

OFFICE OF CHILDREN'S SERVICES

ADMINISTERING THE CHILDREN'S SERVICES ACT



The Children's Services Act (CSA, §2.2-2648 et seq) was enacted in 1993 to create a collaborative system of services and funding for at-risk youth and families.

The CSA establishes local multidisciplinary teams responsible to work with families to plan services according to each child's unique strengths and needs and to administer the community's CSA activities.

The Office of Children's Services (OCS) is the administrative entity responsible for ensuring effective and efficient implementation of the CSA across the Commonwealth.

Guiding principles for OCS include:

- Child and family directed care,
- Equitable access to quality services,
- Responsible and effective use of public funds,
- Support for effective, evidence-based practices, and
- Collaborative partnerships across state, local, public, and private stakeholders.



IMPACT OF THE "INCENTIVE" MATCH RATE FOR CSA

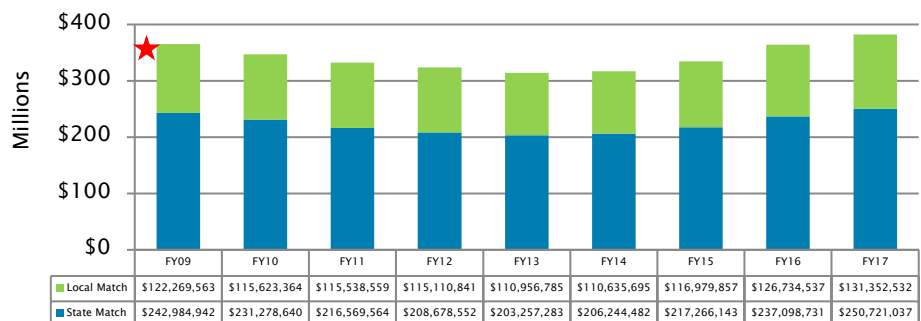
Annual Report to the Governor and General Assembly, December 2017
In accordance with Appropriation Act Item 285 (C)(3)(c)

As established through the Appropriation Act, funding services to children and families under the Children's Services Act (CSA) is a shared responsibility of state and local government. Effective July 1, 2008, a tiered, "incentive-based" match rate system was implemented to encourage practice changes to reduce utilization of residential care, increase children served in their homes, and encourage investment of funds for the development of community based services. This policy-driven match rate model encourages the delivery of services consistent with the statutory purposes of the CSA (see § 2.2-5200, Code of Virginia) to:

- preserve and strengthen families;
- design and provide services that are responsive to the unique and diverse strengths and needs of troubled youth and families; and
- provide appropriate services in the least restrictive environment, while protecting the welfare of children and maintaining the safety of the public.

Singular, locality-specific base match rates were established with the inception of the CSA. Under the tiered ("incentive") match rate system, the local match rate for residential services is 25% above its base match rate and for community-based services, 50% below its base match rate. Designated services (foster care and special education) remain at the base match rate.

Total Net Expenditures for the Children's Services Act



★ Implementation of the tiered, "incentive" match rate model

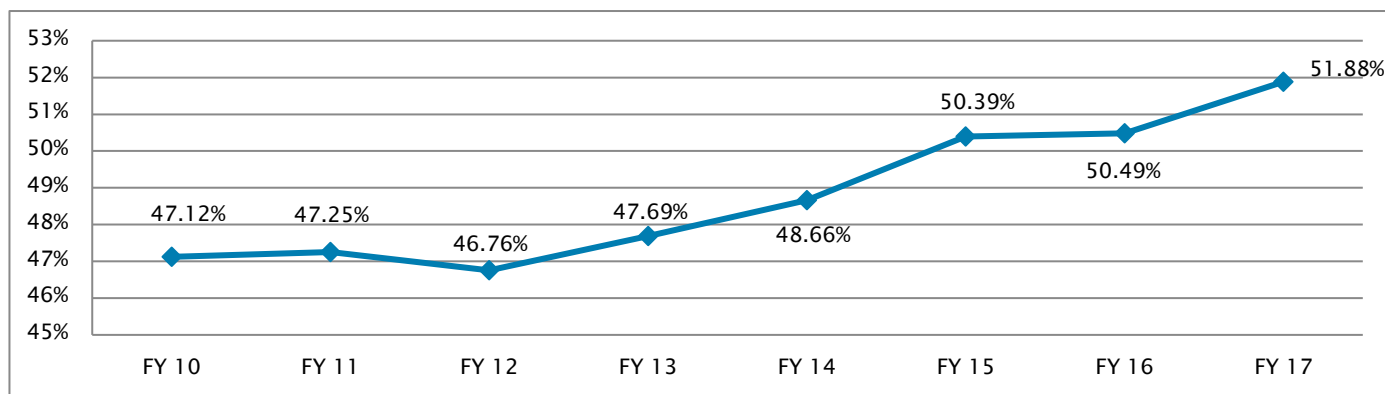
Effective (Actual) Match Rates (Statewide Average)

	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Effective Local Match Rate	33.5%	33.3%	34.8%	35.5%	35.3%	34.9%	34.9%	34.8%	34.4%
Effective State Match Rate	66.5%	66.7%	65.2%	64.5%	64.7%	65.1%	65.1%	65.2%	65.6%

The "effective" match rate reflects the impact of the mix of services at the various tiered match rates on the average match rate for all funded services.

Impact of the Tiered (“Incentive”) Match Rate Model on Services Provided to Youth and Families Under the CSA (FY2010 – FY 2017)

Percent of Youth Served in Community-Based Settings (Target = 50%)



This chart reflects youth who have been served only within their families and communities (i.e., have not required out-of-home placement, including foster care).

Discussion

The intention of the tiered match rate system was two-fold. First was utilize fiscal incentives to discourage the placement of children into restrictive, residential treatment settings where it was possible to employ alternative, non-residential services that would adequately address the needs of the child, family, and community. As seen in the chart above, over the past eight years (FY2010 – FY2017), this goal has been increasingly realized with an almost five percent increase in the number of children served through the Children’s Services Act in any year who did not experience any out of home placements. As residential placements are typically the costliest of services funded through the CSA, an associated goal of the tiered match rate system was to control CSA expenditures that had grown to their highest historical point in FY2008. In the six years following the implementation of the tiered match rates, CSA expenditures did fall significantly. Beginning in FY2015 and continuing through the current year that trend has reversed, with annual CSA costs once again rising. The source of the recent expenditure growth is not due to an increased utilization of residential services but rather to a significant rise in costs associated with private special education day placements. Such placements are not subject to an incentive or disincentive through the tiered match rate model. Any utilization of fiscal incentives to impact special education placements would not be permissible under the federal Individuals with Disabilities Education Act (IDEA).

The tiered match rate model appears, within the limits it operates under, to have achieved its goal of increasing the utilization of community-based versus residential services with an associated overall decrease in costs for services impacted by the model.