



Office of
Children's Services

Response from the State Executive Council for Children's Services on the Use of State Pool Funds for Wrap Around Services for Students with Disabilities

Presentation to the Virginia Commission on Youth

September 20, 2016



Background

- *The Use of Federal, State, and Local Funds for Private Educational Placements for Students with Disabilities*
 - Two-year Virginia Commission on Youth (COY) study completed in 2015
 - Specific request made to the SEC to “revisit existing policy restrictions and budgetary constraints with CSA state pool funds for wrap around services for students with disabilities.”



Definition

- Wrap around funds are defined by the SEC (Policy 4.1.3, 2011) as: “non-residential services in the home and community for a student with a disability when the needs associated with his/her disability extend beyond the school setting and threaten the student’s ability to be maintained in the home, community, or school setting.”



Funding

- The Appropriation Act, beginning in FY2011, allocated \$2.2 million in state general funds for these wraparound services.
- The Act also specified that all services in the public schools be at the base locality match rate.
 - The use of CSA funds for services in the public schools for students with disabilities was eliminated subsequent to a directive from the DOE in January 2010.
 - The match rate for the newly defined wraparound services was not re-examined.



Utilization

- The average utilization of the state appropriation for wrap around funds (FY2013-2015) was 57%, with 52 percent of localities drawing down and using the funds.
- An average of 403 students per year were served.
- FY2016 data, while incomplete, is currently consistent with prior years.



OCS Process

- At the beginning of each fiscal year, all localities are proportionally allocated a share of the \$2.2 million.
- Each locality must submit a single page declaration of their intent to utilize these funds.
- At the end of the second quarter of each year, OCS analyzes and reallocates funds that have not been “claimed” by localities and attempts to do so throughout the end of the fiscal year.



Specific Request from the COY

Recommendations to improve utilization and access to “wrap around funds,” including:

- Whether the community-based match rate could be utilized;
- Parental co-payment policies for services not included in the IEP; and
- The prohibition of using funds for non-educational services provided by school employees.



Process

- COY request discussed at the March 2016 SEC meeting
 - SEC provided with a briefing paper
 - SEC requested that the State and Local Advisory Team (SLAT) address this request and make recommendations to the SEC
 - Over the course of three meetings and through a survey, SLAT has arrived at several recommendations for the SEC's consideration
- SLAT recommendations reviewed by the SEC on September 15, 2016



SLAT Survey

- Three audiences:
 - CSA (CPMT and FAPT members) – 210 responses
 - LEA Special Education Directors – 118 responses
 - Parents of SWD – 173 responses
- Targeted questions about general awareness, specific knowledge and local utilization of wrap around funds and possible barriers to use
- Results utilized to inform recommendations



Recommendations

1. The SEC should re-categorize the wrap around funds to the lower, community-based match rate
2. No action should be taken on the parental co-payment issue
3. No action should be taken on the use of school personnel to provide non-educational services
4. The OCS should lead an effort to implement an educational program to inform various stakeholders of the guidelines and possible uses of these funds



Change the Match Rate

- The definition of the wrap around funds is congruent with other services in the community-based match rate category
- The need for local matching funds was cited in the survey as a major contributing factor to underutilization
- Prior to 2011, these funds were at the community-based rate
- SEC establishes the match-rate categories for various services



Change the Match Rate – Fiscal Impact

- Based on recent expenditure trends (FY 13 – FY 16), if a change in the match rate resulted in full utilization of the state appropriation, state expenditures would increase by approximately \$940,000
- Adoption of this recommendation could potentially lead to overall decrease in “buying power” by approximately \$650,000, given lower local matching contributions



Parental Co-Payments

- §2.2-5206.3 only requires that CPMTs “establish policies to assess” parental ability to contribute and utilize a “sliding fee scale based on ability to pay.”
 - This allows localities to set their own expectations for parental contributions
- The SLAT process did not reveal that this was a significant barrier to service utilization



Use of School Personnel

- Activities of school personnel are under the jurisdiction of the LEA
 - As long as the services do not occur in the school in contradiction to DOE guidance, LEAs have flexibility in utilizing their employees
 - With LEA approval, school personnel can work as contractors to private providers to deliver wrap around services
- The SLAT process did not reveal that this was a significant barrier to service utilization



Additional Recommendations

- The OCS should implement a plan to educate state and local partners about wrap around funding to include:
 - Clarification of eligibility
 - Types of community-based services allowed
 - Clarification of parental co-payment requirements
 - Process for localities to access the allocated funds
 - Value in early referral of SWD to CSA prior to IEPs for private placements



Additional Observation

- Services such as applied behavior analysis (ABA), which might be appropriate community-based services for many students with disabilities (especially those on the autism spectrum), are not available in all localities due to lack of trained workforce and low demand in rural areas



Related Issues

- Work group and options for the SEC regarding increasing children served in least restrictive environments (Senate Finance / House Appropriations)
 - Restructuring CSA / DOE funding for special education
 - Increase / improve transitions back to public school settings



- Support ability of public schools to serve students with disabilities in the least restrictive environment
- Identify, collect and utilize outcome indicators re: the efficacy of private special education placements