

# Report on Children's Services Act Special Education Private Day Placements

November 29, 2017 House Appropriations and Senate Finance Committee Staff Susan Massart, Mike Tweedy, Susan Hogge and Sarah Herzog

## 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:
  - The transfer of the CSA funding pool for private day education to the Department of Education;
  - Identification and collection of data to assess private day placements;
  - Identification of resources for transition of students from private day placements to a less restrictive environment;
  - Assessment of the role of Local Education Agencies regarding placements, effectiveness, quality, costs and measuring outcomes of private day education programs; and
  - 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:
  - Special education
  - Foster care
  - 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:
  - Rapidly growing costs
  - Appropriate placement of children
  - Proper mix of community and residential services
  - Structure and staffing of the Office of Comprehensive Services
- Recent studies:
  - 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
  - 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



#### Growth in CSA Pool Expenditures by Type (\$ in millions)



- 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



### Growth in Special Education Private Day Placements

- Expenditures for private day placements have increased by 54% since FY 2013
  - 11.4% annualized growth rate
- Caseload has increased by 28% since FY 2013
  - 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
  - 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

## **Research Activities**

- Literature reviews and reviews of past CSA studies
- Site visits to public and private day educational programs
- Interviews with stakeholders
  - CSA coordinators
  - Regional Education Program staff
  - Special Education Program staff
  - Virginia Council of Administrators of Special Education
  - Virginia Association of Independent Specialized Education Facilities
  - ARC of Virginia
  - 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

- How can the state best manage CSA special education private educational services?
- What variables influence enrollment and costs statewide and regionally?
  - Are rates paid for services reflective of fair and reasonable costs incurred?
- To what extent have past study recommendations been addressed?
- Can outcomes be centrally tracked to inform parents, CSA & local schools on child's progress and effectiveness of placements?
- 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?
- What issues impede Local Education Authorities from serving children with disabilities who are currently receiving special education private educational services?
- 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

• Continue study into 2018