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# VIRGINIA STATE BUDGET

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1997 Session

## Budget Bill - HB1600 (Chapter 924)

Bill Order » Office of Education » Item 153

Comprehensive Services for At-Risk Youth and Families

Item 153	First Year - FY1997	Second Year - FY1998
<b>Protective Services (45300)</b>	<b>\$93,907,685</b> <b>\$103,524,291</b>	<b>\$90,824,581</b> <b>\$110,054,546</b>
Financial Assistance for Child and Youth Services (45303)	\$93,907,685 \$103,524,291	\$90,824,581 \$110,054,546
Fund Sources:		
General	\$85,487,687 \$95,104,293	\$82,404,583 \$100,634,548
Federal Trust	\$8,419,998	\$8,419,998 \$9,419,998

Authority: Title 2.1, Chapter 46, Code of Virginia.

A. Out of the appropriation, \$2,108,104 from the general fund and \$1,000,000 from nongeneral funds the first year and *\$670,000 from the general fund and \$1,000,000 from nongeneral funds* the second year shall be paid into the trust fund on the books of the State Comptroller, designated as "Community Services Trust Fund for Youth and Families". The general fund balance in the Fund shall not revert to the general fund at the end of the fiscal year, but shall be reappropriated for expenditure in the succeeding fiscal year. The Fund shall be used to provide incentives for selected communities in developing cost-effective community and early intervention services for troubled and at-risk youth and their families. New community services shall target youth, and their families, who have severe emotional and/or behavior problems, who are in or at imminent risk of out-of-community placements and who can appropriately and effectively be served in the home or community. At least 25% of the funds cited in this paragraph must be used to provide early intervention services for young children who are abused or neglected or who are at risk of developing serious emotional and behavior problems.

B. The Department of Education shall serve as fiscal agent to administer funds cited in Paragraphs A and C. The Director of the Department of Planning and Budget shall have authority to transfer the amounts cited in each of these paragraphs to the Department of Education.

C.1. Out of this appropriation, \$76,666,034 from the general fund and \$8,419,998 from nongeneral funds the first year and \$81,766,034 from the general fund and \$8,419,998 from nongeneral funds the second year, shall be used for the state pool of funds, pursuant to § 2.1-757, Code of Virginia. ~~Proration is authorized in the second year to the extent these funds are not adequate to cover the full costs pursuant to Title 2.1, Chapter 46, Code of Virginia.~~

2. The State Executive Council shall provide localities with technical assistance on ways to control costs and on opportunities for alternative funding sources beyond funds available through the state pool.

3. Out of this appropriation, \$75,000 from the general fund the first year *and \$50,000 from the general fund the second year* is provided for a combination of regional and statewide meetings for technical assistance to local community policy and management teams, family assessment and planning teams, and local fiscal agents. Training shall include, but not be limited to, cost containment measures, utilization review, use of alternate revenue sources, and administrative and fiscal issues. ~~The meetings shall be coordinated by the Virginia Institute of~~

~~Government in cooperation with the Virginia Association of Counties, the Virginia Municipal League, the State Executive Council, and the State Management Team.~~ *A state-supported institution of higher education, in cooperation with the Virginia Association of Counties, the Virginia Municipal League, the State Executive Council, and the State Management Team, may assist in the provisions of this paragraph. Any funds unexpended for this purpose in the first year shall be reappropriated for the same use in the second year.*

4. Out of this appropriation, ~~\$6,000,000~~ \$15,616,606 from the general fund the first year *and \$17,000,000 from the general fund and \$1,000,000 from nongeneral funds the second year* shall be set aside to pay for the state share of supplemental requests from localities that have exceeded their state allocation for mandated services. Localities requesting funding from the set-aside must demonstrate that their request is based upon an increase in the number of mandated children and/or that the treatment costs have increased due to the service needs of the children. Such localities also must demonstrate that they have instituted effective cost control measures as recommended by the State Executive Council pursuant to paragraph C.2. of this item *or participate in voluntary utilization review pursuant to C. 5. of this item.*

*5. The State Executive Council shall work with the Department of Medical Assistance Services to amend the Department's existing preauthorization and utilization management contract with a qualified medical review organization, in order to provide utilization management of residential placements provided to youth under the Comprehensive Services Act. A payment of \$175,000 the second year from the general fund shall be transferred to the Department of Medical Assistance Services for such utilization management services. It shall be optional for local Community Planning and Management Teams (CPMT) to participate in the state-wide contract for utilization review. However, if a CPMT participates in the state-wide utilization review program, such participation shall meet the requirement for supplemental funding specified in paragraph C.4. of this item. Any CPMT performing its own utilization review shall also be deemed to meet the requirements of paragraph C.4. of this item. The Department of Medical Assistance Services, in cooperation with representatives of the Virginia Association of Counties, the Virginia Municipal League, the State Executive Council, and the State Management Team, shall develop the criteria and guidelines to be followed by the utilization management provider.*

D. The funding formula to carry out the provisions of the Comprehensive Services Act for At-Risk Youth and Families is as follows:

1. Base year funds for localities. No locality shall be allocated less state funds in accordance with § 2.1-757, Code of Virginia, than it received for the base year which is defined as fiscal year 1995. The match for a locality to draw this base year allocation of state funds shall be the same dollar amount as the locality paid in fiscal year 1995 to match state funds.

2. Formula for state funds.

a. The following formula shall be used to compute a locality's allocation of state dollars in excess of the amount it received in the base year which is defined as fiscal year 1995: total youth population age 0-17 years as reported in the United States Census (33.33 percent); food stamp recipients in households with a child under the age of 18 as reported by the Department of Social Services (33.33 percent); founded and reason to suspect child protective services complaints as reported by the Department of Social Services (17.75 percent); seriously emotionally disturbed or learning disabled children as reported by the Department of Education (10.34 percent); and juvenile court intake complaints as reported by the Department of Juvenile Justice (5.25 percent).

b. The data used to compute this formula shall be based on the latest available information and updated once each biennium.

c. The amount to be allocated by formula is defined as appropriations in excess of fiscal year 1995 expenditures.

3. Local match. A locality's match for all state funds that exceed the amount it received in the base year shall be

computed by using each locality's per capita revenue capacity as determined by the Commission on Local Government divided by the statewide per capita revenue capacity. The resulting ratio for each locality shall be multiplied by an aggregate local share of 45 percent. Each local share shall then be adjusted according to income in each locality, as determined by dividing the median adjusted gross income for all state income tax returns in each locality by median adjusted gross income for all income tax returns statewide. Local share shall not exceed 45 percent of the total new funds allocated by the formula established by this act. The data used to compute local match rates shall use the most recent information published by the Commission on Local Government and shall be updated once each biennium.

4. Local Administrative Costs. Out of this appropriation, an amount equal to one percent of the state funds in the fiscal year 1994 pool not to exceed \$638,549 shall be allocated among all localities for administrative costs. Every locality shall be required to appropriate a local match based on the ability to pay measure in Paragraph D. of this Item. Inclusive of the state allocation and local matching funds, every locality shall receive the larger of \$5,000 or an amount equal to one percent of the total pool allocation. No locality shall receive more than \$25,000 inclusive of the state allocation and local matching funds.

5. Definition. For purposes of the funding formula in the Comprehensive Services Act for At-Risk Youth and Families, "locality" means county or city.

E. Any unexpended balance in this item on June 30, ~~1996~~, shall not revert to the general fund but shall be reappropriated for expenditure in the succeeding year.

*F. The Office of Comprehensive Services, in conjunction with the Department of Medical Assistance Services, shall study the possible use of Early Periodic Screening and Diagnostic Testing (EPSDT) funding to cover residential psychiatric services. As part of the study, the Department of Medical Assistance Services shall determine the cost to local governments for Comprehensive Services Act (CSA) children who may be eligible for these services and the number of non-CSA children who may be eligible for these services. The study shall address the advisability of using EPSDT funding for these services, after determining the possible number of children eligible and provider rates required under the Boren Amendment. Local Community Planning and Management Teams, as a condition of receiving base or supplemental CSA funds, shall cooperate with the Department of Medical Assistance Services' data collection efforts required to conduct this study. The plan shall be reported to the Governor and to the Chairmen of the House Appropriations and Senate Finance Committees by December 15, 1997.*