

ORANGE COUNTY, VIRGINIA

OFFICE ON YOUTH

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To: Orange County Board of Supervisors

From: Alisha Vines, Office on Youth Director *AV*

Through: Julie Jordan, County Administrator *JJ*

Date: February 21, 2012

Subject: Orange CSA Information

As stated in the February 14th Board of Supervisors meeting, Letitia and I attended the CSA Coordinators meeting on Friday, February 17th in Henrico. During this meeting, the happenings of the State Legislature in conjunction with CSA were addressed. I have included the summary of the two bills that were provided to the participants in the meeting.

The first, House Bill 135 and Senate Bill 396, addresses the increase from three to five local government representatives to the State Executive Council (SEC). The SEC is the governing body for CSA and having two additional local government representatives would definitely be in the favor of all localities.

There are also two CSA related budget issues we are watching. The first is the budget proposal to remove the funding for special education wrap-around services. The governor originally removed this funding from his proposed budget and it currently sits in the House and Senate for consideration to reinstate this particular funding source. This funding is for those students who are maintained in the public school system but may require some local services to maintain them in their community. The second budget issue is the Governor's proposal to remove non-mandated funding from CSA. As it states in the attached document, the non-mandated funding is for the children who enter the local CSA system through court referrals or mental health referrals.

Depending upon the outcome of the 2013 State budget and 2012 legislation, we may be returning to the Board to ask what type of direction you would like the Office on Youth/Orange CSA to take in regards to the non-mandated population.

Please let myself or Letitia know if you have any questions regarding these issues.

Cc: Letitia Douthit
File

House Bill 135 and Senate Bill 396

SUMMARY AS INTRODUCED:

Comprehensive Services for At-Risk Youth and Families; State Executive Council; membership. Adds two local government representatives to the State Executive Council for Comprehensive Services for At-Risk Youth and Families, increasing the number of local government representatives from three to five.

HB 135 is in Senate Committee on General Laws and Technology and will be considered on February 20, 2012

SB 396 is in House Committee on General Laws and is scheduled to be considered on February 16, 2012

REHABILITATION AND SOCIAL SERVICES committee amendments to SB396

Line 24, introduced, after representatives strike to include a member and insert *chosen from members*.

And

Line 30, introduced, after representatives insert *Alternates may be designated by and vote on behalf of local government representatives*.

Comprehensive Services for At Risk Youth and Families

The mission of the Comprehensive Services Act for At-Risk Youth and Families (CSA) is to create a collaborative system of services and funding that is child-centered, family-focused and community-based when addressing the strengths and needs of troubled and at-risk youths and their families in the Commonwealth.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 299,717,687	\$ 53,573,325	\$ 0
2010 Appropriation	\$ 279,208,772	\$ 53,573,325	\$ 0
2011 Appropriation	\$ 271,234,333	\$ 57,608,887	\$ 0
2012 Appropriation	\$ 270,060,815	\$ 52,607,746	\$ 0
2013 Base Budget	\$ 270,060,815	\$ 52,607,746	\$ 0
2013 Addenda	\$ (17,678,003)	\$ 0	\$ 0
2013 Total	\$ 252,382,812	\$ 52,607,746	\$ 0
2014 Base Budget	\$ 270,060,815	\$ 52,607,746	\$ 0
2014 Addenda	\$ (14,987,327)	\$ 0	\$ 0
2014 Total	\$ 255,073,488	\$ 52,607,746	\$ 0

Authorized Positions Summary

	General Fund	Nongeneral Fund	Total Positions
2009 Appropriation	0.00	0.00	0.00
2010 Appropriation	0.00	0.00	0.00
2011 Appropriation	0.00	0.00	0.00
2012 Appropriation	0.00	0.00	0.00
2013 Base Budget	0.00	0.00	0.00
2013 Addenda	0.00	0.00	0.00
2013 Total	0.00	0.00	0.00
2014 Base Budget	0.00	0.00	0.00
2014 Addenda	0.00	0.00	0.00
2014 Total	0.00	0.00	0.00

Recommended Operating Budget Addenda

- Adjust appropriation to reflect caseload and utilization changes

Reduces appropriation to properly reflect the anticipated use of the program by localities. Program expenditures have declined over the last three years and the base funding for FY 2012, FY 2013 and FY 2014 is currently too high. The forecast shows a minimal increase in expenditures from FY 2011, growing 1.5 percent in FY 2012 and just over two percent in each year of the upcoming biennium.

	FY 2013	FY 2014
General Fund	\$ (12,776,787)	\$ (9,586,111)

- Fund audit of the Comprehensive Services Act

Provides funds for a comprehensive audit of the Comprehensive Services Act program.

	FY 2013	FY 2014
General Fund	\$ 500,000	\$ 0

Recommended Savings Addenda

- Eliminate expenditure category for wrap-around services in public schools

Shifts wrap-around school-based services from the mandated pool to the non-mandated pool. The extension of these services was made by State Executive Council policy and is not required by code. Funding of \$700,000 is added to the non-mandated pool to offset a portion of the loss of funds.

	FY 2013	FY 2014
General Fund	\$ (5,401,216)	\$ (5,401,216)

Department for the Aging

The Virginia Department for the Aging fosters the independence and well-being of older Virginians and supports their caregivers through leadership, advocacy and oversight of state and community programs, and guides the Commonwealth in preparing for an aging population.

Operating Budget Summary

	General Fund	Nongeneral Fund	Personnel Costs
2009 Appropriation	\$ 18,641,923	\$ 31,726,632	\$ 2,159,614
2010 Appropriation	\$ 17,530,064	\$ 31,786,632	\$ 2,159,614
2011 Appropriation	\$ 16,687,840	\$ 36,886,632	\$ 2,112,652
2012 Appropriation	\$ 16,746,999	\$ 36,886,632	\$ 2,248,202
2013 Base Budget	\$ 16,746,999	\$ 36,886,632	\$ 2,239,520
2013 Addenda	\$ (595,645)	\$ 1,409,594	\$ (81,660)
2013 Total	\$ 16,151,354	\$ 38,296,226	\$ 2,157,860
2014 Base Budget	\$ 16,746,999	\$ 36,886,632	\$ 2,239,520
2014 Addenda	\$ (976,852)	\$ 1,409,594	\$ (81,660)
2014 Total	\$ 15,770,147	\$ 38,296,226	\$ 2,157,860

SUMMARY OF PROPOSED AMENDMENTS IN HB/SB 29

2012 TOTAL

	General Fund	Nongeneral Fund	Total	Total FTE
Proposed Decreases				
Adjust debt service funding	(\$11,019,282)	\$0	(\$11,019,282)	0.00
Total Decreases	(\$11,019,282)	\$0	(\$11,019,282)	0.00
Total: Governor's Proposed Amendments	(\$11,019,282)	\$0	(\$11,019,282)	0.00
HB/SB 29, AS PROPOSED	\$572,166,646	\$50,245,071	\$622,413,717	0.00
Percentage Change	-1.89%	0.00%	-1.74%	0.00%

Total: Finance				
2012 Base Budget, Chapter 890	\$1,811,432,489	\$179,859,204	\$1,991,291,693	1,310.50
Proposed Amendments				
Total Increases	\$361,120	\$0	\$361,120	0.00
Total Decreases	(\$125,313,282)	\$0	(\$125,313,282)	0.00
Total: Governor's Recommended Amendments	(\$124,952,142)	\$0	(\$124,952,142)	0.00
HB/SB 29, AS PROPOSED	\$1,686,480,327	\$179,859,204	\$1,866,339,531	1,310.50
Percentage Change	-8.90%	0.00%	-6.27%	0.00%

Health and Human Resources

Secretary of Health & Human Resources

2012 Base Budget, Chapter 890	\$2,180,700	\$0	\$2,180,700	8.00
Proposed Increases				
No Increases	\$0	\$0	\$0	0.00
Total Increases	\$0	\$0	\$0	0.00
Proposed Decreases				
No Decreases	\$0	\$0	\$0	0.00
Total Decreases	\$0	\$0	\$0	0.00
Total: Governor's Proposed Amendments	\$0	\$0	\$0	0.00
HB/SB 29, AS PROPOSED	\$2,180,700	\$0	\$2,180,700	8.00
Percentage Change	0.00%	0.00%	0.00%	0.00%

Comprehensive Services for At-Risk Youth and Families

2012 Base Budget, Chapter 890	\$270,980,818	\$52,807,748	\$322,688,566	0.00
Proposed Increases				
No Increases	\$0	\$0	\$0	0.00
Total Increases	\$0	\$0	\$0	0.00
Proposed Decreases				
Adjust appropriation to reflect caseload and utilization changes	(\$24,827,013)	\$0	(\$24,827,013)	0.00
Total Decreases	(\$24,827,013)	\$0	(\$24,827,013)	0.00
Total: Governor's Proposed Amendments	(\$24,827,013)	\$0	(\$24,827,013)	0.00
HB/SB 29, AS PROPOSED	\$245,233,802	\$52,807,748	\$297,841,548	0.00
Percentage Change	-9.19%	0.00%	-7.69%	0.00%

Department for the Aging

2012 Base Budget, Chapter 890	\$16,746,999	\$38,888,632	\$53,833,631	25.00
Proposed Increases				
No Increases	\$0	\$0	\$0	0.00
Total Increases	\$0	\$0	\$0	0.00
Proposed Decreases				
No Decreases	\$0	\$0	\$0	0.00
Total Decreases	\$0	\$0	\$0	0.00
Total: Governor's Proposed Amendments	\$0	\$0	\$0	0.00
HB/SB 29, AS PROPOSED	\$16,746,999	\$38,888,632	\$53,833,631	25.00
Percentage Change	0.00%	0.00%	0.00%	0.00%

Department for the Deaf & Hard-of-Hearing

2012 Base Budget, Chapter 890	\$840,901	\$14,823,148	\$15,664,050	14.00
Proposed Increases				
No Increases	\$0	\$0	\$0	0.00
Total Increases	\$0	\$0	\$0	0.00

Amendments to House Bill 30
House Member Requests

Chief Patron: Bell, Richard
Health And Human Resources
Comprehensive Services For At-Risk
Youth And Families

Item 283 #1h

Language

Language:

Page 211, after line 11, insert:

"M. The Director of the Office of Comprehensive Services shall direct that any unappropriated balances at the end of each fiscal year be reinvested to address gaps in services for children and youth served in the program. pursuant to the annual survey of CSA services in § 2.2-5211.1 of the Code of Virginia, the State Executive Council shall develop recommendations for the use of any unappropriated balances and report the recommendations to the Chairmen of the Senate Finance and House Appropriations Committees no later than June 30th of each year."

Explanation:

(This language amendment requires the Director of the Office of Comprehensive Services to reinvest unappropriated balances at the end of each fiscal year to address service gaps in the CSA program based on recommendations from the State Executive Council.)

<http://leg2.state.va.us/WebData/12amend30.nsf/85b38e514fc0f22085256c7d006d2622/148ad72b6c2ef8458525798a006158db?OpenDocument>

Chief Patron: Lingamfelter
Health And Human Resources
Comprehensive Services For At-Risk
Youth And Families

	FY 12-13	FY 13-14	
	\$5,401,216	\$5,401,216	GF

Item 283 #2h

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$310,391,774".

Page 207, line 2, strike "\$307,681,234" and insert "\$313,082,450".

Explanation:

(This amendment restores \$5.4 million from the general fund each year to provide "wrap-around" services for children and youth with special education needs to prevent their placement in more restrictive and expensive special education placements. Funding for these services was eliminated in the introduced budget.)

<http://leg2.state.va.us/WebData/12amend30.nsf/85b38e514fc0f22085256c7d006d2622/ca8022bf51b5a3328525798a006158da?OpenDocument>

Chief Patron: Lingamfelter
Health And Human Resources
Comprehensive Services For At-Risk
Youth And Families

	FY 12-13	FY 13-14	
	\$4,214,486	\$4,214,486	GF

Item 283 #3h

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$309,205,044".

Page 207, line 2, strike "\$307,681,234" and insert "\$311,895,720".

Page 209, line 22, strike "2009" and insert "2012".

Page 209, line 22, strike "non-Medicaid residential services for each".

Page 209, strike line 23.

Page 209, line 24, strike "match rate for Medicaid".

Page 209, line 24, strike "25 percent above" and insert "at".

Explanation:

(This amendment provides \$4.2 million from the general fund each year as a result of suspending the increased local match rate for residential placements in the Comprehensive Services Act program that was enacted in fiscal year 2010.)

<http://leg2.state.va.us/WebData/12amend30.nsf/85b38e514fc0f22085256c7d006d2622/4cda81132152ba418525798a006158d9?OpenDocument>

Chief Patron: O'Bannon

**Health And Human Resources
Comprehensive Services For At-Risk
Youth And Families**

**FY 12-13
\$5,401,216**

**FY 13-14
\$5,401,216 GF**

Item 283 #4f

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$310,391,774".

Page 207, line 2, strike "\$307,681,234" and insert "\$313,082,450".

Page 211, after line 11, insert:

"M. The State Executive Council shall reinstate policy to effect the Office of Comprehensive Services to allow utilization cited in § 2.2-5211 B to fund non-residential services in the home and community for a student with an educational disability that student's disability extend beyond the school setting and threaten the student's ability to be maintained in the home
<http://leg2.state.va.us/WebData/12amend30.nsf/85b38e514fc0f22085256c7d006d2622/4b93dc4fa0eb72b28>

**Amendments to Senate Bill 30
Senate Member Requests**

Chief Patron: Saslaw

**Health And Human Resources
Comprehensive Services For At-Risk Youth
And Families**

**FY 12-13
\$250,000**

**FY 13-14
\$250,000 GF**

Item 283 #1a

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$305,240,558".

Page 207, line 2, strike "\$307,681,234" and insert "\$307,931,234".

Page 209, line 25, after "base." insert:

"Effective July 1, 2012, the local match rate for residential services provided in Prince William County shall be at the fiscal year 2007 base. The Director of the Office of Comprehensive Services shall evaluate the impact of this policy change and report findings to the Chairmen of the Senate Finance and House Appropriations Committees by October 1, 2012."

Explanation:

(This amendment provides \$250,000 GF each year as a result of suspending the local match rate for residential placements made in Prince William County in the Comprehensive Services Act program. Language also requires the Director of the OCS to report findings on the impact of increasing the local match since the new policy was enacted.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8ceef936fb8d85256c7d006d2627/d670f807dfb8c4918>

Chief Patron: Edwards

**Health And Human Resources
Comprehensive Services For At-Risk Youth
And Families**

Item 283 #2a

Language

Language:

Page 211, after line 11, insert:

"M. The Director of the Office of Comprehensive Services shall direct that any unappropriated balances at the end of each fiscal year be reinvested to address gaps in services for children and youth served in the program. Pursuant to the annual survey of CSA services in §2.2-5211.1 of the Code of Virginia, the State Executive Council shall develop recommendations for the use of any unappropriated balances and report the recommendations to the Chairmen of the Senate Finance and House Appropriations Committees no later than June 30th of each year."

Explanation:

(This language amendment requires the Director of the Office of Comprehensive Services to reinvest unappropriated balances at the end of each fiscal year to address service gaps in the CSA program based on recommendations from the State Executive Council.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8cccf936fb8d85256c7d006d2627/bb813115c9ac3cac84>

Chief Patron: Colgan				Item 283 #3s
Health And Human Resources	FY 12-13	FY 13-14		
Comprehensive Services For At-Risk Youth And Families	\$5,401,216	\$5,401,216	GF	

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$310,391,774".

Page 207, line 2, strike "\$307,681,234" and insert "\$313,082,450".

Explanation:

(This amendment restores \$5.4 million GF each year to provide "wrap-around" services for children and youth with special education needs to prevent their placement in more restrictive and expensive special education placements. Funding for these services was eliminated in the introduced budget.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8cccf936fb8d85256c7d006d2627/c132ad613b1faa8684>

Chief Patron: Hanger				Item 283 #4s
Health And Human Resources	FY 12-13	FY 13-14		
Comprehensive Services For At-Risk Youth And Families	\$6,101,216	\$6,101,216	GF	

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$311,091,774".

Page 207, line 2; strike "\$307,681,234" and insert "\$313,782,450".

Page 211, after line 11, insert:

"M. Any savings realized by the State Executive Council from the elimination of the special education wrap-around services mandate policy shall be reinvested into community-based services."

Explanation:

(This amendment provides \$6.1 million GF each year to reinvest savings projected from the elimination of "wrap-around" services for children and youth with special education needs. These services are provided to children with special education needs to prevent their placement in more restrictive and expensive special education placements. Funding for these services was eliminated in the introduced budget.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8cccf936fb8d85256c7d006d2627/6360042dbb45c16384>

Chief Patron: Hanger				Item 283 #5s
Health And Human Resources	FY 12-13	FY 13-14		

Comprehensive Services For At-Risk Youth \$5,401,216 \$5,401,216 GF
 And Families

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$310,391,774".
 Page 207, line 2, strike "\$307,681,234" and insert "\$313,082,450".
 Page 211, after line 11, insert:

"M. Neither the State Executive Council nor the Director of the Office of Comprehensive Services nor any other entity of the Executive Branch shall remove wrap-around, school-based services from the mandated pool to the non-mandated pool. Funding for the continuation of the wrap-around services in public schools shall be taken from the cost reductions from the Child Welfare Transformation program. The State Executive Council shall report to the Senate Finance and House Appropriations Committee by October 1, 2012 on the educational and child welfare policy outcomes from elimination of the expenditure category for wrap-around services in public schools."

Explanation:

(This amendment restores \$5.4 million GF each year for "wrap-around" services provided to children and youth with special education needs. These services are designed to prevent children from being placed in more restrictive settings. Funding was eliminated for these services in the introduced budget.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8ceef936fb8d85256c7d006d2627/a5b87473ec3fc43a85>

Chief Patron: Wagner

Item 283 #6s

Health And Human Resources	FY 12-13	FY 13-14	
Comprehensive Services For At-Risk Youth And Families	\$4,214,486	\$4,214,486	GF

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$309,205,044".
 Page 207, line 2, strike "\$307,681,234" and insert "\$311,895,720".
 Page 209, line 25, after line 22, strike "2009" and insert "2012".
 Page 209, line 22, strike "non-Medicaid residential services for each".
 Page 209, line 23, strike "locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011, the local."
 Page 209, line 24, strike "match rate for Medicaid".
 Page 209, line 24, strike "25 percent above" and insert "at".

Explanation:

(This amendment provides \$4.2 million GF each year as a result of suspending the increased local match rate for resic Comprehensive Services Act program that was enacted in FY 2010.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8ceef936fb8d85256c7d006d2627/25501002dd7aa79b8>

Chief Patron: Vogel

Item 283 #7s

Health And Human Resources	FY 12-13	FY 13-14	
Comprehensive Services For At-Risk Youth And Families	\$4,214,486	\$4,214,486	GF

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$309,205,044".
 Page 207, line 2, strike "\$307,681,234" and insert "\$311,895,720".
 Page 209, line 25, after line 22, strike "2009" and insert "2012".
 Page 209, line 22, strike "non-Medicaid residential services for each".
 Page 209, line 23, strike "locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1, 2011, the local."
 Page 209, line 24, strike "match rate for Medicaid".

Page 209, line 24, strike "25 percent above" and insert "at".

Explanation:

(This amendment provides \$4.2 million GF each year as a result of suspending the increased local match rate for residential placements in the Comprehensive Services Act program that was enacted in FY 2010.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8ceef936fb8d85256c7d006d2627/59e1e75536a3b6fe85>

Chief Patron: Hanger

Health And Human Resources

Comprehensive Services For At-Risk Youth And Families

FY 12-13
\$50,000

FY 13-14
\$50,000 GF

Item 283

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$305,040,558".

Page 207, line 2, strike "\$307,681,234" and insert "\$307,731,234".

Page 208, line 23, strike the first "50,000" and insert "100,000".

Page 208, line 23, strike the second "50,000" and insert "100,000".

Page 208, line 24, strike "for a combination of regional and statewide meetings for" and insert "exclusively for the purpose of continuous training and".

Page 208, line 26, after "agents" insert:

"to support local government responsibilities as assigned in §202.2649 of the Code of Virginia."

Page 208, line 26, after "to," insert:

"CSA policies, service best practices, effective care coordination".

Page 208, line 33, after "year" insert:

"that includes specific and measurable performance outcomes that will be used to evaluate the effectiveness of the plan in supporting local roles and responsibilities".

Page 208, line 38, strike "and".

Page 208, line 39, after "(iv)" insert: "an analysis of the performance outcome results, and (v)".

Page 210, line 32, after the period, insert:

"The report shall include an analysis of outcome data of services that provides an assessment of progress in meeting the needs of at-risk children and families served, and how the principles of care coordination and best practices are incorporated in the plan for services in the succeeding biennium."

Explanation:

(This amendment provides \$50,000 GF each year to increase funding for training provided to localities implementing policies and procedures of the Comprehensive Services Act program including current policies, best practices, and care coordination. Budget language is also added requiring additional reporting on measurable performance outcomes related to children and families served, best practices, and care coordination.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8ceef936fb8d85256c7d006d2627/29967d254a66cd8c85257989004a5472?OpenDocument>

Chief Patron: Colgan

Health And Human Resources

Comprehensive Services For At-Risk Youth And Families

FY 12-13
\$4,214,486

FY 13-14
\$4,214,486 GF

Item 283 #98

Language:

Page 207, line 2, strike "\$304,990,558" and insert "\$309,205,044".

Page 207, line 2, strike "\$307,681,234" and insert "\$311,895,720".

Page 209, line 25, after line 22, strike "2009" and insert "2012".

Page 209, line 22, strike "non-Medicaid residential services for each".

Page 209, line 23, strike "locality shall be 25 percent above the fiscal year 2007 base. Beginning July 1,

2011, the local."

Page 209, line 24, strike "match rate for Medicaid".

Page 209, line 24, strike "25 percent above" and insert "at".

Explanation:

(This amendment provides \$4.2 million GF each year as a result of suspending the increased local match rate for residential placements in the Comprehensive Services Act program that was enacted in FY 2010.)

<http://leg2.state.va.us/WebData/12amend30.nsf/83bb8ceef936fb8d85256c7d006d2627/bd61521720b867c685257989004a5449?OpenDocument>

Health and Human Resources

The Governor's introduced budget for Health and Human Resources (HHR) agencies increases spending by a net \$76.4 million GF and increases NGF spending by \$698.7 million over the biennium. This total reflects new biennial spending of \$189.8 million GF offset by reductions of \$113.4 million GF. More than two-thirds of the additional general fund spending within HHR is provided to comply with federal and state mandates. More than one-third of the new nongeneral (NGF) spending (\$265.6 million) is attributable to the receipt of additional enhanced federal Medicaid matching funds (FMAP) provided to the states through federal legislation passed in August, 2010.

Changes in Medicaid and Family Access to Medical Insurance Security (FAMIS) enrollment, utilization and costs, as well as additional federal requirements related to program operations, account for about 57 percent (\$107.6 million) of the new general fund spending in HHR. Enrollment in these programs continues to increase, albeit at slightly lower rates than last year. A portion of this additional funding (\$10.3 million GF) is needed to backfill lower than anticipated revenues in the Virginia Health Care Fund, which offsets general fund spending in the Medicaid program. Revenues to the fund are projected to decline, including reductions of: (1) \$5.7 million in FY 2011 from the Tobacco Master Settlement Agreement revenues; (2) \$3.6 million in FY 2011 and \$0.3 million in FY 2012 from tobacco tax revenues; and (3) \$0.6 million GF in FY 2011 from prior-year Medicaid recoveries.

Other major mandatory spending proposals contained in the introduced budget include:

- \$24.4 million GF in FY 2012 to address the treatment needs of an increasing number of sexually violent predators committed to the Virginia Center for Behavioral Rehabilitation (VCBR);
- \$13.5 million GF for child support enforcement operations, to restore the general fund base in FY 2012 and make up for a shortfall in revenue collections of past due payments received on behalf of Temporary Assistance to Needy Families clients;
- \$5.4 million to replace lost federal matching funds due to Medicaid decertification of Hancock Geriatric Center at Eastern State Hospital in fall 2010, and to increase staffing to comply with federal guidance; and
- \$2.4 million to restore payment rates for assisted living providers serving Auxiliary Grant recipients, due to maintenance of effort requirements contained in the federal health care reform legislation.

The introduced budget also provides \$38.8 million GF in additional spending for high priority items. Most of this funding (\$33.2 million) is provided to address concerns with facility and community care in the behavioral health and developmental services system. The introduced budget proposes using this funding to:

- Add 275 intellectual disability (ID) waiver slots in the community (\$9.8 million);

- Increase staffing ratios at state ID training centers (\$7.1 million);
- Expand community services for individuals dually diagnosed with mental illnesses and intellectual disabilities(\$5.0 million);
- Expand crisis stabilization services statewide (\$4.0 million);
- Enhance community services in the Tidewater region to support individuals discharged from Eastern State Hospital (\$2.4 million);
- Fund expected increases in the conditional release of sexually violent predators from the Virginia Center for Behavioral Rehabilitation and prisons (\$612,404);
- Provide support services at state ID training centers to facilitate discharges to appropriate community services (\$400,000); and
- Add licensing staff to better manage the substantial increase in licensed providers, services and geographic locations to ensure appropriate community-based services (\$314,501).

The Governor's introduced budget also contains \$19.8 million in additional spending items. Of this amount \$9.7 million is proposed to restore or mitigate reductions contained in Chapter 874. These restorations include (1) \$5.0 million GF to mitigate the 3 percent reduction to nursing home operating rates, reducing it to 2 percent in FY 2012; (2) \$2.7 million GF to restore the general fund base for three programs in the Health Department in FY 2012 whose funding was reduced based on proposals to increase fees which did not get approved, and (3) \$2.0 million to restore funding to continue to operate the geriatric unit at Southwestern Virginia Mental Health Institute. The unit was slated for closure in FY 2012 in the current budget.

Spending reductions total \$113.4 million GF over the biennium and are comprised of \$48.9 million in Medicaid and FAMIS spending adjustments, \$36.5 million by replacing general fund monies with other resources, \$15.3 million in agency administrative reductions and efficiencies, \$5.2 million in program and pass-through grant eliminations, and \$2.4 million in excess balances or revenue transfers. Medicaid reductions account for the majority of the savings primarily due to the receipt of (1) increased rebates on outpatient drugs provided to recipients participating in managed care plans, (2) a federal bonus for meeting FAMIS and Medicaid enrollment goals, and (3) additional enhanced FMAP for eligible services through state mental health and intellectual disability facilities and the Comprehensive Services Act program, not already accounted for in the Medicaid forecast. The introduced budget includes an additional \$13.0 million GF in Medicaid savings by imposing an assessment on Medicaid providers of intermediate care facility services for individuals with intellectual disabilities, generating \$8.5 million in savings, and reducing provider payment reductions, generating \$4.5 million in savings. Finally, Medicaid savings of \$10.4 million are realized through actions to better manage and coordinate care, control utilization, and recover inappropriate payments.

The balance of the reductions is comprised of actions identified in agency budget reduction plans submitted to the Governor in Fall, 2010. Of note, savings of \$14.6 million are

achieved in the Department of Social Services by supplanting general fund dollars with federal Temporary Assistance to Needy Families (TANF) block grant funds. Savings of \$11.4 million are achieved in the CSA program by increasing the local share of funding for therapeutic foster care services and treatment services provided to special education students in the public schools. An additional \$5.0 million in savings is proposed by eliminating non-mandated services provided through the CSA program.

- **Secretary of Health and Human Resources**

- *Fund Operational and Programmatic Review of HHR Agencies.* Adds \$1.4 million GF in FY 2012 to fund Secretariat-wide performance audits of Health and Human Resources agencies pursuant to Chapter 828 of the 2010 Acts of Assembly, which directs the Governor to initiate an operational and programmatic performance review of the agencies under the Secretary of Health and Human Resources and complete the review by December 1, 2011. The goal of the review is to reduce expenditures, reduce duplication of effort, and achieve programmatic efficiencies.

- **Comprehensive Services for At-Risk Youth and Families (CSA)**

- *Increase Local Share for Therapeutic Foster Care Services.* Reduces funding by \$7.5 million GF in FY 2012 by increasing the local match rate for therapeutic foster care services to that required for residential services. Therapeutic foster care services were historically considered a residential service. These services were reclassified in FY 2009 by the State Executive Council, thus lowering the local match rate from about 46 percent to 34 percent on average statewide. Since then, the cost to provide these services has grown dramatically, outpacing the cost to provide services in a residential or group home setting. This action would increase the local match rate to 46 percent on average statewide, the current local match rate for residential services.
- *Increase Local Share for Services Provided in Public Schools.* Reduces funding by \$3.9 million GF in FY 2012 by increasing the local match rate for non-educational services that assist special education students in the public school system to prevent a more restrictive placement. This change would equalize the match rate for these services to that of other CSA services for special education students. On average, the local share would increase from about 17 percent to 34 percent.
- *Eliminate "Non-mandated" Services.* Reduces funding by \$5.0 million GF in FY 2012 by eliminating "non-mandated" services for children who enter the CSA system through court referrals or referrals from the mental health system. CSA services are mandated for children in foster care and special education, or those at risk of placement in the state's custody if treatment is not provided. About 60 percent of localities currently serve children who are not mandated for CSA services.
- *Utilization of Services.* Reduces spending by \$1.0 million in FY 2011 to reflect

lower utilization of certain mandated CSA services. Policy changes adopted by the State Executive Council in FY 2008 pursuant to an Attorney General's opinion requires CSA to provide mental health services to children and adolescents who are at-risk of placement in the state's custody if treatment is not provided. These services are provided to children through parental agreements. The number of children qualifying for CSA services through these agreements has been fewer than originally projected.

- ***Examine Billing System Change.*** Language is added requiring the Office of Comprehensive Services, in collaboration with the Department of Medical Assistance Services (DMAS), to explore the costs and potential savings of transferring the CSA billing system to DMAS as well as the timeframe for implementation. Language requires a report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by October 1, 2011.
- ***Remove Language Requiring Automatic Reappropriation of Funds.*** Eliminates language requiring unexpended general fund balances in CSA to be re-appropriated for expenditure in the succeeding fiscal year. Historically, localities have had until September 30th to submit all bills for CSA services provided in the prior fiscal year. The language has served to allow the CSA program to retain balances in order to reimburse localities that submit bills from July through September for prior year expenditures.

- **Department for the Aging**

- ***Administrative Reductions and Vacant Positions.*** Reduces general fund support by \$135,549 in FY 2011 and \$27,551 in FY 2012 due to vacancies in the Commissioner and Deputy Commissioner of Operations positions, and by limiting discretionary spending.
- ***Reduce Funding for Grants.*** Reduces funding by \$96,397 GF in FY 2011 and \$156,236 GF in FY 2012 from capturing unawarded grant funds for the respite care initiative program and reducing funding for 11 pass-through grants to nonprofit aging organizations by 6 percent. The grant for Oxbow Center is reduced by 58 percent in FY 2011 and eliminated in FY 2012 since the center will no longer be providing adult day health care services as of December 1, 2010.

- **Department for the Deaf and Hard of Hearing**

- ***Modify Requirements for Employment Levels at the Relay Center in Norton.*** Language is modified requiring the Relay Center to maintain at least 85 positions, unless during the prior contract period, the employment level has been reduced to less than 85 positions through attrition, voluntary separation, transfers, voluntary retirements and disability retirements. The employment level of the subsequent contract may reflect the employment level at the end of the previous contract