

Commission on Local Government

Estimate of Local Fiscal Impact

2015 General Assembly Session

Bill: HB2083

Patron: Peace

Date: 1/22/2015

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

Bill Summary:

Directs community policy and management teams to establish as part of their policies governing referrals and reviews of children and families to the family assessment and planning teams or a collaborative, multidisciplinary team process approved by the State Executive Council for Comprehensive Services for At-Risk Youth and Families to include a process for parents and persons who have primary physical custody of a child to directly refer children in their care to the teams.

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### Executive Summary:

HB 2083 would require a community policy and management team to establish a process for parents and persons with physical custody of a child to directly refer children in their care for assessment.

The provisions of the bill will likely affect all local governments in some way. Local respondents estimated an impact to their localities of \$61,000-1,500,000. Localities with larger social services responsibilities are likely to feel the largest financial impact of this legislation. More populous localities are also likely to be exposed to high costs from the provisions of HB 2083.

If parents are allowed to directly refer their children to the community policy and management team, local governments may need to hire additional staff to perform the work. Localities with higher social services responsibilities are more likely to hire more than one case worker to satisfy the requirements of the bill.

One locality noted that HB 2083 adds an additional CSA responsibility to local governments while the state funding for the local administration of the program has not changed.

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### Local Analysis:

**Locality:** Augusta County

Many localities do not allow a parent directly to refer. There are very good reasons for that which fit with state policy. The County has this as part of its local policy already, that a parent can refer their child directly, sometimes it hears the case, sometimes it can help refer them outside of the FAPT process using their own resources. Right now it is a local choice. This bill would be taking the choice out of it. No matter who is referring, we will still have to ensure that the child would meet eligibility criteria for funding. This bill does not make changes to those criteria as far as I can tell.

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Locality: Charlottesville Public Schools (2)

In conversation with our CPMT, the feeling is that while this amendment would likely increase the number of referrals, the direct fiscal impact would be little or nothing since the assessment process will not change. Additional referrals would increase the meeting lengths, but no direct additional costs would be incurred.

Locality: City of Chesapeake

Estimated Fiscal Impact: \$61,000.00

HB 2083 will negatively impact the Chesapeake Community Policy and Management Team (CPMT) which established policies and procedures for the referral of youth and families to access services through the Comprehensive Services Act (CSA). Currently, Chesapeake families must be referred by one of five youth-serving core agencies: Education, Mental Health, Social Services, Court Services or Health Department. Allowing parents and guardians to refer directly for CSA services, circumvents processes that ensure appropriate services in a least restrictive environment.

1. Core agencies must first seek to serve eligible youth and families with resources that are available to the agency or the family before referral to FAPT. Only once other resources known to core agencies and families are exhausted can a case be referred for CSA review. Allowing parents/guardians to circumvent this process neither guarantees access to CSA funding nor will it expedite the review process. One essential stipulation of the FAPT referral policy is the requirement that two or more agencies have sought to serve the youth, but are unable to address his/her needs with combined resources. The proposed legislation does not ensure the use appropriate, less expensive, less restrictive, community-based solutions before review by FAPT.

2. All cases brought before FAPT require representation of a referring core agency. Parent/guardian referrals do not have such representation and HB 2083 does not address funding or the administrative component to cover the cost of this service. Core agencies take on additional duties and requirements with CSA cases. As such, they ensure only the most appropriate cases are referred to CSA for services. Additionally, the Chesapeake Interagency Consortium, like most CSA offices, serves as a clearinghouse or brokerage for services and has no staff dedicated to the management of CSA cases. HB 2083 would require an additional CSA case worker at a cost of \$61,000 (including benefits).

HB 2083 does not ensure appropriate least restrictive services to youth and their families nor does it provide for adequate case management and utilization management of services. Parents/guardians are vital partners in the service provision process, but local agencies must first make efforts to address and serve youth before more costly and restrictive measures are undertaken.

Locality: City of Danville

Estimated Fiscal Impact:
\$1,500,000.00

The proposed bill would require the CPMT “to include a process for parents and persons who have primary physical custody of a child to directly refer children in their care to the teams.” This legislation, if enacted, would have a substantial financial impact on the CPMT and this locality.

Under current policy, at-risk youth and families are referred/recommended via the FAPT process. If the process would allow for “parents and persons who have primary physical custody of a child to directly refer children in their care to the teams” (emphasis added), additional staff would have to be added for case management and additional funding would be necessary for the increased referrals.

Accordingly, and considering case management, applicable treatments and mentoring and the high number of truancy in the City, it is estimated that the financial impact would increase by at least \$1.5 million.

Locality: City of Lynchburg

Estimated Fiscal Impact: \$200,000.00

With the families being served under CSA being volatile and growing, extensive education would need to be provided to parents and persons to directly refer children to the teams.

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**Locality:** City of Roanoke

**Estimated Fiscal Impact:** \$198,045.00

The full scope of the fiscal and administrative impacts are not clearly defined and understood by all system stakeholders due to a limitation of data.

In December, the State and Local Advisory Team provided each locality an estimate of the potential fiscal impact based on the number of Level C (residential) non-CSA parental placements in FY 2013. The projected cost to Roanoke City is \$198,045; however, that figure is not representative of data across fiscal years. In order to understand the true fiscal impact, additional data should be gathered, disseminated, and analyzed for a minimum 5-year period. This would better project accurate financial impact of the cost of these placements and impact on administrative processes within the locality’s CSA program. However, the estimated cost of \$198,045 is only representative of one type of CSA funded service. No data is available on the potential cost of group home and community-based services the locality would assume due to the additional referrals. The fiscal impact to Roanoke City could easily exceed \$200,000 annually when accounting for the potential inaccuracy of the projected \$198,045 estimate, and accounting for the provision of other CSA funded services that would be available through a parent referral process.

At this time the local Family Assessment and Planning Team (FAPT) only accepts referrals from one of the CSA Core Agencies. They are as follows: The Local Department of Social Services, Roanoke City Public Schools (for mandated Individualized Education Program services), 23A Juvenile Court Service Unit and the Local Community Services Board. Direct parent referrals would require the locality to develop a system for additional FAPT meetings and case management of CSA funded services. Creating a CSA system that can provide for direct parental referrals will place significant financial and administrative impact on the locality.

Finally, State funding to the locality for administration of the CSA program has not increased since the 1990s, nor has the local match rate system been examined. Although the current data is not comprehensive to project an accurate fiscal impact, it is evident there will be significant financial and administrative impact to be realized by the local government.

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Locality: Henrico County

Estimated Fiscal Impact: \$473,000.00

This fiscal impact estimate reflects only the local match. It is based upon 71 additional kids (roughly 20 percent increase from current participation) who could be referred to the policy and management team and receive services.

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**Locality:** Rockingham County

A fiscal impact is not expected.

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Professional Organization Analysis:

Organization: Virginia Association of School Superintendents

Other than added staff costs due to added meetings, there should be not immediate increase in cost to the locality. However, the FAPT team should be better able to problem solve and perhaps suggest lower cost community-based interventions prior to sending the family to a more expensive alternative.

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