Study Mandate

• 2017 Appropriation Act (Item 1, paragraph T.5.) directed the staff of the House Appropriations and Senate Finance Committees to facilitate a workgroup to examine options to better manage the quality and costs of private day educational programs currently funded through the Children's Services Act (CSA)

• The workgroup was specifically directed to review the following options:
  o The transfer of the CSA funding pool for private day education to the Department of Education;
  o Identification and collection of data to assess private day placements;
  o Identification of resources for transition of students from private day placements to a less restrictive environment;
  o Assessment of the role of Local Education Agencies regarding placements, effectiveness, quality, costs and measuring outcomes of private day education programs; and
  o An assessment of the Individual Education Plan (IEP) process with regards to private day placements.

• Report on any preliminary findings and recommendations due to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2017
Children’s Services Act (CSA)

• CSA coordinates local services for children with emotional and behavioral challenges and their families

• Localities are mandated to serve eligible children:
  o Special education
  o Foster care
  o Children requiring mental health services to avoid placement in foster care

• CSA has been the subject of numerous studies since its creation in 1992 due to concerns about:
  o Rapidly growing costs
  o Appropriate placement of children
  o Proper mix of community and residential services
  o Structure and staffing of the Office of Comprehensive Services

• Recent studies:
  o 2014 and 2015 studies by the Virginia Commission on Youth on the use of public funds for public and private education placements of students with disabilities
  o 2016 CSA State Executive Council developed options for increasing the integration of children receiving special education private day treatment services into their home school districts
Issue: Growth in CSA

- Both CSA expenditures and the number of children served has grown steadily since FY 2013, after years of decline
  - 6.5% annualized growth rate in expenditures and 1.7% annualized growth rate in children served
CSA growth is being driven by special education private day placements.
Special education private day placements now account for 41% of total CSA expenditures, up from 32% in FY 2013.
At the same time, residential/congregate care and foster care/therapeutic treatment have decreased as a percentage of total CSA expenditures.
Issue: Growth in Special Education
Private Day Placements

<table>
<thead>
<tr>
<th>$ in millions</th>
<th>Students Served</th>
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<tbody>
<tr>
<td>FY 2013</td>
<td>$101.4</td>
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<tr>
<td></td>
<td>2,974 Students</td>
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<tr>
<td>FY 2014</td>
<td>$111.2</td>
</tr>
<tr>
<td></td>
<td>3,158 Students</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$124.2</td>
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<td>FY 2016</td>
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<td>3,585 Students</td>
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<tr>
<td>FY 2017</td>
<td>$156.1</td>
</tr>
<tr>
<td></td>
<td>3,816 Students</td>
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</tbody>
</table>

Net Private Day Expenditures
Students Served
Growth in Special Education Private Day Placements

• Expenditures for private day placements have increased by 54% since FY 2013
  o 11.4% annualized growth rate
• Caseload has increased by 28% since FY 2013
  o 6.4% annualized growth rate
• Costs driven by an increasing number of special education children placed in private day treatment through federally mandated Individualized Education Program (IEP) plans, particularly those diagnosed with autism spectrum disorders
• Annual cost of a private day treatment placement was $41,088 in FY 2017 compared to an average annual cost of $24,274 for all CSA services
  o Increase of 19.3% in the average annual cost since FY 2013
Average Annual CSA Expenditure per Child in Private Day Placements

Average Annual Cost Per Child:

- FY 2013: $34,437
- FY 2014: $35,289
- FY 2015: $36,385
- FY 2016: $38,753
- FY 2017: $41,088
Research Activities

• Literature reviews and reviews of past CSA studies
• Site visits to public and private day educational programs
• Interviews with stakeholders
  o CSA coordinators
  o Regional Education Program staff
  o Special Education Program staff
  o Virginia Council of Administrators of Special Education
  o Virginia Association of Independent Specialized Education Facilities
  o ARC of Virginia
  o Parents of children with disabilities
• Analysis of CSA expenditure and participation data
• Review of Virginia Department of Education special education program information and Superintendent Memos related to CSA
• Review of limited information from other states
Research Questions Remain

• Issues remain unresolved
  o How can the state best manage CSA special education private educational services?
  o What variables influence enrollment and costs statewide and regionally?
    - Are rates paid for services reflective of fair and reasonable costs incurred?
  o To what extent have past study recommendations been addressed?
  o Can outcomes be centrally tracked to inform parents, CSA & local schools on child’s progress and effectiveness of placements?
  o How can CSA funds be best used to support children with needs who receive special education services?
    - Should CSA services and funding be rebalanced to better serve children and families?
    - Are there distinct approaches that should be explored for children with certain disabilities?
  o What issues impede Local Education Authorities from serving children with disabilities who are currently receiving special education private educational services?
  o Is additional training and specialized staff needed for Local Education Authorities to appropriately educate children with emotional, behavioral and/or physical needs in more integrated settings?

• Recommendation
  o Continue study into 2018