

State Executive Council (SEC) for Children's Services

Notice of Intent to Develop/Revise Policy

Approved for Public Comment by the SEC: June 11, 2026

Public Comment Period Ends: July 30, 2026

Number and Name of Proposed/Revised Policy:

Policy 4.6 – Denial of Funds

Basis and Purpose of the Proposed/Revised Policy:

Section [2.2-2648.D.3](#) of the Code of Virginia requires the State Executive Council to “provide for the establishment of interagency programmatic and fiscal policies developed by the Office of Children's Services, which support the purposes of the Children's Services Act (§ [2.2-5200](#) et seq.), through the promulgation of regulations by the participating state boards or by administrative action, as appropriate.”

Section [2.2-2648.D.20](#) of the Code of Virginia requires the State Executive Council to “Deny state funding to a locality, in accordance with subdivision 19, where the CPMT fails to provide services that comply with the Children's Services Act (§ [2.2-5200](#) et seq.), any other state law or policy, or any federal law pertaining to the provision of any service funded in accordance with § [2.2-5211](#).”

[Item 268 \(section B.e\) of the Virginia Appropriation Act](#) states that “The Office of Children's Services, per the policy of the State Executive Council, shall deny state pool funding to any locality not in compliance with federal and state requirements pertaining to the provision of special education and foster care services funded in accordance with § [2.2-5211](#), Code of Virginia.”

Section [37.2-405](#) of the Code of Virginia (Behavioral Health and Developmental Services) requires that:

- A. “No provider shall establish, conduct, maintain, or operate or continue to operate in the Commonwealth any service, without being licensed under this article, except where the provider is exempt from licensing.

- B. No license issued under this article shall be assignable or transferable.
- C. No person shall be admitted, placed, treated, maintained, housed, or otherwise kept, voluntarily or involuntarily, by any provider required to be licensed by subsection A, unless and until the provider is licensed by the Commissioner.”

Section [16.1-309.9.A](#) of the Code of Virginia requires the State Board of Juvenile Justice to “... develop, promulgate and approve standards for the development, implementation, operation and evaluation of the range of community-based programs, services and facilities authorized by this article. The State Board shall also approve minimum standards for the construction and equipment of detention homes or other facilities and for food, clothing, medical attention, and supervision of juveniles to be housed in these facilities and programs.” Additionally, [§16.1-309.9.B](#) states that the State Board of Juvenile Justice may “...prohibit, by its order, the placement of juveniles in any place of residence which does not comply with the minimum standards. It may limit the number of juveniles to be detained or housed in a detention home or other facility and may designate some other place of detention or housing for juveniles who would otherwise be held therein.”

Section [63.2-217](#) of the Code of Virginia authorize the State Board of Social Services to “...adopt such regulations, not in conflict with this title, as may be necessary or desirable to carry out the purpose of this title.” These licensing regulations and standards Additionally, [§63.2-1734](#) directs that the State Board of Social Services “...shall adopt regulations for the activities, services, and facilities to be employed by persons and agencies required to be licensed under this subtitle, which shall be designed to ensure that such activities, services, and facilities are conducive to the welfare of the children under the custody or control of such persons or agencies.” [§63.2-1701.B](#) directs that “Every person who constitutes, or who operates or maintains, an assisted living facility, adult day center, or child welfare agency shall obtain the appropriate license from the Commissioner, which may be renewed. “ Furthermore, [§63.2-1737](#) directs that the State Board of Social Services “shall adopt regulations establishing the Department as the single licensing agency for the regulation of children's residential facilities, including group homes, which provide social services programs, with the exception of educational programs licensed by the

Department of Education and facilities regulated by the Department of Juvenile Justice.”

Section [22.1-289.046](#) of the Code of Virginia require that the Virginia State Board of Education to “...adopt regulations for the activities, services, and facilities to be employed by persons and agencies required to be licensed under this chapter, which shall be designed to ensure that such activities, services, and facilities are conducive to the welfare of the children under the control of such persons or agencies.” Additionally, [§22.1-323.A](#) directs that “No person shall open, operate, or conduct any school for students with disabilities in the Commonwealth without a license to operate such school issued by the Board. A license shall be issued for a school if it is in compliance with the regulations of the Board issued pursuant to this chapter, any fee for such license has been paid, and its facilities are approved by the Board after an inspection by the Department.” Furthermore, [§2.2-5211](#) requires that CSA funds for private special education services “shall only be expended on private educational programs that are licensed by the Board of Education or an equivalent out-of-state licensing agency.”

The proposed changes to the existing policy 4.6 align the policy with the standard policy format adopted by the State Executive Council in September 2022 by adding sections 4.6.1 (Purpose), 4.6.2 (Authority), 4.6.3 (Definitions), 4.6.4 (Denial of CSA State Matching Funds), 4.6.5 (Investigating Suspected or Determined Non-Compliance by a Local CSA Program), and 4.6.6 (Policy Review), as well as footers to denote dates of adoption, effect, revision, and page numbers.

Summary of the Proposed Policy:

Policy 4.6 provides guidance to local Children’s Services Act (CSA) programs about the denial of CSA state matching funds

Preliminary Fiscal Impact Analysis:

There is no anticipated fiscal impact of the revisions to this policy on either the Commonwealth or local governments as this population is currently being served through the CSA.