

**Office of Comprehensive Services
Annual Report to the General Assembly**

***Services to Students with Disabilities
Funded Under the Comprehensive Services Act***

December 2011

Report Mandate

During the 2011 legislative session, Appropriations Act language was added to Comprehensive Services for At-Risk Youth and Families (CSA), Item 274 N.2, requiring:

“The Office of Comprehensive Services shall report on funding for special education day treatment, residential services, and services provided in public schools, including but not limited to the number of children served annually, average cost of care, type of service provided, length of stay, referral source, and ultimate disposition.”

Additionally, Item 274 N.3 requires the Office of Comprehensive Services (OCS) to report this information to the Chairmen of the House Appropriations and Senate Finance Committee beginning September 1, 2011 and each year thereafter.

The Office of Comprehensive Services requested and was granted approval to delay submission of this report until December 15 to allow inclusion of FY11 data.

Background

CSA is responsible for the funding of special education services delineated in a child’s Individualized Education Program (IEP) which specifies placement in a private day special education facility or a private residential facility. In addition, CSA funds the educational costs of residential programs when students with disabilities are placed for non-educational reasons, e.g., when a FAPT places a student in a residential treatment program to meet needs that are not associated with his/her educational disability.

The SEC approved definitions of specific service categories in June 2008. The following three service categories represent services to meet the special education needs of students with disabilities:

Special Education Private Day Placement: Services for children who are receiving services for purposes of special education and related services; these services include approved private day schools. These children are living at home, in the home of extended family, in a regular foster family home, in a specialized or therapeutic foster care home or in an independent living arrangement.

Congregate educational services - for Medicaid funded placements: Educational services provided to children who are living in a congregate care program (*e.g., group home or residential facility*). Educational services, when provided in addition to congregate/residential care, that is designed to meet the needs of children who have special educational needs and/or behavioral disorders, who are unable to function adaptively in the public school system, and who are not able to live at home, with extended family, in a regular foster family home, in a

specialized or therapeutic foster care home, or in an independent living arrangement. The child is Medicaid eligible and placed in a Medicaid facility, but Medicaid funds cannot be used to pay for the educational services.

Congregate educational services for Non-Medicaid funded placements:

Educational services provided to children who are living in a congregate care program (*e.g., group home or residential facility*). Educational services, when provided in addition to congregate/residential care, that is designed to meet the needs of children who have special educational needs and/or behavioral disorders, who are unable to function adaptively in the public school system, and who are not able to live at home, with extended family, in a regular foster family home, in a specialized or therapeutic foster care home, or in an independent living arrangement. The child is not eligible for Medicaid or is not placed in a Medicaid funded placement because appropriate Medicaid programs are not available to meet the child's needs.

The SEC approved a policy in 1996 which extended the special education mandate to include non-educational services provided in the home and community to prevent placement of a youth into a more restrictive setting. The policy was clarified in January 2011. Services funded under this extension to the mandate are not special education services. These services are defined by the SEC in the following service category:

Wrap-around Services for Students with Disabilities: Non-IEP services in the IFSP and approved by the FAPT provided to a student with a disability and/or the student's family which are necessary to keep the student out of a more restrictive placement. These are non-residential services provided in the home and community when the needs associated with the student's disability extend beyond the school setting and threaten the student's ability to be maintained in the home, community, or school setting. The wrap-around services are provided outside of the school setting. The wrap-around services may be provided to a student who is placed in a public school setting, a private day school, or being transitioned back to the community from an educational residential program or from a juvenile correction center.

Source of Data

Two sources of data were utilized for this report. Expenditures were derived from locality expenditure/request for reimbursement reports; demographic data were derived from the "Data Set" final submission.

Funding

In accordance with federal regulation, §300.114 *LRE Requirements*, a state must not use a funding mechanism by which funds are distributed on the basis of the type of setting in which a child is served and which may result in the failure to provide appropriate services as required by the child's IEP. Thus, private special education services funded by CSA, i.e., private day school placements, private residential school placements, and special education services associated with residential placements made for non-educational reasons, are not

subject to the incentive match rate system. These services are reimbursed at the neutral, or base, local match rate.

Located in Item 274 C.2 of the Appropriations Act, the local base match is defined as:

“Local Match. 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.”

Total CSA Net Expenditures for Education Services

Service Category	FY09	FY10	FY11
Private Special Education Day School	\$79,475,646	\$81,397,866	\$86,117,113
Congregate Education*	\$49,973,575	\$38,636,801	\$37,744,485
Total Special Education Services	\$129,449,221	\$120,034,667	\$123,861,598

*Congregate Education includes education services associated with residential placements made for non-educational reasons and private residential placements based upon a student’s IEP. Some expenditures reflect costs for students who do not have special education needs.

Wrap-Around Services for Students with Disabilities are non-educational services, i.e., not included in a student’s IEP, thus the SEC in 2008 approved the local match rate for these services at the 50% lower rate consistent with other community-based services. Expenditures for these services are displayed in the table below:

Total CSA Net Expenditures for Non-Educational Support Services

Service Category	FY09	FY10	FY11
Wrap-Around Services	\$14,688,324	\$19,579,866	\$8,248,382

Beginning in 2009, the Office of Comprehensive Services and the Virginia Department of Education identified local confusion regarding the appropriate use of CSA funds under the SEC policy extending the special education mandate to provide services that would prevent the need for more restrictive placements. Training was provided beginning in 2009 to local CSA teams and school divisions regarding financial responsibilities for services for students with disabilities. In January 2010 a Superintendent’s Memo from the Virginia Department of Education clarified school division responsibility for services in the public schools. In January 2011 the SEC clarified the policy extending the use of CSA funds under the special education mandate. These activities increased understanding of appropriate use of CSA funds and resulted in a significant decrease in expenditures for wrap-around services in FY11.

Average Cost of Care

The average cost of care represents total expenditures divided across the number of youth receiving that service. The average annual costs for services to students with disabilities are displayed in the table below:

Average Annual Cost Per Youth

Service Category	FY09	FY10	FY11
Private Special Education Day School	\$27,005	\$28,824	\$29,923
Congregate Education*	\$22,998	\$19,733	\$21,868
Wrap-around Services	\$11,732	\$14,656	\$14,625

*Congregate Education includes special education services associated with residential placements made for non-educational reasons and private residential placements based upon a student's IEP. Some expenditures reflect costs for students who do not have special education needs.

The average per diem cost per youth represents total expenditures for the service divided across the total number of days the service was funded.

Average Per Diem Cost Per Youth

Service Category	FY09	FY10	FY11
Private Special Education Day School	\$107	\$116	\$117
Congregate Education*	\$120	\$100	\$112
Wrap-around Services	\$53	\$58	\$59

*Congregate Education includes special education services associated with residential placements made for non-educational reasons and private residential placements based upon a student's IEP. Some expenditures reflect costs for students who do not have special education needs.

Number of Youth Served

The number of youth served under the Comprehensive Services Act, or the census, is a cumulative number of all youth who received the service at any point of time in the fiscal year.

Total Number of Youth Served

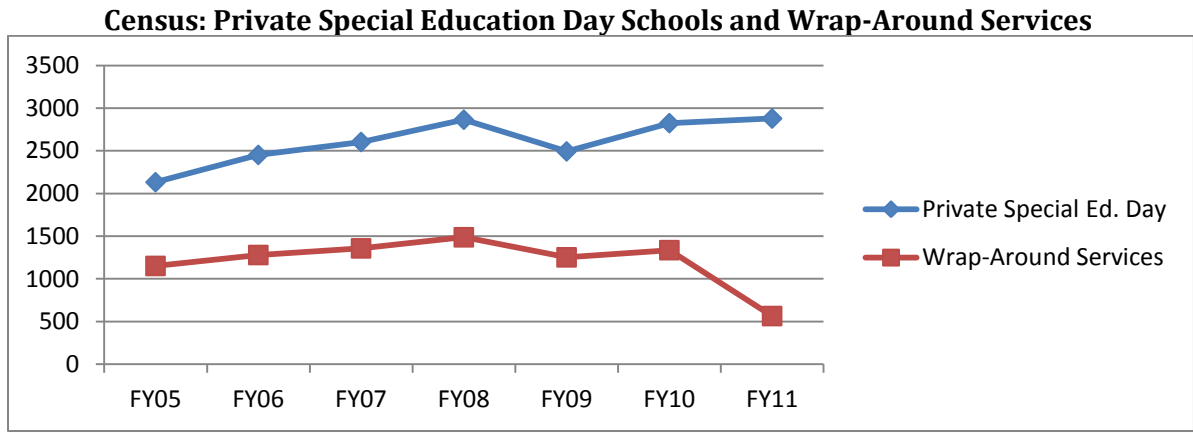
Service Category	FY09	FY10	FY11
Private Special Education Day School	2,943	2,824	2,878
Congregate Education	2,173	1,958	1,726
Wrap-Around Services	1,252	1,336	564

*Congregate Education includes special education services associated with residential placements made for non-educational reasons and private residential placements based upon a student's IEP. Some expenditures reflect costs for students who do not have special education needs.

As discussed previously in this report, training and guidance were provided to local CSA teams and school divisions beginning in 2009 regarding eligibility of students with disabilities for CSA, specifically for services under the SEC policy that extended the special education mandate. These efforts were designed to increase understanding of the responsibility of local school divisions to provide and fund the services necessary for a student's special education program in public school settings. Increased understanding resulted in a decrease in the number of students receiving "Wrap-Around Services for Students with Disabilities."

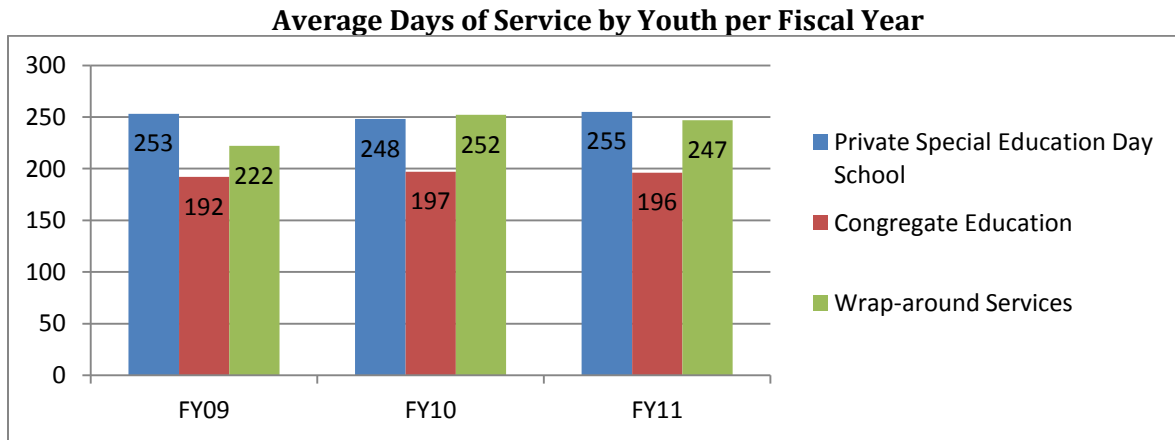
It is important to note that, because federal law protects the rights of students to receive those services which are necessary to receive a “free, appropriate public education” (FAPE), students would continue to receive the services previously funded under the CSA (but subsequently determined to be inappropriate for such funding) if an IEP team determined those services necessary for the provision of FAPE. Such services would be provided and funded by local school divisions.

Despite the significant decrease in the number of students receiving wrap-around services funded under CSA in FY11 (-772 students), there was only a minimal increase in the number of students placed in private day schools (+54). This provides evidence that students continued to receive those services necessary to enable them to benefit from their special education programs and to remain in the less restrictive placements in the public schools. The chart below provides a comparison of the census for both categories since 2005:



Length of Stay

The length of stay for children receiving services is determined based on the number of days between the start date and end date for which the service was funded under the CSA during the fiscal year.



Referral Source

The referral source is defined as the agency responsible for directing a youth for pool funded services, i.e., the agency making the initial referral of the youth to the local CSA team. As each youth may receive multiple services, the initial referral to CSA may not be directly related to the service received.

Referral Source to CSA

	Private Day School		Congregate Education*		Wrap-Around Services	
	FY10	FY11	FY10	FY11	FY10	FY11
Social Services	12%	12%	50%	49%	9%	6%
Education	78%	80%	28%	25%	82%	86%
Juvenile Justice	2%	2%	9%	12%	1%	2%
Community Services Bd	3%	3%	8%	9%	6%	5%
Family	<1%	<1%	<1%	<1%	<1%	0
Health Dept	0	0	0	0	<1%	0
Interagency Team	2%	2%	1%	2%	<1%	0
Other	<1%	<1%	1%	<1%	<1%	<1%

Percent represents the number of youth referred to CSA by each agency out of the total number of youth receiving the identified service.

**Congregate Education categories include special education services associated with residential placements made for non-educational reasons and private residential placements based upon a student's IEP.*

While 79% of the youth receiving private day school services in FY10 and FY11 were referred to CSA by education, only 26.5% of youth receiving education in residential settings for the two years were referred to CSA by education.

Case Disposition

OCS collects data regarding the “primary reason for discharge from CSA.” Youth discharged from CSA during the program year are those who cease to receive services funded under the CSA. The chart below displays the percent each discharge reason represents of all discharges from CSA for each of the services provided to students with disabilities:

Reason for Discharge from CSA

Primary Reason for Discharge	Private Day School		Congregate Education		Wrap-Around Services	
	FY10	FY11	FY10	FY11	FY10	FY11
More intensive care	12%	1%	9%	1%	12%	<1%
Less intensive care	4%	5%	<1%	1%	1%	1%
Service not needed	19%	20%	14%	16%	13%	18%
Service not available	5%	2%	5%	<1%	46%	17%
Family declined service	<1%	1%	<1%	2%	<1%	1%
Service goals obtained	9%	14%	9%	12%	11%	10%
Youth ran away	<1%	0	1%	<1%	<1%	0
Youth non-compliant	6%	5%	3%	2%	1%	1%
No progress toward goal	<1%	0	<1%	<1%	<1%	0
Committed to DJJ	1%	3%	1%	5%	0	<1%
Youth returned home	2%	<1%	14%	12%	<1%	0
IEP revised	5%	11%	<1%	3%	<1%	7%
Provider terminated service	<1%	<1%	0%	0	0	<1%
Provider unable to meet needs	0	0	<1%	0	0	0
Dissatisfaction with provider	0	0	0	0	0	0
Provider license issues	0	0	0	0	0	0
Other funding source	<1%	2%	<1%	3%	4%	34%
Family moved	20%	23%	8%	10%	6%	7%
Family decision	1%	3%	1%	1%	1%	<1%
Adoption	<1%	1%	1%	1%	0	1%
Custody changed	1%	<1%	5%	6%	0	0
Youth death	0	<1%	0	<1%	0	0
Aged out of service	6%	5%	14%	18%	0	<1%

Note: Totals do not equal 100% due to rounding.

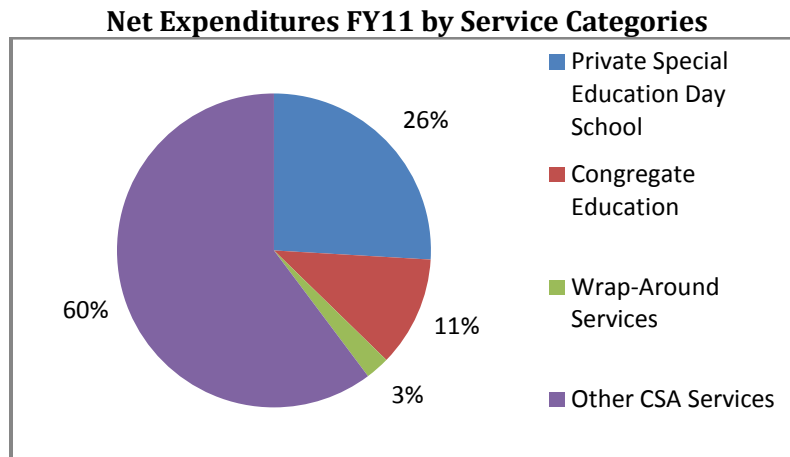
*Congregate Education categories include special education services associated with residential placements made for non-educational reasons and private residential placements based upon a student's IEP. Some expenditures reflect costs for students who do not have special education needs.

Because youth may receive multiple services, the reason for discharge from CSA may not be directly related to the specific service indicated. Further, because the response options are not clearly defined, may overlap one another, and are subjectively determined, these data should be considered with caution. For example, a student for whom the IEP team determined private special education school placement is no longer necessary would require a revision to the IEP and an appropriate reason for discharge could be "IEP revised." However, other appropriate reasons for discharge might just as likely be "less intensive care," "service not needed," or "service goals obtained."

As discussed in prior sections of this report, training and guidance provided by OCS and VDOE changed understanding regarding the appropriate use of funds for wrap-around services to students with disabilities. As indicated in the above table, nearly half of the youth receiving this service in FY10 were discharged from CSA for the reason "service not available." This is evidence of changing practices at the local level in response to increased understanding of the appropriate use of CSA funds.

Summary

The chart below illustrates net CSA expenditures for services to students with disabilities as a part of overall net CSA expenditures for FY11.



As illustrated above, expenditures for private special education day school services represented approximately one-fourth of all CSA expenditures during FY11. Education services provided to youth in residential placements (placed for both educational and non-educational reasons) comprised 11% of CSA expenditures.