

AGENDA
State Executive Council for Children's Services
December 12, 2019
Richmond/Henrico Rooms
1604 Santa Rosa Road
Richmond, VA 23229

- 9:30** **Introductions and Opening Remarks – Dr. Daniel Carey, Chair**
- Introduction of new member
 - Acknowledgements of retiring/departing members
 - **Action Item** – Approval of September 2019 Minutes
- 9:40** **Public Comment**
- 9:50** **Executive Director's Report – Scott Reiner**
- FY2019 CSA Budget and Utilization Summary
 - Annual Report of the OCS Audit Program to the SEC
 - OCS Annual Reports to the General Assembly
 - Overview of the Private Day Special Education Cost Study
 - Update: Spring 2020 Regional Learning Collaboratives: "Are You Ready?"
- 10:05** **State and Local Advisory Team Report – Karen Reilly-Jones, SLAT Chair**
- **Action Item** – Approval of nominations for SLAT membership effective July 1, 2019
- 10:15** **Report from the SEC Finance and Audit Committee – Mary Biggs**
- 10:30** **Biennial SEC Progress Report and Strategic Plan – Nancy Toscano, Facilitator**
- **Action Item** – Approval of Strategic Plan
- 11:45** **Member Updates**
- 11:55** **Public Comment II**
- 12:00** **Closing Remarks – Secretary Carey**
- Adjourn**

Schedule for 2020 meetings: March 12, June 11, September 10, December 10

Materials:

September 2019 Minutes
Reports to the General Assembly
Annual Report of the OCS Audit Program to the SEC
Overview of CSA Expenditures and Utilization, FY2019
Draft: SEC Strategic Plan

DRAFT

**STATE EXECUTIVE COUNCIL (SEC)
FOR CHILDREN'S SERVICES
Richmond/Henrico Rooms
1604 Santa Rosa Road
Richmond, VA
Thursday, September 19, 2019**

SEC Members Present:

The Honorable Daniel Carey, M.D., Secretary of Health and Human Resources
The Honorable Mary Biggs, Member, Montgomery County Board of Supervisors
Sophia Booker, Service Recipient Representative
Nannette Bowler for Duke Storen, Commissioner, Virginia Department of Social Services
Valerie Boykin, Director, Department of Juvenile Justice
Eric Campbell, City Manager, City of Harrisonburg
Courtney Gaskins, Ph.D., Director of Program Services, Youth for Tomorrow
The Honorable Willie Greene, Vice Mayor, City of Galax
Patricia Haymes, for James Lane, Ed.D, Superintendent of Public Instruction, Virginia Department of Education
Bob Hicks, for M. Norman Oliver, M.D., Commissioner, Virginia Department of Health
The Honorable Catherine Hudgins, Member, Fairfax County Board of Supervisors
Sandra Karison for Karl Hade, Executive Secretary of the Supreme Court of Virginia
Karen Kimsey, Director, Department of Medical Assistance Services
The Honorable T. Montgomery "Monty" Mason, Member, Senate of Virginia
Karen Reilly-Jones, Chair, State and Local Advisory Team (SLAT)
Mira Signer, Acting Commissioner, Virginia Department of Behavioral Health and Developmental Services
The Honorable Frank Somerville, Presiding Judge, 16th Judicial District, Juvenile and Domestic Relations District Court
Amanda Stanley, President and CEO, DePaul Community Resources

SEC Members Absent:

The Honorable Richard "Dickie" Bell, Member, Virginia House of Delegates
Andelicia Neville, Parent Representative
R. Morgan Quicke, County Administrator, Richmond County
Jessica Stern, Parent Representative

Other Staff Present:

Stephanie Bacote, Program Audit Manager
Marsha Mucha, Administrative Staff Assistant, OCS
Scott Reiner, Executive Director, OCS
Zandra Relaford, Assistant Director, OCS
Susan Whyte, Assistant Attorney General

DRAFT

Introductions and Approval of Minutes

Secretary Carey called the meeting to order at 9:10 a.m. and welcomed everyone. Introductions were made.

The minutes of the June 20, 2019 meeting were approved on a motion by Mary Biggs, seconded by Mira Signer and carried.

Public Comment

There was no public comment.

Adjournment

There being no future business, the meeting adjourned at 9:30 a.m.*

*Note: A joint strategic planning session with the State and Local Advisory Team (SLAT) followed the business portion of the meeting.

Overview of CSA Expenditures and Utilization

FY2019

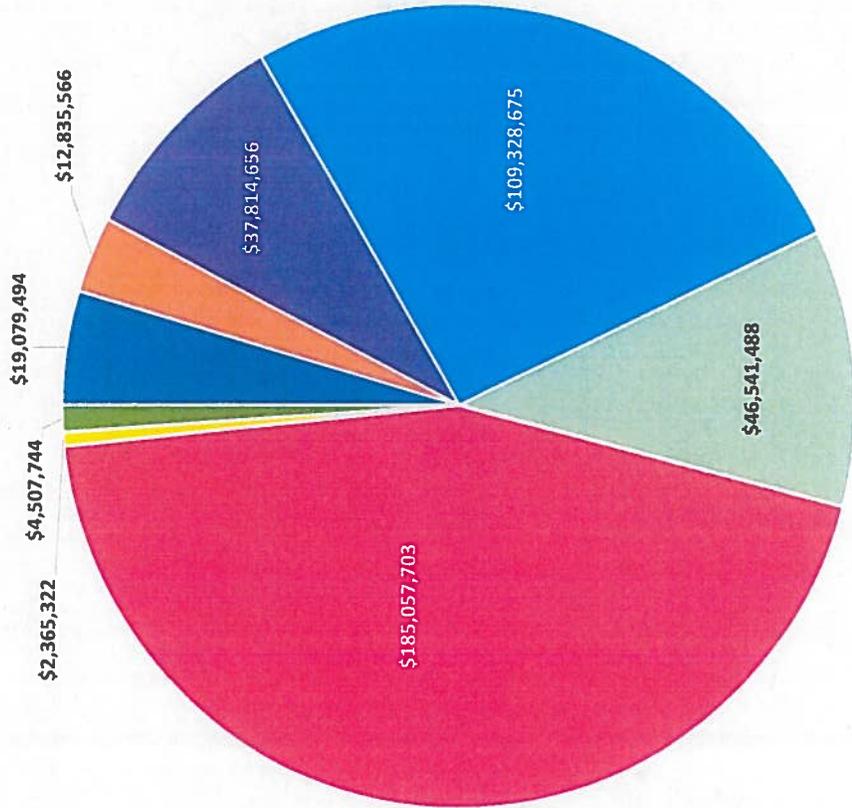
Prepared for the State Executive Council for Children's Services

December 12, 2019

FY2019 CSA Trends

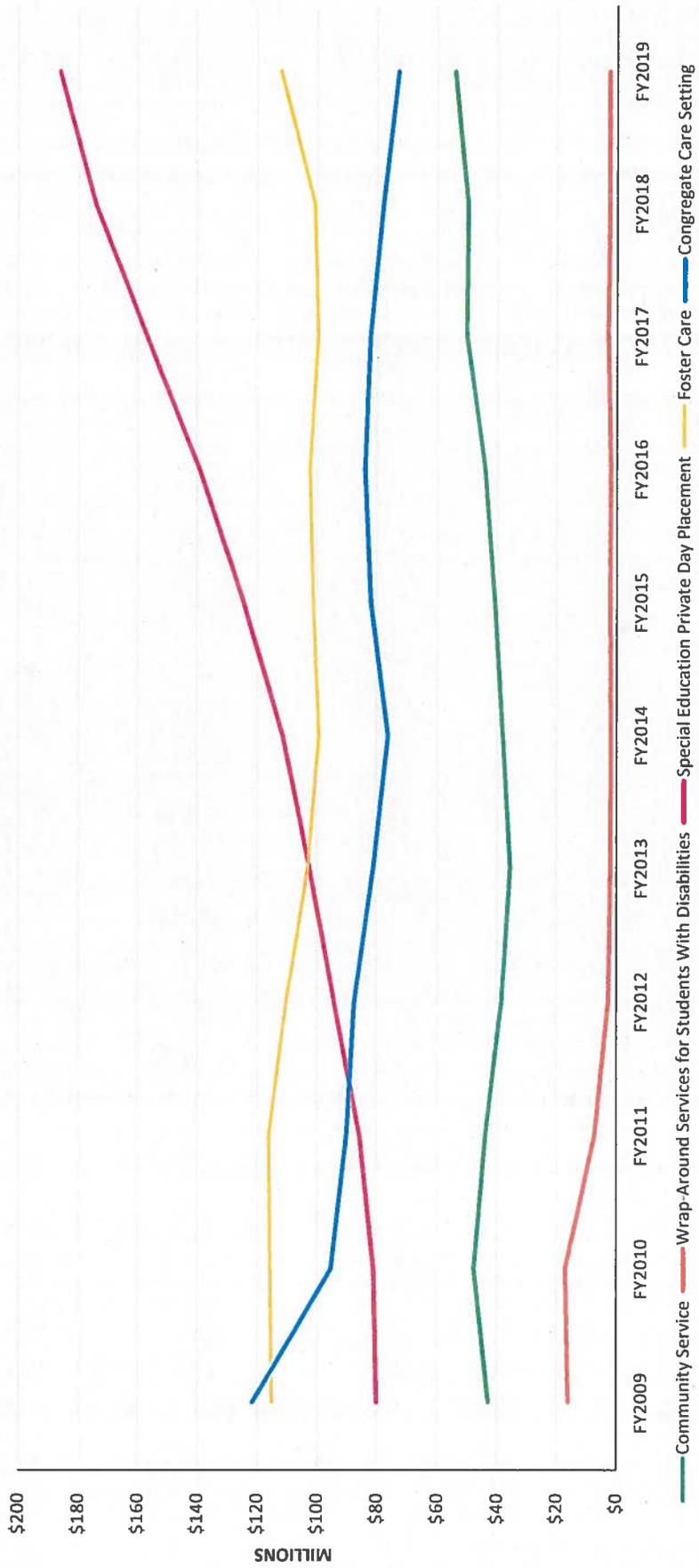
- Overall CSA census has been essentially flat over the past four years, while expenditures continue to grow.
- Private day special education census (+3%) and costs (+7.1%) grew at a slower rate in FY2019 than in the several preceding years.
- Foster care census (+4%) and costs (+11%) grew for the first time after three years of essentially no growth.
- Overall congregate care census (-6%) and costs (-6.5%) declined, continuing a four year downward trend.

CSA Expenditures by Category FY2019

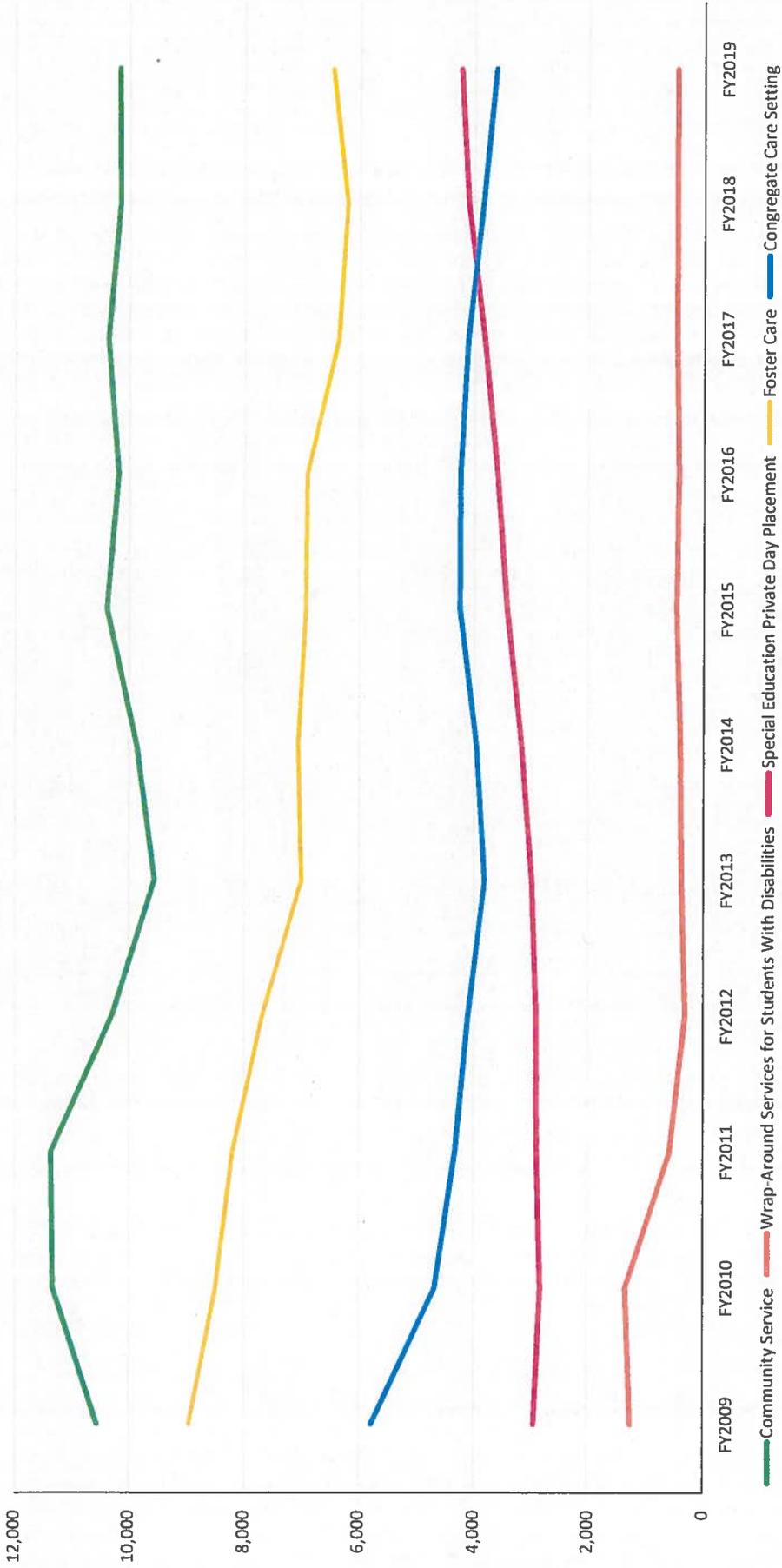


- Foster Care Residential
- CHINS Residential
- Educational Services - Residential
- Foster Care Non-Congregate
- Community - Based
- SPED Private Day
- SPED Wraparound
- Non-Mandated Community-Based

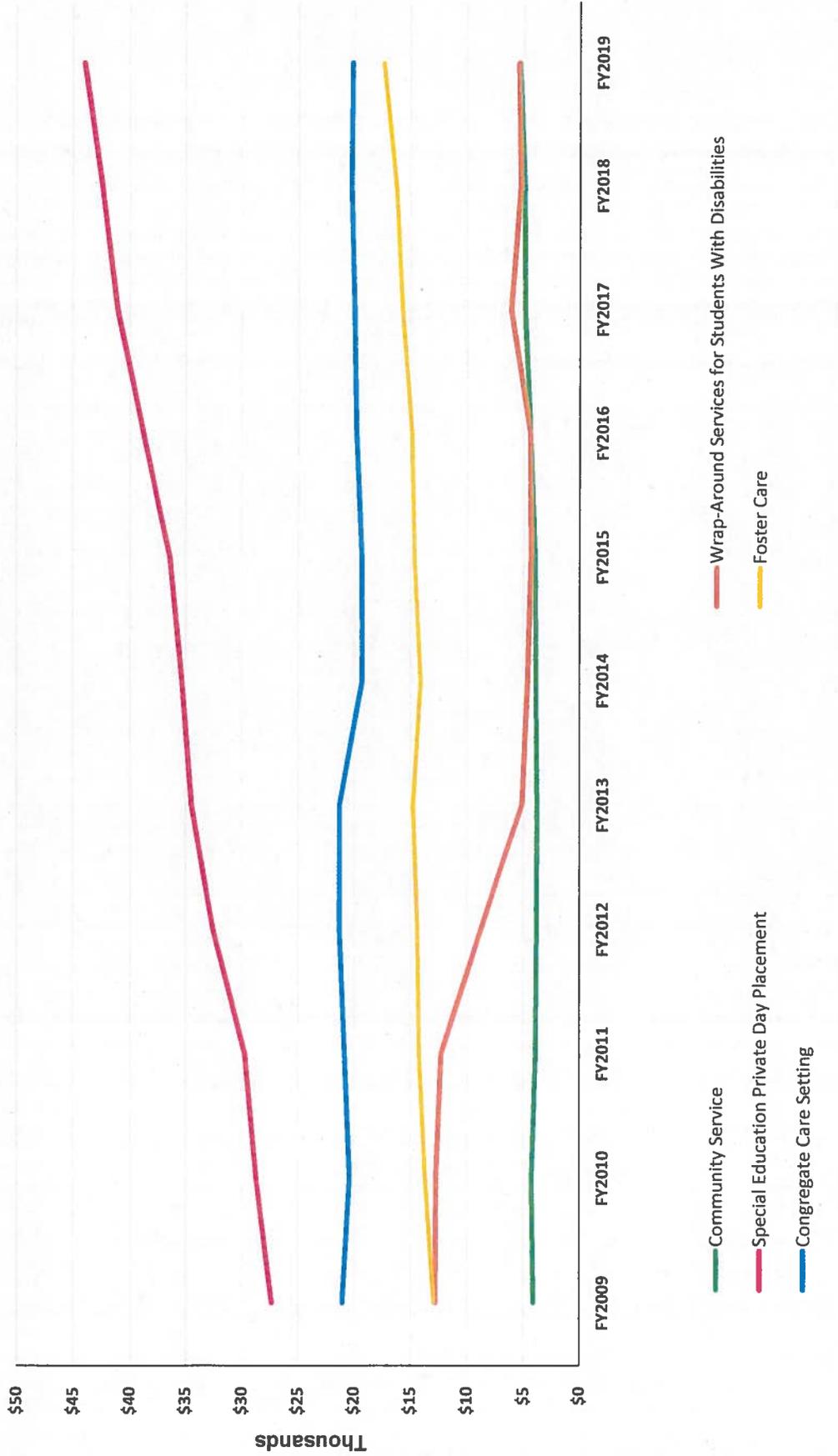
Annual CSA Expenditures (Gross) 2009 - 2019



Duplicated Child Count 2009-2019



Average Annual CSA Expenditures (Gross) by Service Type



Annual Report of the Office of Children's Services Audit Program
to the State Executive for Children's Services
Audits Conducted in FY 2019

Submitted December 12, 2019

This report is submitted in accordance with State Executive Council for Children's Services Policy 4.7 (Response to Audit Findings with Regard to the Children's Services Act). Section 4.7.8 of the policy states: "The OCS Executive Director shall annually report to the SEC a summary of the year's audits, audit findings, and any remedial actions taken."

Background:

Section 2.2-2648 (20) of the Code of Virginia states that one of the powers and duties of the State Executive Council for Children's Services (SEC) is to: *"Deny state funding to a locality, ..., where the CPMT fails to provide services that comply with the Children's Services Act, any other state law of policy, or any federal law pertaining to the provision of any service funded in accordance with §2.2-5211."*

The implementation of this requirement is accomplished through the audit program administered by the Office of Children's Services (OCS) under authority granted in §2.2-2649 (3) of the Code which requires OCS to: *"Develop and provide for the consistent oversight for program administration and compliance with state policies and procedures."* A CSA audit will typically occur at least once in a three-year cycle for each local CSA program. Audits may be either a full, on-site audit which will sample approximately 10% of all cases funded during the audit period (12-months) or a Self-assessment validation, in which the locality completes an extensive self-review on all required compliance areas and the OCS auditor conducts a more limited process, reviewing and validating the self-assessment, including a sample of individual case reviews.

Upon completion of the audit, which includes the opportunity for the locality to respond and provide additional information, the auditor refers the audit to an internal OCS Administrative Action Review Team (AART). The AART reviews the audit findings, assigns levels to each finding (see Policy 4.7 below) and forward this with a recommendation to the OCS Executive Director (if needed) regarding denial of funds. The OCS Executive Director then makes a determination and notifies the chief executive (County Administrator or City Manager) of the locality of the audit findings and the actions to be taken.

In order to provide localities with reasonable "due process" and to assure consistency and transparency in this process, the SEC has promulgated several policies. These are:

Policy 3.4 – Dispute Resolution Process

This policy specifies the process by which local CSA programs may appeal decisions of the OCS Executive Director with regard to denial of funds subsequent to audit findings of non-compliance. The policy establishes a two-stage process for localities to appeal findings, an informal conference with the Executive Director of the Office of Children's Services and then a formal hearing by the State Executive Council, if necessary.

Policy 4.6 – Denial of Funds

This policy specifies the requirements and process by which the OCS conducts audits (scheduled or ad hoc) of local CSA programs for compliance with law or policy.

Policy 4.7 – Response to Audit Findings with Regard to the Children's Services Act

This policy establishes a three-level system for categorizing different types of non-compliance and the action which will be taken (denial of funds in a first instance of non-compliance, requiring a Corrective Action Plan, denial of funds on a repeat finding of non-compliance on the same issue, etc.). Specific examples of findings at each level are provided in the policy, A general overview of these levels is:

Level 3 – These findings are case specific and occur when CSA state pool funds have been reimbursed when the expenditure is not authorized by statute, regulation or policy, Level 3 findings will result in a denial of funds and recovery of reimbursed funds upon the first and any repeated finding.

Level 2 – These findings are case specific and involve a violation of an applicable statute, regulation of policy, but has the requirements been followed, the costs would have been reimbursable. An initial instance of a specific Level 2 finding will result in a required corrective action plan. Repeat findings will result in a proportional denial of funds based on the number of cases (in the audit sample) that are non-compliant.

Level 1 – These findings are not case specific and represent a failure to meet administrative and operational standards. An initial instance of a specific Level 1 finding will result in a required corrective action plan. Repeat findings will result in a temporary suspension of all CSA reimbursements until the issue is corrected, at which time, all suspended funds will be reimbursed.

Summary of OCS Audit Findings – Denial of Funds

FY2019

Status as of December 2, 2019

Number of Completed Audits:	53
Number of Completed Audits With No Denial of Funds:	38 of 53 (72%)
Number of Completed Audits With No Findings:	17 of 53 (32%)
Percent of Completed Audits with Denied Funds*	15 of 53 (28%)

Range of Audit Findings (of 15 completed audits with denial of funds)

	Number of Localities	Total Amount Denied
Up to \$4,999	11	\$15,036
\$5,000 - \$9,999	1	\$5,835
\$10,000 - \$24,999	2	\$26,340
\$25,000 - \$49,999	0	\$0
Greater than \$50,000	1	\$57,653
Total Funds Denied		\$104,864
Total State Share of Funds		\$276,123,577
% of Funds Denied		<1%

*As of 12/11/2019, there are three (3) findings (totaling \$59,323) which may still request appeal within 45 days of receipt of notification with the latest date being 12/27/2019.

For FY2019 audits, there were no appeals of findings initiated under SEC Policy 3.4 (Dispute Resolution Process) which provides a two-stage process for localities to appeal findings, an informal conference with the Executive Director of the Office of Children’s Services and then a formal hearing by the State Executive Council, if necessary.



**PROGRAM AUDIT ACTIVITY
SUMMARY REPORT
FISCAL YEAR (FY) 2019 AUDIT PLAN**

AUDIT PLAN:	FY 19 AUDIT ENGAGEMENTS			OBSERVATIONS:			FY 19 AUDIT ENGAGEMENTS		
	Total	Onsite	Validations	Total	% of FY 19 Audits	Onsite	Validations	Onsite	Validations
Number of Audits Scheduled	53	21	32	17	32%	7	10	38%	31%
Number of Audits Completed	53	21	32	36	68%	14	22	67%	69%
Percent of Completion	100%	100%	100%						

SYSTEMIC OBSERVATIONS	SEC POLICY 4.7 RESPONSE TO AUDIT FINDINGS - NONCOMPLIANCE LEVEL	# OF LOCAL PROGRAMS	% of ALL FY 19 AUDITS	COMMENTS
CPMT utilization management activities outlined in COV section 2.2-5206 were not evidenced	Level 1	18	34%	Repeat observation for 11 (62%) of the affected localities
Community Policy and Management Team (CPMT) membership and/or Family Assessment and Planning Team membership does not meet Code of Virginia (COV) sections 2.2-5205 and 2.2-5207 requirements; absent parent, private provider, and/or local government official representatives.	Level 1	15	28%	Repeat observation for 5 (33%) of the affected localities; 10 (67%) of the 15 were missing a parent representative on CPMT, FAPT, and/or both
Child and Adolescent Needs and Strengths (CANS) assessments (initial, annual, and discharge) were not completed in accordance with COV section 2.2-5212 and CSA Policy 3.6 Mandatory Uniform Assessment Instrument	Level 2	13	25%	Repeat observation for 1 (8%) of the affected localities; Initial assessments were not completed for 8 (62%) of the 13
Statement of Economic Interest forms were not completed by non-public members of CPMT and FAPT pursuant to COV 2.2-5205 and COV 2.2-5207	Level 1	9	17%	Repeat observation for 2 (22%) of the affected localities
CSA pool funds were expended for services that were eligible for another funding source (Title IV-E, Medicaid, and/or responsibility of another agency)	Level 3	9	17%	Repeat observation for 1 (11%) of the affected localities
Local policies and procedures did not always align with CSA statutes and/or policies. Program did not document policies to govern Intensive Care Coordination services, bids for development of services, and records management or were in contradiction to existing statutes and/or policies (Code of Virginia 2.2-5200 et al and CSA Policy Manual).	Level 1	8	15%	Repeat observation for 3 (38%) of the affected localities
CPMT authorization of funding required by COV section 2.2-5206 was not evidenced in all expenditure transactions	Level 3	6	11%	Repeat observation for 1 (17%) of the affected localities
Consent to exchange information forms were expired or not evidenced for all client case files examined as required by COV section 2.2-5210	Level 2	5	9%	
Services funded were not documented in a service plan recommended by FAPT as required per COV section 2.2-5208 and CSA Policy 3.5 Records Management	Level 3	4	8%	
Coordination of long-range planning pursuant to COV section 2.2-5208 was not evidenced	Level 1	3	6%	Repeat observation for 100% of the affected localities
Emergency placements were not referred and assessed by FAPT within 14 days of placement in accordance with COV section 2.2-5209	Level 3	3	6%	