



Office of Children's Services
Empowering communities to serve youth

Children's Services Act

Senate Finance and
Appropriations Committee
Health and Human Resources Subcommittee

January 15, 2026

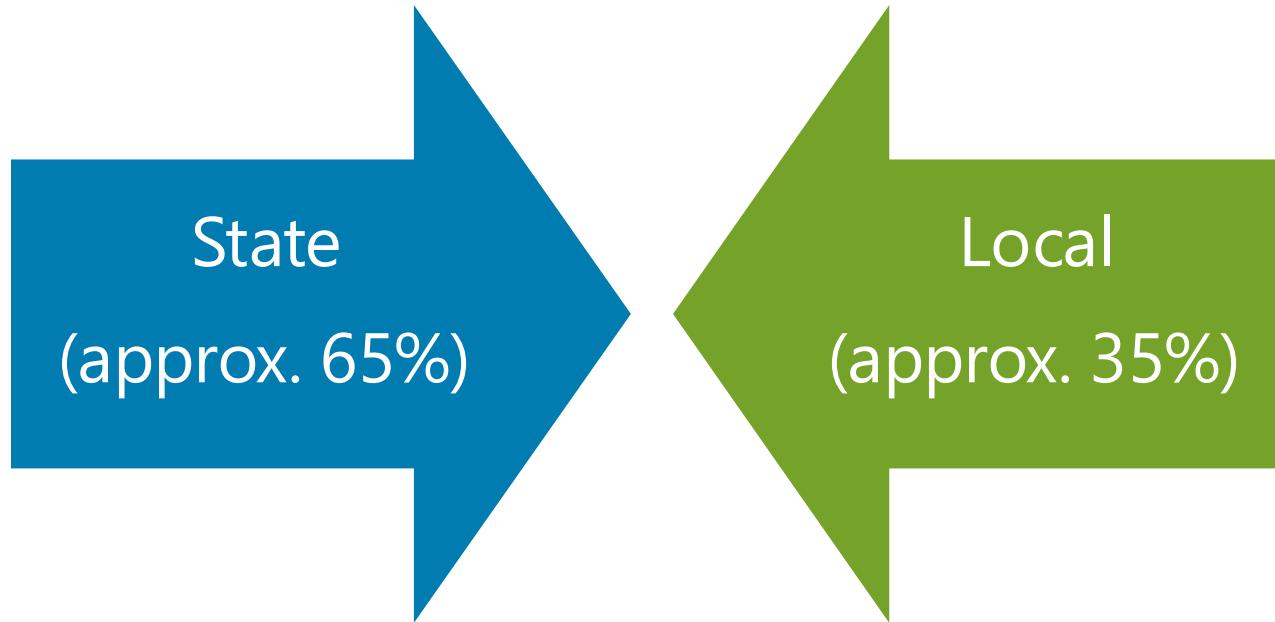
Scott Reiner, Executive Director
Office of Children's Services

CSA Expenditures and Cost Drivers

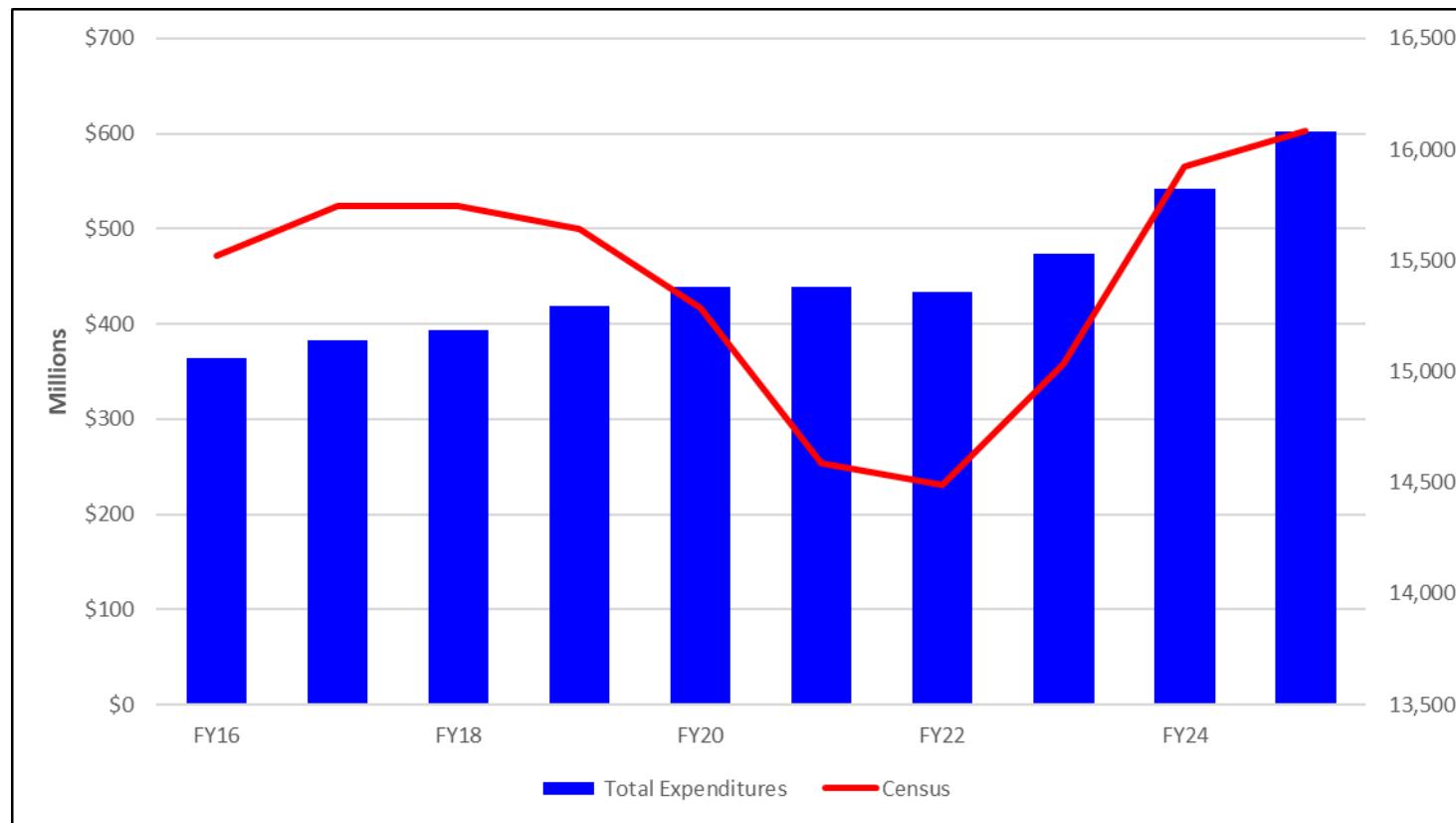
Sum Sufficient Funding

- The General Assembly and the governing body of each county and city shall annually appropriate such sums of money as shall be sufficient to (i) provide special education services and foster care services for children and youth identified in subdivisions B 1 through 4 and 6 and 7 and (ii) meet relevant federal mandates for the provision of these services. (§2.2-5211.C).
- The CSA has limited control over expenditures due to the non-discretionary nature of the majority of services provided and the decisions of other entities (e.g., local schools/IEPs; local DSS/use of TFC).

CSA Funding: A Shared Responsibility

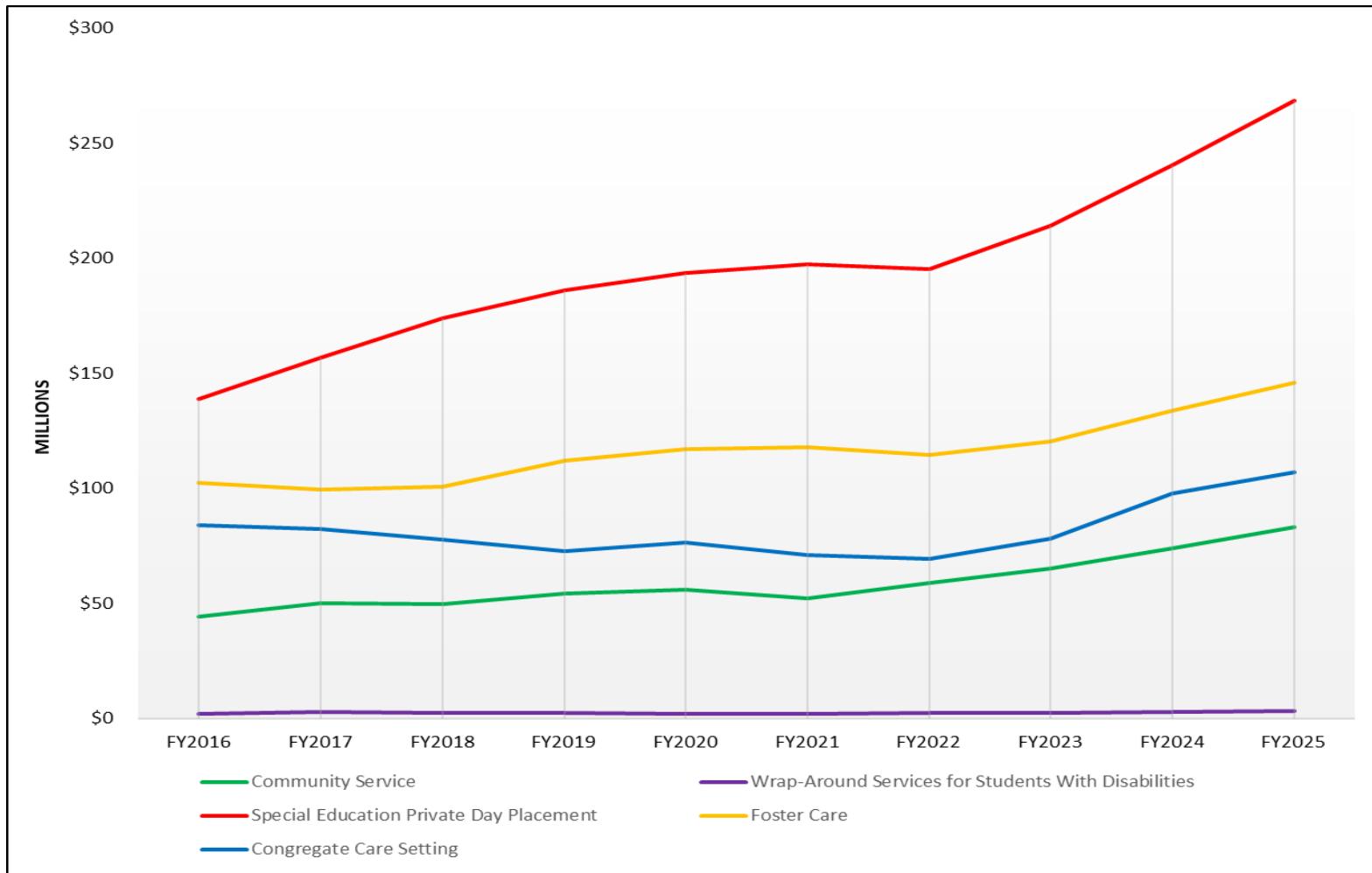


10 Year CSA Net Expenditure and Census Trends (FY2016 – FY2025)



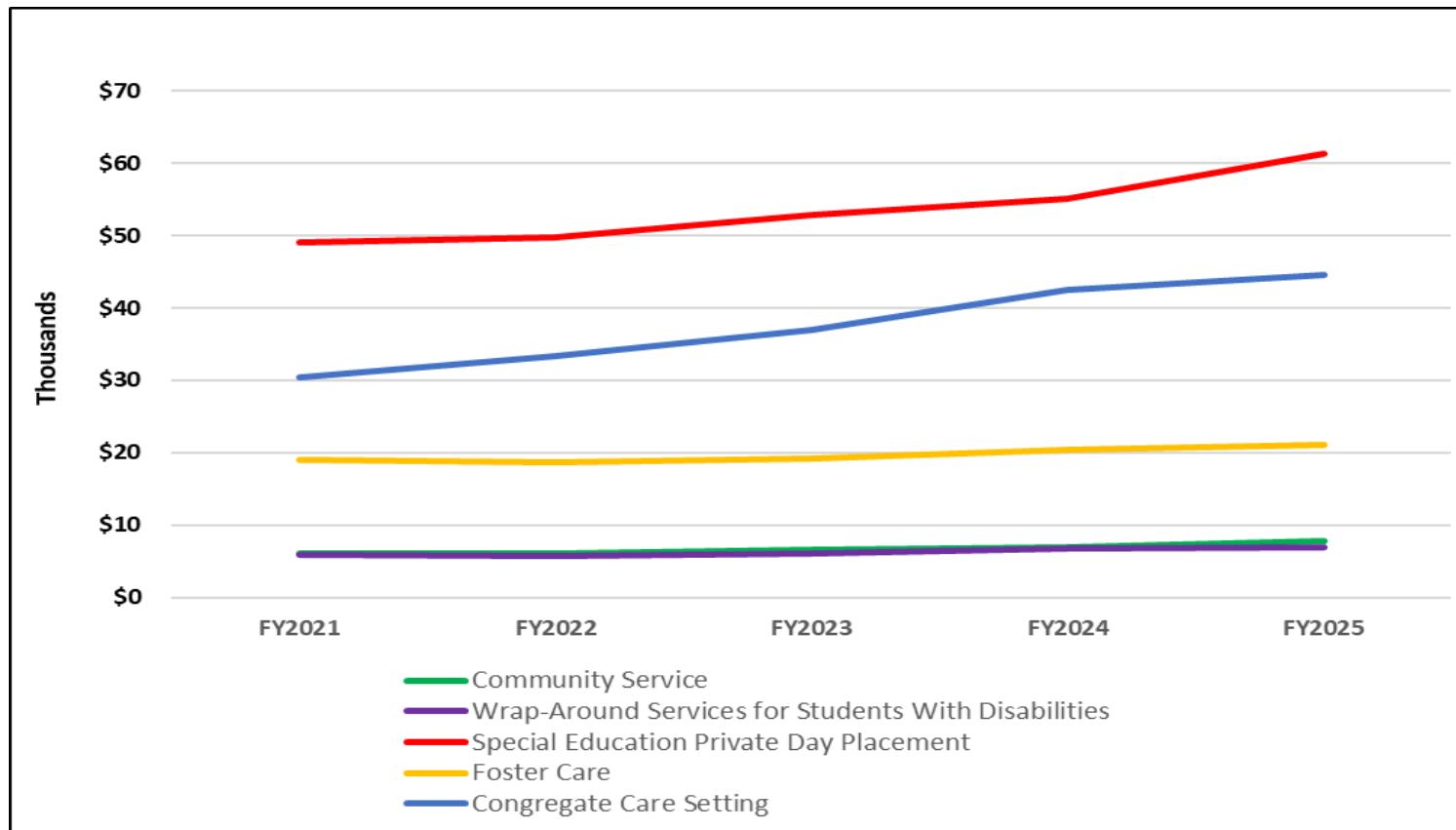
Source: CSA Local Expenditure, Data, and Reimbursement System (LEDRS)

Net Expenditures by Service Type



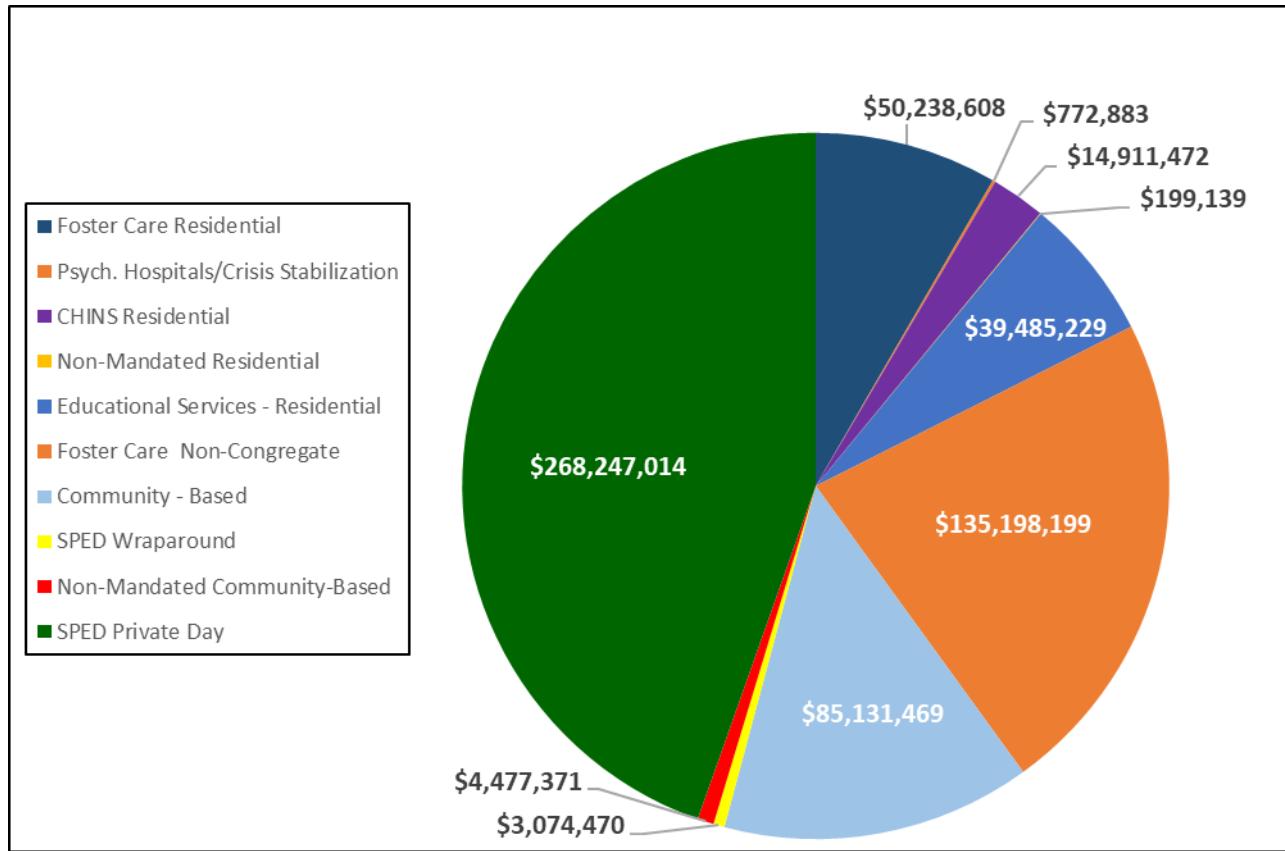
Source: CSA Local Expenditure, Data, and Reimbursement System (LEDRS)

Net Expenditures per Child by Service Type (FY2021 – FY2025)



Source: CSA Local Expenditure, Data, and Reimbursement System (LEDRS)

Net Expenditures by Service (FY2025)



Source: CSA Local Expenditure, Data, and Reimbursement System (LEDRS)

| Service Category | Service Examples | % of Census* | % of Expenditures |
|--------------------------|------------------------------------------------------------------------------|--------------|-------------------|
| Residential Treatment | Psychiatric Residential Treatment/Group Homes | 15% | 18% |
| Foster Care | Treatment Foster Care/Family Foster Care | 43% | 24% |
| Community-Based Services | Intensive In-Home/Mentoring/Behavioral Therapies/Parent Coaching/Assessments | 66% | 14% |
| Special Education | Private Day Special Education Schools | 27% | 45% |

*Youth frequently receive services in more than one category, leading to a total % of census of over 100%.

Source: CSA Local Expenditure, Data, and Reimbursement System (LEDRS)

Takeaways from the past few years are . . .

- The CSA census has rebounded to higher levels than pre-COVID.
- FY2025 expenditures have increased an average of 9% per year since FY2022 and 13% since FY2024.
- The largest areas of growth are:
 - Private day special education
 - Community-based services
 - Group homes for youth in foster care
 - Treatment foster care
- Expenditure growth is a function of growth in census and provider rate increases across service lines.



Introduced Budget HB29/SB29

SB 29 Proposed Budget Actions (Non-Technical, GF)

| | FY2026 |
|----------------------------------------------|----------------|
| Increase State Pool Appropriation (Item 268) | \$ 441,017,921 |
| | \$ 461,749,101 |

- This 4.7% increase is in addition to a 6.3% increase for FY2026 in Chapter 725, reflecting DPB's forecast for FY2026.



Introduced Budget HB30/SB30

SB 30 Proposed Budget – Item 271

| | FY2027 | FY2028 |
|-------------------------------|-----------------------|-----------------------|
| State Pool Appropriation (GF) | \$ 475,111,038 | \$ 509,630,376 |
| Medicaid and SSBG (NGF) | \$ 69,307,018 | \$ 69,307,018 |
| Total | \$ 544,418,057 | \$ 578,937,394 |

- The amounts reflect the DPB forecast for a 9.7% increase (GF) in FY2027 and an additional 7.2% increase (GF) in FY2028.
- The NGF increase (20.2% from FY2026) reflects the DPB forecast for increased Medicaid expenditures for selected children's behavioral health services.

SB 30 Proposed Budget Actions

Item 271. U. The rate of reimbursement to localities for private day educational services shall not increase more than 2.5 percent over the rates for such services provided the previous year.

- Estimated savings are \$3.4 million (FY2027) and \$3.7 million (FY2028).

Item 271. X. The state match for community-based services shall be reduced uniformly to reflect an average state match of 71 percent.

- Estimated savings are \$10.8 million (FY2027) and \$11.8 million (FY2028).

SB 30 Proposed Budget Actions

Additional assumptions in the proposed budget:

- Elimination of automatic inflationary adjustments for residential treatment providers (Medicaid).
 - Estimated GF savings are \$1.3 million (FY2027) and \$2.4 million (FY2028).

SB 30 Proposed Budget – Item 272

| | | FY2027 | FY2028 |
|----------------------------------|-------|---------------|---------------|
| General Management and Direction | | | |
| | GF | \$ 3,100,312 | \$ 3,100,312 |
| | Total | \$ 3,100,312 | \$ 3,100,312 |



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Thank you

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