



COMMONWEALTH of VIRGINIA

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OFFICE OF COMPREHENSIVE SERVICES
Administering the Comprehensive Services Act for At-Risk Youth and Families

ADMINISTRATIVE MEMO #11-07

TO: CPMT CHAIRS
CSA COORDINATORS

FROM: SUSAN CUMBIA CLARE

DATE: NOVEMBER 21, 2011

SUBJECT: CSA SPENDING REDUCTION PLANS

The purpose of this memorandum is to inform you of spending reduction plans submitted by the Office of Comprehensive Services to the Virginia Department of Planning and Budget (DPB). These plans were developed at the direction of the Governor's office requiring all state agencies to identify specific plans for reductions in overall spending by 2, 4, and 6 percent.

The task of identifying plans for reduced spending under the CSA is a difficult one as achieving the 2, 4, 6 percent levels requires reduction to direct service expenditures. In proposing reduction strategies, the following considerations were made:

- impact on local government budgets,
- impact on the ability of local communities to attain the mission of CSA, and
- impact on implementation of best practices.

Three strategies have been recommended to achieve spending reductions at the 2, 4, and 6 percent levels. In an effort to decrease the burden on local government spending, two of the three strategies propose elimination of expenditures that are not required by statute. The three strategies are:

Strategy #1: Eliminate extension of the special education mandate,

Strategy #2: Eliminate the non-mandated category of funding, and

Strategy #3: Eliminate the reduced match rate incentive for community-based services, i.e., return the local match rate for community-based services to the base match rate.

The CSA spending reduction plans submitted to DPB are as follows:

- 2% reduction: implement Strategy #1
- 4% reduction: implement Strategy #1 and Strategy #2
- 6% reduction: implement Strategy #1, Strategy #2, and Strategy #3

As communicated by the Governor's Chief of Staff, "while we are pleased that state revenue has exceeded budget forecasts for both of the preceding fiscal years, our encouragement with regard to Virginia's financial outlook is tempered greatly by the current uncertainty of the national economy. Through prior recessionary periods, Virginia has fared remarkably well compared to neighboring states and the region. However, because of Virginia's connection with the national economy and given the current uncertainty that exists in the short and long term, continued fiscal prudence at the state level is imperative."

Agency spending reduction plans will be reviewed by DPB through the budget development process and in preparation for the 2012 legislative session. It is our sincerest hope that implementation of the spending reduction plans will not be necessary, however, the call to action on the part of all state agencies is clearly understood.

cc: The Honorable William Hazel, Chair, State Executive Council
State Executive Council Members
State and Local Advisory Team Members