File Type**

**General Management and Direction [49901]**

**Description of this Program / Service Area**

This Service Area of the Children's Services Act (Agency 200) provides general funds support to the Office of Children's Services (OCS) in meeting its statutory responsibilities of overall administrative 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.

OCS 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 capabilities of communities across the Commonwealth to successfully implement the CSA.

Specific activities in this Service Area include: providing operations and oversight to ensure sound and accountable financial operations for the CSA; supporting, through training and technical assistance, the ability of local Community Policy and Management Teams (CPMTs) to implement the CSA so that services and funding are consistent with the relevant federal and state law, policies of the State Executive Council, and those of partner CSA agencies, as appropriate; providing communities with assistance on ways to implement a comprehensive system of care, promoting effective services in the least restrictive environment, and seeking to preserve families when safe and appropriate; and strengthening the role of families in the planning and implementation of services.

Additional areas of focus in this service area include promoting cost control strategies through utilization of alternative/flexible funding sources and services; continuous quality improvement activities; conducting fiscal and program audits of local CSA programs to provide assessment of operations, identify areas for improvement, and provide consultation and support for program improvement; maintaining agency performance measures, improving data collection, integration, analysis, and utilization to improve outcomes for youth and families and the efficient and effective operation of the CSA program; and providing requested 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.?

**Mission Alignment**

This service area is directly aligned with the CSA "empower communities to serve youth" and with the statutory responsibilities of the Office of Children's Services. 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.

2018-2020 Appropriation Act, Items 282 and 283.

**Products and Services**

**Description of Major Products and Services**

**Financial Operations:** Operation of sound and accountable financial activities to provide support to local CSA programs and to ensure transparent and responsible use of state and local resources.

**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.

**Policy Development:** provide leadership in preparing policies for consideration by the State Executive Council and for proposing legislative initiatives.

**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.

**Mandatory Uniform Assessment Instrument:** provides an automated database (CANVaS), monitoring/oversight, technical assistance and data reporting of the statewide mandatory uniform assessment instrument, the Child and Adolescent Needs and Strengths (CANS).

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or	GF	NGF

			<b>Discretionary</b>		
General Management and Direction	Chapter 854, Item 283	§ 2.2-2649	Required	1,945,790	0

**Anticipated Changes**

None.

**Factors Impacting**

N/A

**Financial Overview**

Included in the FY2019-2020 appropriation is \$1.93 million in general funds each year for the administrative functions of the Office of Children's Services (OCS). This appropriation is found in Item 283 of the Appropriation Act (Chapter 2). OCS maintains a Memorandum of Understanding with the Virginia Department of Social Services (VDSS) to provide support of human resources, certain information technology and fiscal functions of the OCS.

Biennial Budget

	2019 General Fund	2019 Nongeneral Fund	2020 General Fund	2020 Nongeneral Fund
Initial Appropriation for the Biennium	1,933,058	0	1,933,058	0
Changes to Initial Appropriation	0	0	12,732	0

**Supporting Documents**

**Title** **File Type**