

Joint Subcommittee Studying Comprehensive Services for At-Risk Youth and Families

Senate Joint Resolution 96 (2006)

Initial Staff Report

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Division of Legislative Services
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I. Study Authority

Senate Joint Resolution 96 (Appendix A), establishes the joint subcommittee "to study the cost effectiveness of the Comprehensive Services for At-Risk Youth and Families program and to collaborate with the Joint Legislative Audit and Review Commission (JLARC) regarding its evaluation of the administration of the Comprehensive Services Act." The joint subcommittee is composed of two members of the Senate appointed by the Senate Committee on Rules and four members of the House of Delegates appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one non-legislative citizen member appointed by the Senate Committee on Rules; two non-legislative citizen members appointed by the Speaker of the House of Delegates; the Commissioner of Social Services or his designee; and the Director of the Department of Planning and Budget or his designee. The Commissioner of Social Services or his designee, and the Director of the Department of Planning and Budget or his designee shall serve ex officio with voting privileges.

II. Study Overview and Objectives

Pursuant to SJR 96, the study shall be conducted in two phases. In the first phase of the study, during the 2006 interim, the joint subcommittee shall (i) review the administration of the Comprehensive Services Act (CSA) by state and local governments, including projections of caseloads, service needs and costs, and quality of services provided, and (ii) make recommendations for improvement of program services and strategies for cost containment.

While the joint subcommittee is pursuing its study, JLARC shall:

1. Evaluate the costs, quality, and reimbursement of children's residential services;
2. Examine the interdepartmental regulation of these facilities;

3. Assess the administration of the CSA by state and local governments, including the methodology for projecting caseloads and the costs and adequacy of funding to administer the program at the state and local levels;
4. Ascertain the total costs of CSA residential services for state and local governments and offer recommendations to improve services and contain costs. In conducting this evaluation, JLARC shall examine the current practices of negotiating contracts with residential service providers and identify and assess alternatives that may be more cost effective than current contracting practices, including: (i) analyzing the costs and rates paid, whether the Commonwealth and localities are receiving quality services for the funds expended, and whether group homes and campus facility rates for the placement of CSA children are set rationally and cost-effectively; (ii) evaluating effective strategies for negotiating and reporting group homes and residential facilities rates; and (iii) requiring a state agency or instrumentality, such as the Office of Comprehensive Services, to negotiate statewide or regional contracts for residential treatment services funded from the state pool for such services;
5. Consider whether residential facilities that provide "medically necessary" services should be qualified Medicaid providers in order to receive payment from the state CSA funding pool as a means of containing costs;
6. Determine the regulatory and fiscal steps that may be necessary to contain costs, procure quality services, ensure accountability for services, and protect the health, safety, and welfare of children placed in residential facilities, particularly children placed across jurisdictional lines when appropriate services are not available in their communities;
7. Evaluate the quality and capacity of services available to and provided for CSA children and their families;
8. Identify the impact of cross-jurisdictional placements on (i) CSA children without immediate access to their families, communities, and support networks and (ii) local jurisdictions, including but not limited to services that are not reimbursed through CSA, such as law enforcement, fire protection, mental health services, and education;
9. Determine whether CSA children receive appropriate care, case management, education, supervision, and quality assurance by the funding jurisdiction and whether steps should be taken to increase services in the home jurisdictions of such children; and identify barriers to serving CSA children in their communities;
10. Evaluate the costs and benefits of requiring the local entity responsible for the placement of children across jurisdictional lines, due to a lack of appropriate services and facilities in the home locality, to initiate the development of

community-based services, including group homes or other services, to serve the needs of such children and their families and to stimulate the implementation of community-based services;

11. Assess the regulatory structure and implementation of the Standards for Interdepartmental Regulation of Children's Residential Facilities to determine whether the interdepartmental program should be continued and whether returning the regulatory responsibility for residential facilities to the relevant state agencies would increase accountability and ensure the safety, health, and welfare of the children placed in residential facilities; and

12. Advise the joint subcommittee periodically concerning the status of its study and findings.¹

During the second phase of the study, during the 2007 interim, JLARC shall brief the joint subcommittee regarding its findings and shall assist the joint subcommittee in developing recommendations relative to collective findings and assessments regarding the administration of the Comprehensive Services Act and the cost effectiveness of the Comprehensive Services for At-Risk Youth and Families program. The joint subcommittee shall ultimately develop appropriate recommendations in consultation with the Joint Legislative Audit and Review Commission. Throughout the process, the joint subcommittee and JLARC shall work collaboratively, to minimize duplication and fragmentation.

Pursuant to SJR 96, the joint subcommittee is limited to four (4) meetings in the 2006 interim and four (4) meetings in the 2007 interim. Meetings shall be concluded no later than November 30 of each year, and the chairman of the joint subcommittee and the chairman of JLARC shall individual submit to the Division of Legislative Automated Systems an executive summary of their findings and recommendations no later than the first day of the next regular session of the General Assembly for each year.

Direct costs of the study shall not exceed \$7,700 for each year without special approval as set out in the resolution. Of this amount, an estimated \$500 is allocated for speakers, materials, etc.

III. Background

A. History and Purpose of the Comprehensive Services Act

Chapter 52 of Title 2.2 of the Code of Virginia (§2.2-5200 et seq.), the Comprehensive Services Act, creates the Comprehensive Services for At-Risk Youth and Families Program. Prior to enactment of this section and creation of the program in 1992, four

¹ These tasks are also charged to JLARC pursuant to House Joint Resolution 60 (Nixon - 2006), which does not create a joint subcommittee, but refers to the joint subcommittee created by SJR 96. HJR 60 was a recommendation of the Joint Subcommittee Studying Private Youth and Single Family Group Homes in the Commonwealth pursuant to HJR 685 (2005).

separate human service agencies were responsible for providing services designated to address the emotional and behavioral problems of at-risk youth.² Sixteen separate funding streams supported the programs utilized by these agencies to pay for necessary services. This fragmented system fostered duplication of services and encouraged delivery of services through more restrictive and more expensive residential treatment settings. In FY 1989, more than \$53 million was spent on programs and residential services for at-risk children. By FY 1993, this figure had increased to \$89 million, an average annual growth rate of 14 percent.³

The CSA was enacted "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 youths and their families in the Commonwealth."⁴

In enacting the CSA, the General Assembly indicated that the law should be interpreted and construed so as to effectuate the following purposes:

1. Ensure that services and funding are consistent with the Commonwealth's policies of preserving families and providing appropriate services in the least restrictive environment, while protecting the welfare of children and maintaining the safety of the public;
2. Identify and intervene early with young children and their families who are at risk of developing emotional or behavioral problems, or both, due to environmental, physical or psychological stress;
3. Design and provide services that are responsive to the unique and diverse strengths and needs of troubled youths and families;
4. Increase interagency collaboration and family involvement in service delivery and management;
5. Encourage a public and private partnership in the delivery of services to troubled and at-risk youths and their families; and
6. Provide communities flexibility in the use of funds and to authorize communities to make decisions and be accountable for providing services in concert with these purposes.⁵

Within this framework, architects of the CSA agreed on three principle premises: first, localities should be given considerable discretion and control over the program; second, that the structure in which such discretion was exercised should include participation by representatives of each major human resources agency in the jurisdiction; and third, that certain groups of children (specifically, foster children and special education students)

² These included the Department of Youth and Family Services, the Department of Education, the Department of Social Services, and the Department of mental Health, Mental Retardation and Substance Abuse Services. Report of the Joint Legislative Audit and Review Commission, "Report of the Comprehensive Services Act," *Senate Document No. 25* (1998).

³ *Id.*

⁴ Va. Code § 2.2-5200.

⁵ *Id.*

should be considered "mandated" and the services they require should be funded "sum sufficiently."⁶

To carry out these purposes, the CSA created a multi-level management structure to coordinate CSA activities at both the state and local levels, which includes input from relevant agencies, local government, provider groups, and parents. While local human resource agencies continue to maintain the separate systems that have historically been used to treat at-risk children under the CSA, the agencies are required to form a multi-agency team to plan and implement a coordinated assistance plan for a certain group of at-risk children within that locality, in conjunction with these structures. Funding for these efforts is drawn from a pool of state funds fed by eight categorical funding streams.⁷

B. Structure for the Provision of Services

The Comprehensive Services Act creates a multi-level system of state and community level entities charged with working collaboratively to implement the CSA.

State CSA Structure

At the state level, several planning and oversight entities work to organize, manage and support CSA activities.

The **State Executive Council** (SEC) is a supervisory council that provides leadership and oversight in the development and implementation of program and fiscal policies under the CSA.⁸ Among its statutory powers and duties, the SEC is required to:

- Provide for the establishment of interagency programmatic and fiscal policies developed by the Office of Comprehensive Services for At-Risk Youth and Families, which support the purposes of the Comprehensive Services Act through the promulgation of regulations by the participating state boards or by administrative action, as appropriate;
- Provide for a public participation process for programmatic and fiscal guidelines and dispute resolution procedures developed for administrative actions that support the purposes of the Comprehensive Services Act. The public participation process shall include, at a minimum, 60 days of public comment and the distribution of these guidelines and procedures to all interested parties;
- Oversee the administration of and consult with the Virginia Municipal League and the Virginia Association of Counties about state policies governing the use, distribution and monitoring of moneys in the state pool of funds and the state trust fund;

⁶ Report of the Joint Legislative Audit and Review commission, "Report of the Comprehensive Services Act," *Senate Document No. 25* (1998).

⁷ *Id.*

⁸ *Id.*

- Provide for the administration of necessary functions that support the work of the Office of Comprehensive Services for At-Risk Youth and Families;
- Review and take appropriate action on issues brought before it by the Office of Comprehensive Services for At-Risk Youth and Families, Community Policy and Management Teams (CPMTs), local governments, providers and parents;
- Advise the Governor and appropriate Cabinet Secretaries on proposed policy and operational changes that facilitate interagency service development and implementation, communication and cooperation;
- Provide administrative support and fiscal incentives for the establishment and operation of local comprehensive service systems;
- Oversee coordination of early intervention programs to promote comprehensive, coordinated service delivery, local interagency program management, and co-location of programs and services in communities. Early intervention programs include state programs under the administrative control of the state executive council member agencies;
- Oversee the development and implementation of a mandatory uniform assessment instrument and process to be used by all localities to identify levels of risk of Comprehensive Services Act (CSA) youth;
- Oversee the development and implementation of uniform guidelines to include initial intake and screening assessment, development and implementation of a plan of care, service monitoring and periodic follow-up, and the formal review of the status of the youth and the family;
- Oversee the development and implementation of uniform guidelines for documentation for CSA-funded services;
- Review and approve a request by a CPMT to establish a collaborative, multidisciplinary team process for referral and reviews of children and families pursuant to § [2.2-5209](#);
- Biennially publish and disseminate to members of the General Assembly and community policy and management teams a state progress report on comprehensive services to children, youth and families and a plan for such services for the next succeeding biennium.⁹

Membership of the SEC consists of one member of the House of Delegates appointed by the Speaker of the House; one member of the Senate appointed by the Senate Committee on Rules; the Commissioners of Health, of Mental Health, Mental Retardation and Substance Abuse Services, and of Social Services; the Superintendent of Public Instruction; the Executive Secretary of the Virginia Supreme Court; the Director of the Department of Juvenile Justice; the Director of the Department of Medical Assistance Services; the chairman of the state and local advisory team established pursuant to § 2.2-5200; two local government representatives to include a member of a county board of supervisors or a city council and a county administrator or city manager, to be appointed

⁹ Va. Code § 2.2-2648(D)

by the Governor; a private provider representative from a facility that maintains membership in an association of providers for children's or family services and receives funding as authorized by the Comprehensive Services Act to be appointed by the Governor; and a parent representative.¹⁰

The **Office of Comprehensive Services for At-Risk Youth & Families** (OCS) serves as the administrative entity of the SEC to ensure that the decisions of the SEC are implemented. OCS works collaboratively with all CSA stakeholders to develop, promote and support cooperation and collaboration in the provision of services to troubled and at-risk youth and families at the state and local levels, to successfully implement the CSA. The director of the OCS is hired by and is subject to the direction of the Sec. Among other duties, the director is required to:

- Develop and recommend to the state executive council programs and fiscal policies that promote and support cooperation and collaboration in the provision of services to troubled and at-risk youths and their families at the state and local levels;
- Develop and recommend to the Council state interagency policies governing the use, distribution and monitoring of moneys in the state pool of funds and the state trust fund;
- Develop and provide for the consistent oversight for program administration and compliance with state policies and procedures;
- Provide for training and technical assistance to localities in the provision of efficient and effective services that are responsive to the strengths and needs of troubled and at-risk youths and their families;
- Serve as liaison to the participating state agencies that administratively support the Office and that provide other necessary services;
- Implement, in collaboration with participating state agencies, policies, guidelines and procedures adopted by the State Executive Council;
- Consult regularly with the Virginia Municipal League and the Virginia Association of Counties about implementation and operation of the Comprehensive Services Act.¹¹

The **State and Local Advisory Team** (SLAT) is statutorily required to assist the SEC in managing cooperative efforts at the state level and providing support to community efforts. The SLAT is also charged with advising the SEC on state interagency program and fiscal policies that promote and support cooperation and collaboration in the provision of services to troubled and at-risk youths and their families at the state and local levels, on training and technical assistance necessary for the provision of efficient and effective services that are responsive to the strengths and needs of troubled and at-

¹⁰ Va. Code § 2.2-2648(B)

¹¹ Va. Code § 2.2-2649

risk youths and their families, and on the effects of proposed policies, regulations and guidelines.¹²

Local CSA Structure

In each locality, teams of professionals and members of the community work together to determine how to provide services and how to allocate funding for at-risk youths and their families.

Community Policy and Management Teams (CPMTs) include at least one elected or appointed official from the governing body of a locality that is a member of the team (or his designee), the local agency heads or their designees of the local child serving agencies including the local community services board, juvenile court services unit, department of health, department of social services, and school division, a representative of a private organization or association of providers for children's or family services if such organizations or associations are located within the locality, and a parent representative. CPMTs have statutory authority to and accountability for managing the cooperative effort of and developing interagency policies that govern the CSA in the community, and are charged with coordinating the localities' long-range, community-wide planning to ensure the development of needed resources and services.¹³

Family Assessment and Planning Teams (FAPTs) are developed by CPMTs to assess the strengths and needs of troubled youths and families who are approved for referral to the team, and to identify and determine the complement of services required to meet these unique needs. They are generally comprised of representatives of local child serving agencies including the local community services board, juvenile court services unit, department of health, department of social services, and school division, and parent representatives. FAPTs provide for family participation in all aspects of assessment, planning and implementation of services.¹⁴

CSA Coordinators are hired by many, but not all, communities to manage local CSA implementation including program, fiscal and administrative responsibilities.¹⁵

C. Services Provided under the Comprehensive Services Act

Under the CSA, multi-agency teams develop and implement coordinated assistance service plans for at-risk children. At-risk children are defined as "those whose treatment needs are beyond the capacity of any one human service agency."¹⁶ The goal, under the CSA, is to stabilize these children through the provision of services in the least restrictive environment, preferable the child's home or home community. In order to meet this goal,

¹² See Va. Code §§ 2.2-5201 to 2.2-5203

¹³ See Va. Code §§ 2.2-5204 to 2.2-5206

¹⁴ See Va. Code §§ 2.2-5207 to 2.2-5210

¹⁵ Biennial Report of the State Executive Council, Comprehensive Services for At-Risk Youth and Families, December 20, 2005, Appendix B.

¹⁶ Report of the Joint Legislative Audit and Review commission, "Report of the Comprehensive Services Act" *Senate Document No. 25* (1998).

children receive a wide array of services under the CSA. In many instances, children receive numerous services. In FY 2005, 16,272 children were served under the CSA, with a total of 25,242 services actually provided.¹⁷

Community Services. In FY 2005, 28% of children receiving services under the CSA received services in their homes or communities from private and public providers. These services include:

- Assessment and diagnostic testing
- Parent education and training
- Family support services
- Mentoring
- Behavioral aides
- School based services
- Respite care
- Crisis intervention & stabilization
- Outpatient individual & family therapy
- Substance abuse services
- Medication management
- Outpatient psychiatric visits
- Individualized wrap around services
- Intensive in-home services
- Functional family therapy
- Multi-systemic therapy

Foster Family Home. In FY 2005, 25% of all CSA services provided related to family foster home care, with children placed in family homes with foster parents. Some foster families received basic maintenance payments for room and board (8% of all CSA services). Others received additional services for foster children (14% of all CSA service). A few families received additional service payment for difficult children, but were not part of any therapeutic programs (3% of all CSA services).

Therapeutic Foster Home. Twelve percent of all CSA services provided in FY 2005 related to therapeutic foster home services, with children placed in family homes with trained foster parents who provided specialized care through a licensed child-placing agency or local agency's foster care therapeutic program. Foster parents may have received additional payment for the added daily supervision required for such children who suffer from emotional, behavioral, developmental, physical or mental disabilities.

Residential Treatment Facilities. Twelve percent of all CSA services in FY 2005 were devoted to children placed in licensed residential care facilities including secure residential facilities and campus-style residential programs. These facilities provide 24 hour supervised care and intensive treatment services, such as medication management, nursing care, special and regular education services, social skills training and therapy.

Special Education Private Day Placements. Nine percent of all CSA services in FY 2005 were devoted to children receiving educational and related services through an approved educational program at a private day school.

Group Home. IN FY 2005, 7% of all CSA services related to children placed in licensed residential programs that provided supervision in homelike environments for groups of

¹⁷ Biennial Report of the State Executive Council, Comprehensive Services for At-Risk Youth and Families, December 20, 2005.

children with behavioral, emotional, physical and/or mental disabilities. These homes may provide services including social and life skills training, vocational training, or emergency placements.

Services in Public Schools. Services in public schools comprised 5% of all CSA services in FY 2005. Children received services in public schools which were necessary to prevent more expensive and restrictive educational placements.

Independent Living. Two percent of all CSA services provided in FY 2005 were devoted to independent living services for older children in the custody of local social services or licensed child-placing agencies. These children are placed by the agency with court involvement in living arrangements without daily supervision.

Psychiatric Hospitals. Less than 1% of all CSA services related to children placed in acute care psychiatric units of licensed medical hospitals or free standing psychiatric hospitals to stabilize harmful behaviors to self or others or to stabilize mental health issues.¹⁸

D. Funding the CSA

Prior to passage of the CSA in 1993, four major human service agencies were separately responsible for providing services for at-risk youth. In FY 1989, these agencies spend a combined total of more than \$53 million on programs and residential services for at-risk youth. By 1993, this figure had increased to \$89 million – an average annual increase of fourteen percent.¹⁹

Enactment of the CSA simplified funding for services for troubled and at-risk youth by combining eight funding streams to create a single pool of state funds to be used for such purposes. The purposes of this funding system, as set forth in § 2.2-5211 of the *Code of Virginia*, are to:

1. Place authority for making program and funding decisions at the community level;
2. Consolidate categorical agency funding and institute community responsibility for the provision of services;
3. Provide greater flexibility in the use of funds to purchase services based on the strengths and needs of youths and families; and
4. Reduce disparity in accessing services and to reduce inadvertent fiscal incentives for serving children according to differing required local match rates for funding streams.

¹⁸ Biennial Report of the State Executive Council, Comprehensive Services for At-Risk Youth and Families, December 20, 2005, Appendix D.

¹⁹ Actual increases were closer to 22% per year, except for a one year decrease in the rate of growth in 1991-1992. *Id.*

Item 279 of the Appropriations Act addresses funding of the CSA state pool. Initial allocations for the Medicaid and non-Medicaid pools are set in the Appropriations Act, totaling \$34,834,425 from the general fund and \$45,000,000 from nongeneral funds the first year and \$34,834,425 from the general fund and \$49,000,000 from nongeneral funds the second year for the Medicaid state pool and \$109,996,708 from the general fund and \$8,419,998 in nongeneral funds the first year and \$126,755,474 from the general fund and \$8,419,998 in nongeneral funds the second year for the non-Medicaid state pool for the 2006-2006 biennium.

State pool funds are distributed to each locality in each year of the biennium based on the greater of that locality's percentage of actual 1997 Comprehensive Services Act pool fund program expenditures to total 1997 pool fund program expenditures or the latest available three-year average of actual pool fund program expenditures as reported to the state fiscal agent. All localities are required to appropriate a local match for the base year funding consisting of the actual aggregate local match rate based on actual total 1997 program expenditures for the Comprehensive Services Act for At-Risk Youth and Families. The average local match is 37%; the average state share is 63%.²⁰ Localities may receive supplemental allocations to meet the service needs of children and their families.²¹

CSA funds may be used to purchase public or private services for children and their families. Each agency continue to be responsible for providing services that are within their normal scope of responsibility and that are funded separately from the state pool. Certain populations - special education and foster care children - are mandated populations under the CSA. When the number of children falling into these classifications exceeds the numbers anticipated by a locality, and there are insufficient funds to pay for the necessary services, the community and state must pay their respective share of costs for those services.²²

Costs associated with the CSA program are driven by multiple factors, including:

- Number of mandated children in a community
- Severity of the problems presented
- Availability, type and duration of services
- Service rates
- Availability of alternative funding sources
- Local practices, and
- Policy change

Since the implementation of the CSA, expenditures have continued to increase. In FY 2004, CSA state pool expenditures totaled \$359.3 million, including both state and local funds, for services provided to children and families. In FY 2005, CSA state pool expenditures were \$273.2 million. However, the rate of increase in total expenditures has declined. During the first three years of CSA implementation, from 1994 to 1996, state

²⁰ *Id.*

²¹ Item 279.C, Appropriations Act 2006, Special Session I.

²² *Id.*

and local expenditure growth averaged 17.4% annually. From 1997 to 2000 the average annual rate of increase declined to 11.2%. Since 2000, the average annual rate of increase for total CSA expenditures has been 9.5%.²³

Utilization Management for CSA Services

Item 279.B.3 of the Appropriations Act requires each locality receiving CSA funds to have a utilization management process for all CSA services, to ensure the appropriate use of CSA funds and that services effectively meet the needs of children and their families. Utilization management techniques include analyzing assessment and placement information to guide service decisions, assessment of the necessity, efficiency and appropriateness of services provided, and discharge planning. Several localities have hired utilization review staff. The Virginia Department of Medical Assistance Services (DMAS) contracts for state utilization review services of residential placements for CSA youth who are not Medicaid eligible.

Federal Funding Sources

Medicaid In 2000, Medicaid policy was changed to allow Medicaid funding for residential treatment and therapeutic foster care. Since that time, over \$158 million in federal funds have been used to pay for CSA services for at-risk youth. These costs were previously paid with state and local funds. For FY 2005, Medicaid expenditures for CSA totaled \$70.8 million (50% federal, 32% state; 18% local on average). In addition, Medicaid funds a continuum of community mental health services for all Medicaid children, including eligible CSA children.²⁴ Community Policy and Management Teams must use Medicaid-funded services whenever they are available for the appropriate treatment of children and youth receiving services under the Comprehensive Services Act for At-Risk Children and Youth.²⁵

Title IV-E Funding. Title IV-E expenditures totaled \$67.1 million (50% federal, 50% state) for FY 2005. It is difficult to determine the percent of these expenditures spent exclusively on CSA children. However, had these funds not been available, state and local governments would have been required to cover at least some of this amount using CSA pool funds.²⁶

IV. Issues

The CSA was created in 1992 to establish a comprehensive system of services and funding through interagency planning and collaboration in order to better meet the needs of troubled and at-risk youths and their families. In recent years, however, several issues

²³ *Id.*

²⁴ *Id.*

²⁵ Item 279.E, Appropriations Act 2006, Special Session I.

²⁶ *Id.*

related to the administration of the CSA have come to the attention of the General Assembly. Specifically, the General Assembly is concerned that

- financial support provided by the Commonwealth and local governments for early intervention services for youths and their families and community services for troubled youths who have emotional or behavior problems has continued to increase
- Program costs are often unpredictable and have dramatically increased each fiscal year, making fiscal planning and budgeting a difficult process for local governments. At the same time, it has been to establish a standard regarding the actual effectiveness of these programs and expenditures.

In 2006, similar concerns prompted the General Assembly to pass Senate Joint Resolution 96, establishing a joint subcommittee to study the cost effectiveness of the Comprehensive Services for At-Risk Youth and Families program and to collaborate with JLARC regarding its evaluation of the administration of the Comprehensive Services Act.

Appendix A

SENATE JOINT RESOLUTION NO. 96

Establishing a joint subcommittee to study the cost effectiveness of the Comprehensive Services for At-Risk Youth and Families program and to collaborate with JLARC regarding its evaluation of the administration of the Comprehensive Services Act. Report.

Agreed to by the Senate, March 7, 2006

Agreed to by the House of Delegates, March 3, 2006

WHEREAS, the Comprehensive Services Act (CSA) was created in 1992 to establish a comprehensive system of services and funding through interagency planning and collaboration in order to better meet the needs of troubled and at-risk youths and their families; and

WHEREAS, concerns associated with the total general fund cost of the program (more than \$194 million in fiscal year 2001) and the average rate at which these costs have been increasing (approximately 10 percent per year) prompted the 2002 General Assembly to pass budget language directing the Secretary of Health and Human Resources to develop and implement a plan for improving services and containing costs in the treatment and care of children served through the CSA; and

WHEREAS, financial support provided by the Commonwealth and local governments for early intervention services for youths and their families and community services for troubled youths who have emotional or behavior problems continues to increase; and

WHEREAS, these program costs are often unpredictable and have dramatically increased each fiscal year, making fiscal planning and budgeting a difficult process for local governments; and

WHEREAS, it is difficult to establish a standard regarding the actual effectiveness of these programs and expenditures; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That a joint subcommittee be established to study the cost effectiveness of the Comprehensive Services for At-Risk Youth and Families program and to collaborate with JLARC regarding its evaluation of the administration of the Comprehensive Services Act. The joint subcommittee shall have a total membership of 11 members that shall consist of six legislative members, three nonlegislative citizen members, and two ex officio members. Members shall be appointed as follows: two members of the Senate to be appointed by the Senate Committee on Rules and four members of the House of Delegates to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates; one nonlegislative citizen member to be appointed by the Senate Committee on Rules; and

two nonlegislative citizen members to be appointed by the Speaker of the House of Delegates. The Commissioner of Social Services or his designee and the Director of the Department of Planning and Budget or his designee shall serve ex officio with voting privileges. Nonlegislative citizen members of the joint subcommittee shall be citizens of the Commonwealth of Virginia. Unless otherwise approved in writing by the chairman of the joint subcommittee and the respective Clerk, nonlegislative citizen members shall only be reimbursed for travel originating and ending within the Commonwealth of Virginia for the purpose of attending meetings. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required. The joint subcommittee shall elect a chairman and vice chairman from among its membership, who shall be members of the General Assembly.

The study shall be conducted in two phases. In the first phase of the study during the 2006 interim, the joint subcommittee and JLARC shall conduct their respective studies. In conducting its study during the 2006 interim, the joint subcommittee shall review the administration of the Comprehensive Services Act by state and local governments, including projections of caseloads, service needs and costs, and quality of services provided, and make recommendations for improvement of program services and strategies for cost containment.

In conducting its study during the 2006 interim, JLARC shall:

1. Evaluate the costs, quality, and reimbursement of children's residential services;
2. Examine the interdepartmental regulation of these facilities;
3. Assess the administration of the CSA by state and local governments, including the methodology for projecting caseloads and the costs and adequacy of funding to administer the program at the state and local levels;
4. Ascertain the total costs of CSA residential services for state and local governments and offer recommendations to improve services and contain costs. In conducting this evaluation, JLARC shall examine the current practices of negotiating contracts with residential service providers and identify and assess alternatives that may be more cost effective than current contracting practices, including: (i) analyzing the costs and rates paid, whether the Commonwealth and localities are receiving quality services for the funds expended, and whether group homes and campus facility rates for the placement of CSA children are set rationally and cost-effectively; (ii) evaluating effective strategies for negotiating and reporting group homes and residential facilities rates; and (iii) requiring a state agency or instrumentality, such as the Office of Comprehensive Services, to negotiate statewide or regional contracts for residential treatment services funded from the state pool for such services;
5. Consider whether residential facilities that provide "medically necessary" services should be qualified Medicaid providers in order to receive payment from the state CSA funding pool as a means of containing costs;

6. Determine the regulatory and fiscal steps that may be necessary to contain costs, procure quality services, ensure accountability for services, and protect the health, safety, and welfare of children placed in residential facilities, particularly children placed across jurisdictional lines when appropriate services are not available in their communities;
7. Evaluate the quality and capacity of services available to and provided for CSA children and their families;
8. Identify the impact of cross-jurisdictional placements on (i) CSA children without immediate access to their families, communities, and support networks and (ii) local jurisdictions, including but not limited to services that are not reimbursed through CSA, such as law enforcement, fire protection, mental health services, and education;
9. Determine whether CSA children receive appropriate care, case management, education, supervision, and quality assurance by the funding jurisdiction and whether steps should be taken to increase services in the home jurisdictions of such children; and identify barriers to serving CSA children in their communities;
10. Evaluate the costs and benefits of requiring the local entity responsible for the placement of children across jurisdictional lines, due to a lack of appropriate services and facilities in the home locality, to initiate the development of community-based services, including group homes or other services, to serve the needs of such children and their families and to stimulate the implementation of community-based services;
11. Assess the regulatory structure and implementation of the Standards for Interdepartmental Regulation of Children's Residential Facilities to determine whether the interdepartmental program should be continued and whether returning the regulatory responsibility for residential facilities to the relevant state agencies would increase accountability and ensure the safety, health, and welfare of the children placed in residential facilities; and
12. Advise the joint subcommittee periodically concerning the status of its study and findings.

During the second phase of the study during the 2007 interim, the joint subcommittee and JLARC shall continue to work collaboratively to minimize fragmentation and duplication of effort in their respective studies. The joint subcommittee shall continue the examination of its objectives and develop appropriate recommendations in consultation with the Joint Legislative Audit and Review Commission. JLARC shall brief the joint subcommittee concerning its findings and assist the joint subcommittee in developing its recommendations relative to collective findings and assessments regarding the administration of the Comprehensive Services Act and the cost effectiveness of the Comprehensive Services for At-Risk Youth and Families program.

Administrative staff support shall be provided by the Office of the Clerk of the Senate. Legal, research, policy analysis, and other services as requested by the joint

subcommittee shall be provided by the Division of Legislative Services. Technical assistance shall be provided by the Joint Legislative Audit and Review Commission, Office of Comprehensive Services, and the Departments of Social Services, Education, Juvenile Justice, and Mental Health, Mental Retardation and Substance Abuse Services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2006 interim and four meetings for the 2007 interim, and the direct costs of this study shall not exceed \$7,700 for each year without approval as set out in this resolution. Of this amount an estimated \$500 is allocated for speakers, materials, and other resources. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

No recommendation of the joint subcommittee shall be adopted if a majority of the Senate members or a majority of the House members appointed to the joint subcommittee (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the joint subcommittee.

The joint subcommittee and JLARC shall complete their respective meetings for the first year by November 30, 2006, and for the second year by November 30, 2007, and the chairman of the joint subcommittee and the chairman of JLARC shall individually submit to the Division of Legislative Automated Systems an executive summary of their findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether the joint subcommittee and JLARC intend to submit to the General Assembly and the Governor individual or joint reports of their findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or delay the period for the conduct of the study, or authorize additional meetings during the 2006 or 2007 interim.

Appendix B

HOUSE JOINT RESOLUTION NO. 60

*Directing JLARC to evaluate the administration of the Comprehensive Services Act.
Report.*

Agreed to by the House of Delegates, March 2, 2006

Agreed to by the Senate, February 28, 2006

WHEREAS, the Comprehensive Services Act (CSA) was created in 1992 to establish a comprehensive system of services and funding through interagency planning and collaboration in order to better meet the needs of troubled and at-risk youth and their families; and

WHEREAS, concerns associated with the total general fund cost of the program (more than \$194 million in fiscal year 2001) and the average rate at which these costs have been increasing (approximately 10% annually) prompted the 2002 General Assembly to pass budget language directing the Secretary of Health and Human Resources to develop and implement a plan for improving services and containing costs in the treatment and care of children served through the CSA; and

WHEREAS, financial support provided by the Commonwealth and local governments for early intervention services for youth and their families and community services for troubled youth who have emotional or behavior problems continues to increase; and

WHEREAS, these program costs are often unpredictable and have dramatically increased each fiscal year, making fiscal planning and budgeting a difficult process for local governments; and

WHEREAS, the Joint Subcommittee Studying Youth and Single Family Group Homes in the Commonwealth, pursuant to House Joint Resolution No. 685 (2005), has studied the regulation of and zoning and siting issues, services, and reimbursement for children's residential facilities or group homes in the Commonwealth; and

WHEREAS, the Joint Subcommittee has recommended legislation to increase accountability and improve regulatory authority for disciplinary actions in egregious situations; and

WHEREAS, the Joint Subcommittee has received comprehensive data on the regulatory programs for group homes, particularly the interdepartmental regulation of children's facilities through the Departments of Education; Juvenile Justice; Mental Health, Mental Retardation and Substance Abuse Services; and Social Services and the regulation of adult group homes by the Department of Mental Health, Mental Retardation and Substance Abuse Services; and

WHEREAS, although the Joint Subcommittee believes that redundant and duplicative regulatory requirements are unnecessary, the members were disconcerted by the failure of the interdepartmental program to take steps to develop regulations to implement requirements enacted by House Bill No. 2461 and Senate Bill No. 1304 in 2005 and concerned about the bureaucratic weight caused by requiring four regulatory boards and their departments to "cooperate" in setting and enforcing facility standards; and

WHEREAS, in addition, the Joint Subcommittee received voluminous data on the costs and statistics of placements through the CSA that only served to emphasize the gaps in statewide data on the rates being paid by localities for group home reimbursement of CSA children, the glaring fact that many children are placed out of their home jurisdictions into such group homes, and the apparent lack of monitoring of placements across jurisdictional lines by the responsible parties; and

WHEREAS, the Joint Subcommittee believes that a detailed examination of the rates paid for, efficacy of, and the accountability for Comprehensive Services Act placements must be conducted, as well as an analysis of the interdepartmental regulatory program to determine whether stricter standards, rate setting, and perhaps other measures should be taken to ensure the safety of the vulnerable children placed in group homes; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That JLARC be directed to evaluate the administration of the Comprehensive Services Act.

In conducting its study, JLARC shall:

1. Evaluate the costs, quality, and reimbursement of children's residential services;
2. Examine the interdepartmental regulation of these facilities;
3. Assess the administration of the CSA by state and local governments, including the methodology for projecting caseloads and the costs and adequacy of funding to administer the program at the state and local levels;
4. Ascertain the total costs of CSA residential services for state and local governments and offer recommendations to improve services and contain costs. In conducting this evaluation, the Commission shall examine the current practices of negotiating contracts with residential service providers and identify and assess alternatives that may be more cost effective than current contracting practices, including: (i) analyzing the costs and rates paid, whether the Commonwealth and localities are receiving quality services for the funds expended, and whether group homes and campus facility rates for the placement of CSA children are set rationally and cost effectively; (ii) evaluating effective strategies for negotiating and reporting group homes and residential facilities rates; and (iii) requiring a state agency or instrumentality, such as the Office of Comprehensive Services, to negotiate statewide or regional contracts for residential treatment services funded from the state pool for such services;

5. Consider whether residential facilities that provide "medically necessary" services should be qualified Medicaid providers in order to receive payment from the state CSA funding pool as a means of containing costs;
6. Determine the regulatory and fiscal steps that may be necessary to contain costs, procure quality services, ensure accountability for services, and protect the health, safety, and welfare of children placed in residential facilities, particularly children placed across jurisdictional lines when appropriate services are not available in their communities;
7. Evaluate the quality and capacity of services available to and provided for CSA children and their families;
8. Identify the impact of cross-jurisdictional placements on (i) CSA children without immediate access to their families, communities, and support networks and (ii) local jurisdictions, including but not limited to, services that are not reimbursed through CSA, such as law enforcement, fire protection, mental health services, and education;
9. Determine whether CSA children receive appropriate care, case management, education, supervision, and quality assurance by the funding jurisdiction, whether steps should be taken to increase services in the home jurisdictions of such children, and identify barriers to serving CSA children in their communities;
10. Evaluate the costs and benefits of requiring the local entity responsible for the placement of children across jurisdictional lines, due to a lack of appropriate services and facilities in the home locality, to initiate the development of community-based services, including group homes or other services, to serve the needs of such children and their families and to stimulate the implementation of community-based services; and
11. Assess the regulatory structure and implementation of the Standards for Interdepartmental Regulation of Children's Residential Facilities to determine whether the interdepartmental program should be continued and whether returning the regulatory responsibility for residential facilities to the relevant state agencies would increase accountability and ensure the safety, health, and welfare of the children placed in residential facilities.

Technical assistance shall be provided to JLARC for this study by the Office of Comprehensive Services, and the Departments of Social Services, Education, Juvenile Justice, and Mental Health, Mental Retardation and Substance Abuse Services. All agencies of the Commonwealth shall provide assistance to the Commission for this study, upon request.

JLARC shall complete its meetings for the first year by November 30, 2006, and for the second year by November 30, 2007. In each year, the Chairman shall brief the Joint Subcommittee to Study the Cost Effectiveness of the Comprehensive Services for At-Risk Youth and Families Program Senate Joint Resolution No. 96 (2006) no later than

November 1, and shall submit to the House Committee on Finance, the House Committee on Appropriations, the Senate Committee on Finance, the Senate Committee on Education and Health, the House Committee on Health, Welfare and Institutions and 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. Each executive summary shall state whether the Chairman intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

Appendix C

Members, State Executive Council

Office of the Secretary of Health and Human Resources

Secretary Marilyn B. Tavenner

House of Delegates

Delegate Phillip A. Hamilton

Senate of Virginia

Senator John S. Edwards

Local Government Representatives

B. David Canada, City Manager, City of Petersburg

F. Woodrow Harris, Councilman, City of Emporia

Department of Social Services

Anthony Conyers, Jr., Commissioner

Department of Medical Assistance Services

Patrick Finnerty, Director

Department of Juvenile Justice

Barry Green, Director

Department of Mental Health, Mental Retardation and Substance Abuse Services

James S. Reinhard, M.D., Commissioner

Virginia Department of Health

Robert B. Stroube, M.D., M.P.H., Commissioner

Virginia Department of Education

Billy K. Cannaday, Jr., Superintendent of Public Instruction

Executive Secretary of the Supreme Court of Virginia

Lelia Hopper, Director, Court Improvement Program

Private Provider Representative

Greg Peters, Executive Director, United Methodist Family Services

Parent Representative

Brenda Sookins Wright

SLAT Chair

Mr. James Howard, Director, Greene County DSS