

**REPORT OF THE
VIRGINIA COMMISSION ON YOUTH**

**The Use of Federal, State, and
Local Funds for Private
Educational Placements of
Students with Disabilities -
Year One
(HJR 196, 2014)**

**TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA**



HOUSE DOCUMENT NO. 9

**COMMONWEALTH OF VIRGINIA
RICHMOND
2015**



COMMONWEALTH of VIRGINIA
Commission on Youth

Delegate Christopher K. Peace, *Chair*
Senator Barbara A. Favola, *Vice Chair*

General Assembly Building
201 N. 9th Street, Suite 269
Richmond, Virginia 23219-0406

Executive Director
Amy M. Atkinson

804-371-2481
FAX 804-371-0574
<http://vcoy.virginia.gov>

January 14, 2015

TO: The Honorable Terry McAuliffe
and Members of the General Assembly

During the 2014 General Assembly Session, Delegate Les R. Adams introduced House Joint Resolution 196, directing the Commission on Youth to:

- i. examine the use of Comprehensive Services Act for At-Risk Youth and Families (CSA) and Medicaid funds for private day and private residential special education placements;
- ii. gather local and statewide data on the extent to which youth are placed in settings that are segregated from nondisabled students;
- iii. determine the feasibility and cost-effectiveness of more integrated alternatives to provide special education services to students including, but not limited to, those students with intellectual and developmental disabilities currently in segregated settings in the Commonwealth; and
- iv. consider any other matters as it deems appropriate to meet the objectives of this study.

The Commission on Youth will complete its meetings for the first year by November 30, 2014, and the second year by November 30, 2015. This report represents the work of the Commission for the first year of this study.

Sincerely,

A handwritten signature in cursive script that reads "Christopher K. Peace".

Christopher K. Peace

2014

VIRGINIA COMMISSION ON YOUTH

House of Delegates

The Honorable Christopher K. Peace, Chair
The Honorable Mamyé E. BaCote
The Honorable Richard P. “Dickie” Bell
The Honorable Peter F. Farrell
The Honorable Mark Keam
One Vacancy

Senate of Virginia

The Honorable Barbara A. Favola, Vice Chair
The Honorable Dave W. Marsden
The Honorable Stephen H. Martin

Gubernatorial Appointments from the Commonwealth at Large

Deidre S. Goldsmith
Frank S. Royal, Jr., M.D.
Charles H. Slemph, III, Esq.

Commission Staff

Amy M. Atkinson, Executive Director
Leah Mills, Senior Policy Analyst
Will Egen, Legal Policy Analyst

EXECUTIVE SUMMARY – YEAR ONE

HJR 196 – The Use of Federal, State, and Local Funds for Private Educational Placements of Students with Disabilities

Study Author

Virginia Commission on Youth

Enabling Authority

§ 30-174 and § 30-175

EXECUTIVE SUMMARY

During the 2014 General Assembly Session, Delegate Les R. Adams introduced House Joint Resolution 196, directing the Commission on Youth to:

- i. examine the use of Comprehensive Services Act for At-Risk Youth and Families (CSA) and Medicaid funds for private day and private residential special education placements;
- ii. gather local and statewide data on the extent to which youth are placed in settings that are segregated from nondisabled students;
- iii. determine the feasibility and cost-effectiveness of more integrated alternatives to provide special education services to students including, but not limited to, those students with intellectual and developmental disabilities currently in segregated settings in the Commonwealth; and
- iv. consider any other matters as it deems appropriate to meet the objectives of this study.

The legislation required the Commission on Youth to complete its meetings for the first year by November 30, 2014, and the second year by November 30, 2015. The Chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year.

An update on the study activities and draft recommendations was reported at the Commission's December 2 meeting.

Identified Issues

- The Individuals with Disabilities Education Act (IDEA) guarantees a free appropriate public education to all eligible children with disabilities, including identification and referral, evaluation, determination of eligibility, development of an individualized education program (IEP), and determination of services, and reevaluation.
- Special education, pursuant to IDEA, is specially designed instruction, at no cost to the parents, to meet the unique needs of a child with a disability. This includes instruction conducted in a classroom, in the home, in hospitals, in institutions, and in other settings.
- IDEA requires that students be provided special education services in the least restrictive environment (LRE) and that students with an IEP not be unnecessarily segregated from nondisabled students, including those receiving educational services in private day and private residential schools or facilities.

- State general funds also support special education services in public school settings. Medicaid funds may also be utilized to support private residential placements but only for those youth with mental health treatment needs that qualify for residential services.
- In Virginia, the Comprehensive Services Act for At-Risk Youth and Families (CSA) provides a single state pool of funds to purchase services for at-risk youth and their families. CSA funds may also be used for private day school and residential placements for the purposes of special education. Local interagency teams are responsible for managing CSA funds and also plan and oversee services to youth.
- In FY 2013, CSA's average annual expenditures, per child, exceeded \$39,000. The annual cost per child per day by placement type in Fiscal Year 2013 were:
 - \$130 for private day school;
 - \$119 for residential (Medicaid); and
 - \$321 for residential (Non-Medicaid).
- In FY 2013 the breakdown of the youth receiving CSA funding for special education services were:
 - 87% were serviced in private day school placements;
 - 5% were served in non-Medicaid residential programs; and
 - 8% were served in Medicaid residential programs.
- Students, pursuant to IDEA, are to receive integrated, supported services that enable them to interact with nondisabled students to the fullest extent possible.
- A comprehensive review of the use of state funds for the aforementioned purposes may help to ensure that the Commonwealth's funds are being used efficiently and ensure the provision of special education services to students in the most integrated settings possible.

Study Activities – Year One

- Conduct extensive background and literature reviews on other states' initiatives and policies
- Review federal statutes and regulation
 - Individuals with Disabilities in Education Act of 2004 (IDEA)
 - IDEA federal regulations
- Review Virginia laws and regulations
 - The Comprehensive Services Act for At-Risk Youth and Families (CSA)
 - Virginia's Special Education Regulations
- Review Comprehensive Services Act Policies
 - Local match rate allocations
 - Utilization of Medicaid for special education services
 - CSA reimbursement for wraparound educational services
- Meet with state and local officials, as well as key stakeholders
 - Comprehensive Services Act for At-Risk Youth
 - Virginia Department of Education
 - Department of Behavioral Health and Developmental Services
 - Virginia Board for People with Disabilities
 - Local Education Agencies
 - Community Policy and Management Teams
 - Family Assessment and Planning Teams
 - Virginia Association of Independent Specialized Education Facilities
 - Virginia's Parent Resource Centers

- Partnership for People with Disabilities
- Clinicians and School Psychologists
- Advocacy Organizations
- Collect data to review the use of special education placements funded by CSA
 - Number of children who are placed
 - Services recommended
 - Service gaps
- Compile a description of services provided in private day/residential facilities that are not available within local school divisions
- Determine the feasibility and cost-effectiveness of more integrated alternatives
- Present initial findings and recommendations for Year One to the Commission on Youth

Note – An Advisory Group will be convened during the second year of the study.

