Funding Virginia's Future: Fiscal Map of Children's Supports in Virginia FY20

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for Families Forward Virginia
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Acknowledgements

This report was prepared by Alicia Wilson-Ahlstrom, partner consultant at the Children's Funding Project. This project received support from the Office of the First Lady. The report was prepared from data collected from the agencies and departments from the four secretariats and two offices that comprise the Cabinet: The Secretary of Health and Human Resources, Secretary of Education, Secretary of Commerce and Trade, Secretary of Public Safety and Homeland Security. In total, this report includes data from 160 funding streams from 17 agencies.

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ABSTRACT

INTRODUCTION The purpose of the FY2020 Fiscal Map of Children's Supports in Virginia was to create a clear report of the funds that the state is investing in its future generations. Updated from the inaugural report, *2017-2018 Fiscal Map of Children's Supports in Virginia*, the current fiscal map, commissioned by Families Forward Virginia, will provide the legislature and, subsequently, the new administration with an informative tool for decision making, and a method for tracking and analyzing funding data for future fiscal years.

METHODS

The fiscal map focused on state budget appropriation data from fiscal year 2020 (and where available 2021) for non-instructional, whole-child youth supports for ages 0-21 years old. Data was collected and verified via an initial interview, data collection tool, and follow up correspondence with members from participating state agencies. Agencies were asked to provide the following data: funding stream names and descriptions, type of services the funds support, total appropriation amounts, originating source of funds (federal, general, and special funds), and any specific designation of funds for prevention services. The data were analyzed and presented using Microsoft Power BI. Conclusions were drawn by comparing Virginia's results to other states that have performed a similar analyses, and by comparing the results to the state's and nation's health and wellbeing outcomes for youth.

RESULTS

Budget appropriation data for 174 funding streams were collected for 17 agencies within the 4 secretariats that comprise the Children's Cabinet. For fiscal year 2020, the Commonwealth has invested $7 billion dollars (up from $6.18 billion) in services and supports for youth ages 0-21 (does not include funds for classroom instruction or higher education).[1] Out of the eleven services areas mapped, the majority of these investments are to

KEY FINDINGS

- Total state agency investments in children and youth ages 0 – 21 years old for non-instructional, whole child supports equals $7 billion. This is approximately a 13.3% increase in total funding since FY18.
- Funds reported by state agencies show the largest state agency investments in the physical health, education, and mental health of children and youth. services. Excluding funds for Medicaid/ FAMIS (comprising 46% of state administered funds for children's services), the state invests most in education, child welfare, and nutrition & food programs.
- Special revenues for education are up five-fold from FY18 to FY20, an additional 85% increase was allocated from special revenues in FY21.
- Additional key investments in SNAP nutrition benefits ($287.5M), Earned Income Tax Credit ($1.3B) and Child tax credits ($1.9B) helped lift vulnerable children and families in 2020.
- Approximately 1 in 3 families with children live at or below the state's income survival threshold.
- There are 22 funds that are newly identified or reported in FY20 from the initial FY18 fiscal map. An additional 6 funds were newly established starting in the FY21 year.

[1] Included funds supporting children, youth, and families totaled $7,003,737,000, rounding to the nearest $1000. For detailed information on criteria for inclusion of funds see *Inclusion Criteria* under *Methods* on page 9.

improve and maintain high levels of physical health, education, mental health, child welfare, and nutrition. 54% of the total investment for youth comes from the state General Funds, while 43% are federal funds and 3% are special fund revenues. This is similar to the investment balance by funding source from 2018, with the federal and special fund investment percentages being modestly increased from 2018 (up slightly up from 42% and 1% respectively). Agencies that provide the most funding for children's services and supports are Department of Medical Assistance Services, Department of Education, Department of Social Services, and the Office of Children's Services.

While SNAP nutrition benefits and the Earned Income and Child tax credits, programs that bolster supports to Virginia Families, are not administered through Virginia public state agencies, supplemental data were collected to estimate the level of supports these additional major programs provide to children and families. These supports are particularly relevant given that one in three Virginia families with children under 18 live at or below the state's survival income threshold.[i] These additional key investments in SNAP nutrition benefits ($525 million), Earned Income Tax Credit ($1.3 billion) and Child tax credits ($1.9B) helped lift vulnerable children and families in 2020.

DISCUSSION

Analysis of the 174 funding streams has highlighted successful investments and has exposed expiring funds as well as gaps in service areas. Since the completion of the original fiscal map, the state has made several intentional investments to expand early care and education for children under the age of 5, and increased investments in children's mental health – two areas for improvement highlighted in the inaugural report.

The Covid-19 context served as a backdrop for increased investments in family supports overall and in nutritional programs. Additionally, basic supports – health access and insurance, cash assistance, and housing assistance – all ticked up as many families experienced the disruptive impacts of a Covid economy.

Largest Child-Serving Agency Budgets

AGENCY	FY18	FY20	NOTABLE CHANGES
DMAS	$2.80B	$3.23B	Increases in Medicaid & MCHIP
DOE	$1.79B	$2.09B	CARES Act, Investments in PK
DSS	$765M	$813M	Expanded Investments in ECE
OCS	$330M	$353M	General Fund increases
DJJ	$211M	$194M	Federal funding down, investment shifts away from most restrictive settings
VDH	$177M*	$154M	Does not fully reflect COVID-related funds which presents a significant development in the short-term investment picture

While overall reported investments in children and youth increased 13.3%, continuing areas of underinvestment exacerbated by Covid-era challenges that were deepened for many Virginia families, particularly in the areas of nutrition supports, family and housing supports, and access to mental health services. Areas of relative underinvestment include engagement in community-based programs that promote wellness and positive youth development as well as a clearer understanding and articulation of prevention investments. Additionally, some service categories are underreported (largely due to assigning a primary tag to each fund, while sub-activities under each bucket may include additional service activities (e.g., there are engagement activities within family support and services).

While the survey sought to get information on prevention efforts as identified by each agency, few agencies completed the exercise of tagging their own funds to identify where resources were used to support youth programming and activities associated with a prevention approach. Overall, relatively few funds were marked as intended for prevention by agencies themselves. Only three agencies directly identified any of their funds as being used primarily for prevention purposes (DSS, OCS, and ABC) and only 24 funding streams were tagged for prevention purposes. While we suspect that many different kinds of activities and programs under the 11 core service areas may be used to support prevention strategies, the lack of reporting on the prevention aims of these funds may point to a lack of a coordinated, statewide prevention frame that all agencies are using to guide their funding priorities, as well as a general tendency to toward using fiscal resources to react to problems and crises rather than to coordinate prevention strategies to support families and youth at earlier points in their development where prevention dollars can make a critical difference.

CONCLUSIONS

To continue to invest wisely and judiciously in our youth, we encourage the incoming administration to use the fiscal map report as a decision-making tool for future planning of children's services and supports. We further recommend establishing a regular cycle of reviewing and reporting on a "children's budget" for the state, building on the previous efforts to create an inaugural and updated budget covering FY 17, FY18, FY 19, and FY20 for most departments that have responsibility for serving children, youth, and families. A primary strategy for doing this would be to increase capacity within the Children's Cabinet (authorized by the incoming administration) to oversee the creation of an annual children's fiscal map with expanded data parameters to track trends and perform more detailed analyses. In a parallel set of activities, fiscal mapping should be introduced to other law makers and decision-makers with responsibility to advance policies that center and strengthen child-and youth well-being.

INTRODUCTION

BACKGROUND

A fiscal map is a detailed identification and analysis of the financial resources for programs, services, and supports distributed to children, youth and young adults. The 2020 Fiscal Map of Children's Supports in Virginia focuses on where the funding sources (state, federal or special revenue) and funds by types of services supported at the state, secretariat, and agency–levels, and highlights where funds have been reported to be specifically focused on prevention services. Where available, the report also provides agency-level data on FY21 funds, forecasting where expanded investments in children and youth programs and services are trending.

RATIONALE

Making wise and effective investments in children and youth first requires an accurate depiction of the current status of funding for children's programs. Within this report, the policies and funding streams that support Virginia children and youth have been exposed to reveal where vulnerabilities and gaps exist as funding priorities and the circumstances of children and their families shift. The fiscal map also highlights noteworthy investments that should be continuously supported and, where possible, expanded.

A central aim of this updated fiscal mapping effort is to demonstrate the value of establishing a biyearly reporting mechanism to track trends in funding and how that relates to health and wellbeing outcomes over time. The process of fiscal mapping sets a standard for reporting, tracking, and analyzing funding data for children's services among state agencies. Also, the fiscal mapping complements the work of state coordinating bodies, including the Children's Cabinet, charged with creating alignment between agencies and programs by outcomes that cut across individual departmental scopes of operation. In this way, a fiscal map can serve as a tool for fostering synergistic collective impact. Our aim is that this report will be extremely useful to administrators, policymakers, and advocates by providing a detailed picture of where funding comes from, where it gets appropriated, and for what purpose.

OBJECTIVES

This updated fiscal map serves two purposes. First, it illustrates the complexities of how the Commonwealth of Virginia is currently providing for children and youth, and how it can continue to serve the next generation. This is particularly important to communicate to a new incoming administration, one that will be charged with leading the state through a post-COVID recovery and with ensuring that its youngest and most vulnerable residents are supported to thrive in the coming years. Secondly, the fiscal map supports ongoing work, most centrally coordinated through the Children's Cabinet, to develop and align policy and goals around a budget that not only covers basic physical, social, educational, and safety needs of children and youth, but reaches beyond to help decision-makers align the allocation of funds to more comprehensively and equitably prioritize and strengthen the *well-being* of children across the state. This vision of a well-being budget can be one mechanism alongside other efforts to strengthen the work of the Children's Cabinet to coordinate and align state-wide efforts.

IMPACT

Virginia is one of 37 states in the country with an inter-agency commission dedicated to changing the fragmented ways that state and local governments support children and youth.[ii] The Virginia Governor's Children's Cabinet's mission is to coordinate and align state resources, policies, and practices to enable all Virginia children and families to thrive. Before completion of the fiscal map, however, there was no unifying system of reporting the many diverse funding resources that are currently available for children and youth services. The fiscal map report will help the Children's Cabinet fulfill its mission, and work towards completing its vision that all Virginia children are healthy, equipped to succeed academically, and ready to thrive in a 21st century economy.

In addition to the Children's Cabinet, there are several initiatives to strengthen supports for children, youth and families around the state underway including in the areas of early childhood and mental health, which could benefit from an updated fiscal map informing a global and comprehensive understanding of current investments. Most recently, the Prevention Plan Steering Committee, convened by the Department of Social Services, has established a plan and recommendations to shift a greater portion of fiscal, human, and organizational resources to prevention-based strategies that ensure that all families, youth, and children in the Commonwealth are safe, healthy, and nurtured and have equitable access to resources and opportunities to thrive in their communities. A fiscal map aligns well with the planning guidance of the committee, allowing stakeholders around the state to assess not just whether resources reach adequate levels, but how those resources are marshalled to advance overall well-being for children and youth.

AGENCIES INCLUDED IN FISCAL SURVEY

Thank you to the following departments for sharing your time, expertise, and data on the funding streams that support youth in the Commonwealth for the benefit of this report and making various public reports available for this survey:

• Department of Aging & Rehabilitative Services • Department of Behavioral Health & Developmental Services

• Department for the Blind and Vision Impaired • Department of Medical Assistance Services

• The Department of Military Affairs • Department of Social Services • Department of Health

• Office of Children's Services • Department of Education • Virginia Foundation for Healthy Youth • State Council of Higher Education • Department of Labor and Industry • Department of Housing and Community Development

• Department of Labor and Industry • Virginia State Police • The Department of Alcoholic Beverage Control

• Department of Criminal Justice Services • Department of Juvenile Justice

LITERATURE REVIEW

This current fiscal map draws on the expertise of the Children's Funding Project team in working in partnership with public task forces and decision-making bodies, non-governmental intermediaries, community stakeholder groups, and engaged citizens in developing comprehensive fiscal maps summarizing supports for children and youth in states and municipalities. A literature review of similar fiscal reports created by state and city children's collaboratives was conducted to help set the data parameters of the original and updated fiscal maps and to develop a data collection tool using Microsoft Excel (see endnotes for summary of these resources)[2]. Research

[2] Over the past decade, a diverse range of states and localities have developed fiscal maps to track investments in children, youth, and families. Over the course of this time, the Children's Funding Project has documented the creation of these tools for understanding and aligning fiscal resources to support children, youth, and families. For more information on state and local fiscal maps, see: State and Local Fiscal Maps: An Interactive Tool.

on all the state agencies under the secretariats that comprise the Children's Cabinet was performed to determine which agencies were eligible to be included in the report and to scan for relevant policy and budgetary updates related to the allocation and distribution of funds. Supplemental data on several key programs not directly administered through state agencies, including SNAP nutrition benefits and the Earned Income and Child tax credits, were also conducted to estimate the level of supports these additional major programs provide to children and families.

State agencies were included if they receive funds that provide whole-child supports and services to children within the ages of 0-21 years old from state, federal, or special revenue funds. The data collection tool was shared with directors and financial or budget directors of the eligible agencies. Introductory interviews were conducted over the Zoom platform with participating agencies to explain the vision and goals of the project, define the data parameters, gather data, and to learn more about the agency's funding streams and services. Agencies gathered the appropriation data from the Virginia State Budget and their respective agency's budget documents. These interviews provided important opportunities to build support for the fiscal map. Additional data were collected from various publicly available reports and summaries of major agency activities, priorities, and decisions with budgetary implications.

Follow up correspondence as needed was conducted with the participating agencies to verify the data, and to discuss the implications of the findings. Findings were compared to other states' investments in youth, and to health and wellbeing outcomes in Virginia. These comparisons, as well as the literature review, helped to shape the analysis and recommendations. Research and data collection was conducted in January – May 2021, and the report was completed in July of 2021.

METHODS

INCLUSION CRITERIA

Agencies included in the first report were included in the updated fiscal map based on their provision of services and supports to children and youth ages 0-21. The same 17 agencies from the first report continued to have funding streams relevant to the updated survey. Specifically, the inclusion criteria encompassed in this report covers agency programs that both directly provide services to youth as well as those that provide services to the family unit that directly benefit or support the child and services offered on the basis of a family's eligibility due to the presence of children in the household. Department of Social Services and the Virginia Department of Health are examples of the latter inclusion criteria, since they provide direct services to both children and families. Finally, some agencies included in the report serve individuals older than 21 years of age. Inclusion of these agencies in the report was granted if the majority of the agency's funds were used for youth ages 0-21. For example, the Office of Children's Services supports children up to 22 years old.

EXCLUSION CRITERIA

Agencies were excluded if they were unable to determine what extent of their funding was appropriated to support youth ages 0- 21. Because this children's budget focuses primarily on the supports that can be used to stabilize and enhance the health, education, and basic needs of children, youth, and families and we want to highlight the importance of these investments, funding for core K-12 classroom instruction is also not included in this budget. Similarly, core educational programs of public colleges and universities were excluded from the fiscal map since the majority of their funding is not used for the population of focus. Additionally, determining a reasonably accurate appropriation for a "youth portion" of these programs would require complex analyses beyond the scope of this survey (the 2018 fiscal map also excluded core public college and university program funding streams). Additionally, it was difficult to determine what services and supports are funded solely by state or federal dollars, and not tuition dollars.

Another notable exclusion are the costs associated with the facility costs of the Commonwealth Center for Children and Adolescents, the state's acute care, mental health facility for children under 18. While facility costs were not included in these investments, programmatic funds were included.

The one exception to the exclusion criteria is the Department of Housing and Community Development (DHCD). DHCD's 'Housing Assistance' funding stream includes direct service costs for families and individual adults because they are unable to divide the funding for each population. However, the 'Homelessness Assistance' funding stream only includes estimates for families with children. DHCD was included in the analysis because they were able to report a detailed figure of direct service costs (excluding administrative costs), and their impact on children and families – particularly in the context of many families struggling with economically precarious circumstances deepened by Covid – are extremely important to capture.

FUNDING STREAM

Definition

We asked each agency to give a list of the names and the descriptions of all funding streams they receive from general funds, federal funds, and special revenue that provide direct services or supports to children and youth ages 0- 21 years old.

Limitations & Exceptions

Not all funding streams are alike, and with more than 170 funding streams included in the report, there are many differences and some exceptions to the inclusion criteria. As stated above, if a funding stream provides services to families, they were included in the report. Similarly, if a funding stream provides services that directly benefit the children of the family or if the eligibility criteria for a family to receive services depends on having children, they were included. Examples of such funds include TANF and WIC, since they also benefit the parents of the child, but are imperative services to the child themselves.

Some funding streams mapped also serve individuals older than 21 years. They were included if the majority if funds benefitted children and youth. Depending on the structure of the funding stream, some of the dollars we have mapped may include indirect services (i.e., salaries and administrative costs). Some agencies were able to provide the budget solely for direct services, while others could not extract administrative costs. In the original fiscal map as well as the updated map, DOE funds that provide regular instructional services to the child (i.e., teacher salaries, textbooks and other technology) were excluded from the fiscal map to be consistent with the Children's Cabinet's approach to provide wraparound supports that complement the core work of the DOE to improve academics. Since that time, the Children's Cabinet has named priorities in early childhood development, school readiness, nutrition and food security, systems of care and safety for school-aged youth. This updated report highlights alignment between funding and the priorities of the Children's Cabinet.

SERVICE TAGS

Definition

In both the original and updated fiscal maps, agencies were asked to choose one 'service tag' that best describes the type of service each funding stream is providing to help map how investments are being made. The list of services was chosen because they provide children and youth with wrap-around supports to help them thrive in their schools and communities.[iii] The 2018 fiscal map included ten tags, while the updated 2020 map added an additional tag for a total of 11 service tags (see *sidebar on service tags)*.

Limitations & Exceptions

Agencies were asked to choose one service tag to promote consistency throughout the report. For some agencies, it was very difficult to choose just one service tag to describe the entire funding stream. Also, since data collection relied on self-reports by agencies, terms for service tags may have been interpreted differently. Therefore, the estimates of total funding per service may be generalized. The Office of Children's Services (OCS) and the Department of Medical Assistance Services (DMAS) are exceptions to this criteria. OCS operates from a pooled source of funding (the Children's Services Act Appropriation), amounting to over $350 million. OCS was able to breakdown the total funding appropriation by percentage of each service tag based on the previous year's expenditures. Also, DMAS is the largest provider of physical health services (75% of their total budget) and mental health services (25% of their total budget) in the state. Therefore, choosing one tag would have left out a gross amount of dollars allocated for mental health services. While these limitations exist, this approach to tagging provides a comprehensive understanding of investments by broad goals that all Virginians have for children to be healthy, safe, educated, and engaged and serves as a starting point for instigating discussions about how the state invests for the wellbeing and robust development of all children and youth.

SERVICE TAGS

Agencies were given a list of eleven service tags to describe each funding stream in order to get a picture of how funds are being invested:

- Child welfare
- Family support services
- Workforce development
- Physical health
- Mental health
- Nutrition & food programs
- Education
- Juvenile justice services
- Community engagement
- Early childhood
- Housing

TYPE & SOURCE OF FUNDING

Definition

This fiscal map focused on appropriations, rather than expenditures, in order to show the total amount dollars currently being invested in children's resources. For each funding stream, agencies were asked to recall the appropriated amount for state fiscal year 2020. Agencies that were able to report or project appropriated amounts for FY21 also included those data, but due to the special sessions and budget adjustments related to Covid, not all agencies were able to report complete FY21 data. The funding sources include state appropriations from the general fund, federal appropriations, and special revenue. This analysis did not include local funds. The indicated 'total budget' is the sum of dollars from each funding source.

Limitations

It is understood that federal fiscal years do not align with state fiscal years. However, agencies did not have a problem determining how many federal dollars were appropriated for state fiscal year 2020 despite Covid-related adjustments in some cases. Fiscal maps can also be created using expenditure data. Even though this enhances the picture of how much of the appropriated funds are being spent, the process to collect this data takes longer than was available for this report.

PREVENTION FOCUS

In this updated fiscal map, Families Forward Virginia requested that we attempt to apply a prevention lens to the categorization of funding from the various state agencies. Agencies were asked to consider each funding stream and determine whether a primary, secondary or tertiary prevention tag applied. These prevention levels, derived from the Substance Abuse and Mental Health Services Administration's framework on promotion and prevention in mental health, were defined as follows:

- **Universal (primary) prevention:** Services for all children and youth to promote positive outcomes (*Examples: immunizations, substance abuse prevention, bullying prevention, suicide prevention, accident prevention, after school programs*)
- **Selective/Targeted (secondary) prevention:** Services for children at risk of adverse outcomes (*Examples: income supports, home visitation, family preservation, mentoring, special education) and those that require intervention in order to continue to function in their home communities (Examples: crisis responses, mental health case management, probation, foster care, outpatient services*)
- **Intensive (Tertiary) intervention:** Services for children who require intensive or long-term intervention to remain in the community or because they are a risk to themselves or others and cannot function in the community (*Examples: youth development centers, outpatient sex offender treatment, intensive case management, residential treatment*).[iv]

This framework was offered to help agencies capture and broadly define strategies in which the primary intent is to maintain and reinforce protective factors that promote positive developmental outcomes and mitigate against risk factors before they emerge or become too acute to address through routine interventions.

Limitations

While each agency was provided with an orientation call and overview of the data collection tool, including an orientation to the prevention tags, there is no cross-agency framework for understanding prevention and coordinating program approaches against a common framework. Agencies are likely to interpret prevention in widely divergent ways, and some agencies lack a prevention framework of any kind for organizing their work.

RESULTS
STATE OVERVIEW

SOURCE OF FUNDS

Figure 1 shows Virginia's reported total appropriated funding for children and youth supports, categorized by the source of funds: federal funds, general funds, or special revenue funds. From the reported total of $7 billion in FY2020 (up from $6.18 billion from FY2018) that is appropriated for children and youth, 54% of Virginia's investments for youth ($3.7 billion) are supported by state General Funds. These funds primarily support education and health services. Nearly $3.1 billion in reported funds are provided by federal funds, comprising 43% of investments. Federal funds mostly support health and nutrition programs, including basic needs services provided by Medicaid, DSS, DOE and VDH. The remaining 3% ($211 million) are special funds. This funding mix is not significantly different than the survey of funds from FY2018, though the percentage of state general funds is slightly down from the first fiscal mapping survey, while special revenues as a percentage of total investments in children and youth are up, mostly targeted in early and K-12 education.

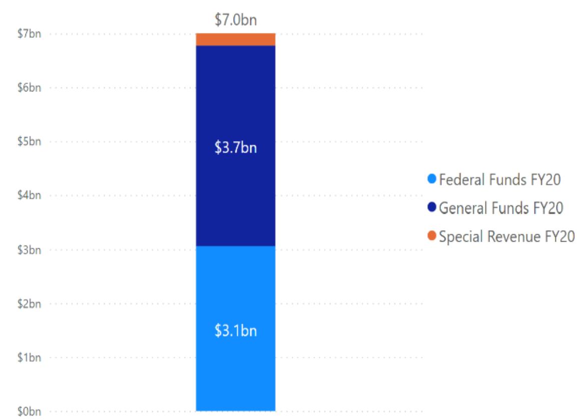


Figure 1: Total Funds by Source

INVESTMENTS IN SERVICES

Figure 2 shows the percentage invested in specific services from the $7 billion total, providing a state-level picture of how funds are being used. In the following pages, there is a detailed summary of each service that explains how and by which agency these services are funded. From the $7 billion total, the state invests: 35.6% in physical health, 23.2% in education, 12.9% in mental health, approximately 8% in nutrition, 6.5% in family support and services, 6.3% in child welfare, 3% in early childhood, with the remaining 4.5% in juvenile justice services, workforce development, and community engagement combined. Generally, this mix of investments by service is quite similar to those reported in 2018. A notable shift is that in this updated map, a moderately lower percentage of programs were tagged for child welfare, 6.3% compared to 10% of programs in the last survey. This shift may align to a modest but growing emphasis and trend toward providing supports to families earlier on in the form of family support and services to address chronic needs and provide preventative supports. In FY20, Early childhood education continued to be an area of notable underinvestment. However, recent investments, including sharp increases to early childhood education funding beginning in FY21, have demonstrated notable efforts to address the gap.

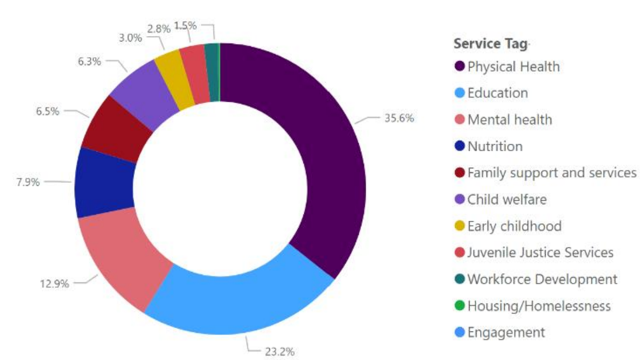


Figure 2: Total Funds by Service

FUNDING BY AGENCY

Figure 3 shows how much funding each agency included in the report receives for children's services and supports. The Department of Medical Assistance Services (DMAS) is by far the largest funder for youth out of all the agencies. DMAS receives a reported $3.2 billion (up from $2.8 billion in FY18) for Medicaid and Family Access to Medical Insurance Security Plan (FAMIS) in FY20. The Department of Education received a reported $2.1 billion (up from $1.8 billion) for services and supports that prepare a child to enter the classroom and succeed. This includes funds from 65 funding streams that support services like school lunches, special education, STEM, and early childhood education, but does not include teacher salaries or textbooks. The agency that receives the third most funds for children's services and supports is the Department of Social Services (DSS). DSS received a reported $813 million in FY20 (up from $734 million in FY18) from 43 funding streams. OCS was the fourth largest agency for children and youth funding, reporting $353 million in FY20 (up from $330 million in FY18). See the cover page for a link to the visual report that includes data summaries of each agency. These four agencies administer nearly 93% of total reported investments for children and youth.

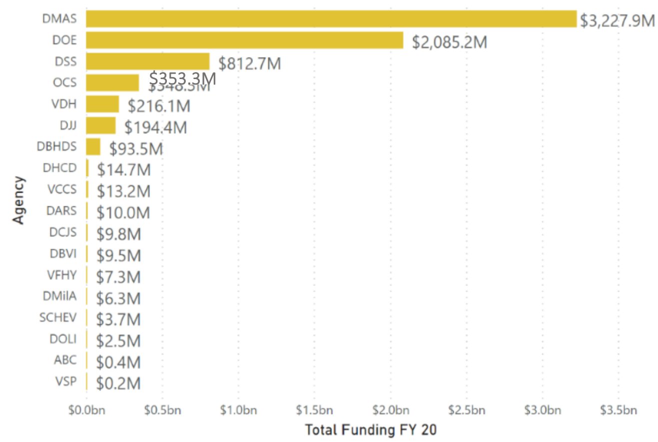


Figure 3: Total Funds by Agency

The largest agency, DMAS receives nearly 57% of their funding from federal sources through programs such as Medicaid and CHIP. Similarly, DSS is 58% funded through federal funds with almost all remaining funds funded through state general funds.

DOE receives 28% of its funding from federal sources, primarily to administer nutrition and food programs. Notably, nearly $160 million in special revenue investments in education, to bolster and expand early care and education and K-12 supports, were allocated to help the most vulnerable students and mitigate the impact of Covid-19. The Office of Children's Services is the only state agency of the largest four to be more than 85% funded by state general funds. See *Figure 4* for summary of agencies by funding source.

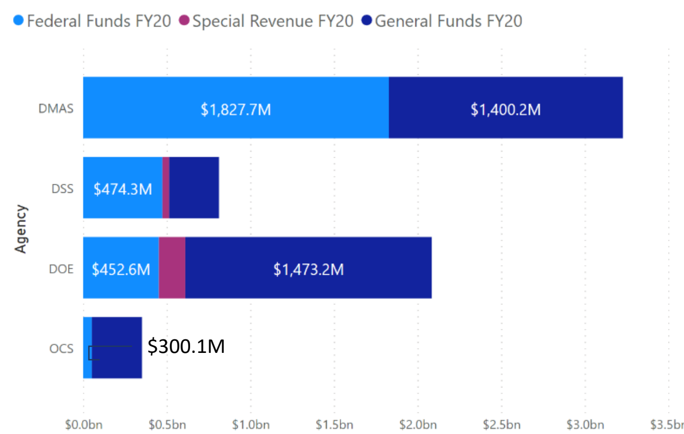


Figure 4: Agency Funding Totals by Funding Source

RESULTS INVESTMENTS IN SERVICES

PHYSICAL HEALTH & MENTAL HEALTH

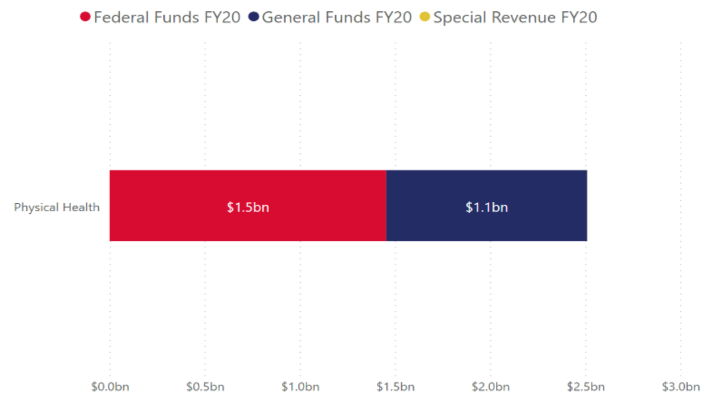


Figure 5: Source of Physical Health Funds

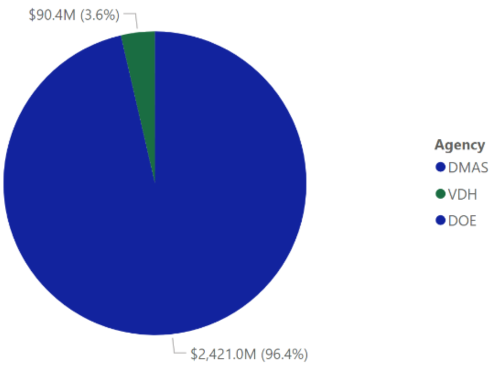


Figure 6: Agencies that Fund Physical Health

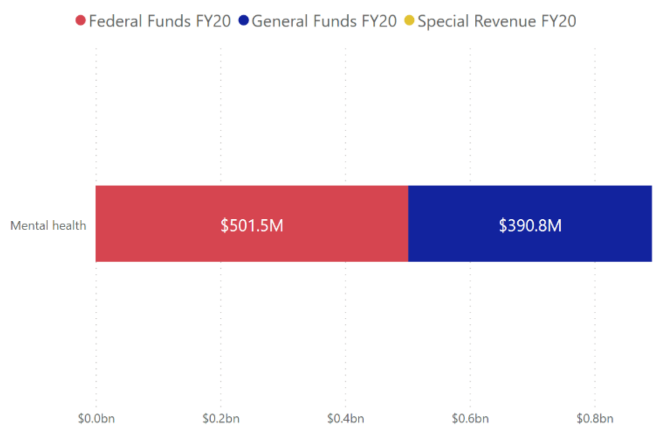


Figure 7: Source of Mental Health Funds

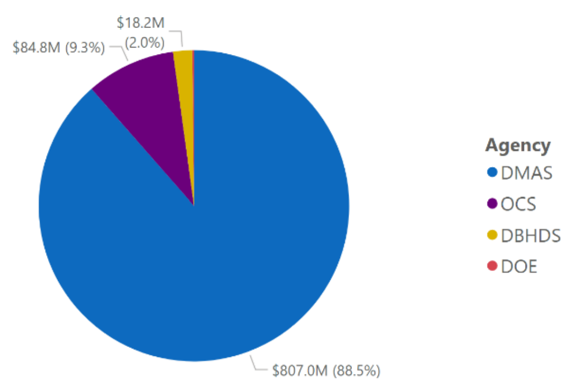


Figure 8: Agencies that Fund Mental Health

In fiscal year 2020, 46% of all funds for children and youth were spent on physical and mental health services. The Commonwealth invests the largest single share of its total funding for children in physical health services ($2.5 billion, about 36% of total funds). Mental health services comprise the third highest investment in children and youth ($911.5 million, about 13% of total funds). It should be noted that the Department of Medical Assistance Services (DMAS), funded substantially by Medicaid, administers over 96% of all funding for children's physical and mental health for the state. Taken together, physical and mental health investments increased over 20% from FY18.

Though the state leverages Medicaid funding to support children's health and wellbeing across a number of state agencies, DMAS is the largest funder of children's health services. DMAS administered $3.23 billion in Medicaid and FAMIS funds from state and federal sources for children's physical and mental health services. These funds totaled 46% of the total for all child and youth services in the state. Of funds included in this fiscal scan, the second largest investor in physical health services is the Virginia Department of Health (VDH) (an estimated $90 million).[3,v] Physical health services are approximately 58% funded by federal funds (up from 54% in FY18) and 42% funded by general funds.

Including funds from DMAS, mental health services are funded at a similar ratio of federal to state general fund support (55% federally funded). Overall, mental health funding for FY20 is up 24% from 2018. More historic investments have passed in the biennium budget approved for FY21 and FY22 – including over $100 million in additional funding over two years to improve the children's behavioral health system.[vi]

The second largest investor in mental health services is the Office of Children's Services (OCS), which provides more than $353 million overall in pooled funding to support a broad range of services, administering $84.8 million. This calculated portion for mental health-related

INVESTMENTS IN HEALTH

- Out of the eleven service tags reported, Virginia invests the most funds in physical health, and third most in mental health. Combined these funds comprise nearly half of all funding investments in children and youth.
- DMAS constitutes more than 96% of physical health funds and nearly 89% of mental health funds.
- Health investments are up 17% in funding for physical health and 10.5% in funding from mental health. The state maintains low uninsured rates for children, though progress in reducing low birth-weight and infant death rates still lag behind other states.
- Moving forward, mental health investments are increasing. A historic $100 million in additional funds from state resources was approved for the FY21 and FY22 budgets, including investments in children's psychiatric services (more than $30 million); increases in behavioral health access through the Virginia Mental Health Access Program ($8.4 million); STEP-Virginia (outpatient and community-based services) ($52.6 million); and evidence-based enhancements to mental health services covered by Medicaid ($13.3 million).

[3] Covid-19 has presented particularly difficult challenges to staff in many state agencies. VDH, as a lead agency in promoting and implementing the state's health response was not reachable for verification of budgets via direct report. While several attempts were made to confirm funding amounts directly, FY20 funding amounts for VDH were estimated from externally facing reports rather than direct interview and reporting from the agency, and checked both against the FY18 baseline, reporting systems from the federal government, publicly available reports from the Department of Health, and independent reports from state intermediary entities reporting on various aspects of the Virginia FY20 budget. For more on these resources, see *Endnotes.*

services, which are managed by local interagency teams, account for OCS's contributing 9.3% of all mental health services funding for Virginia's children and youth.

EDUCATION and NUTRITION & FOOD PROGRAMS

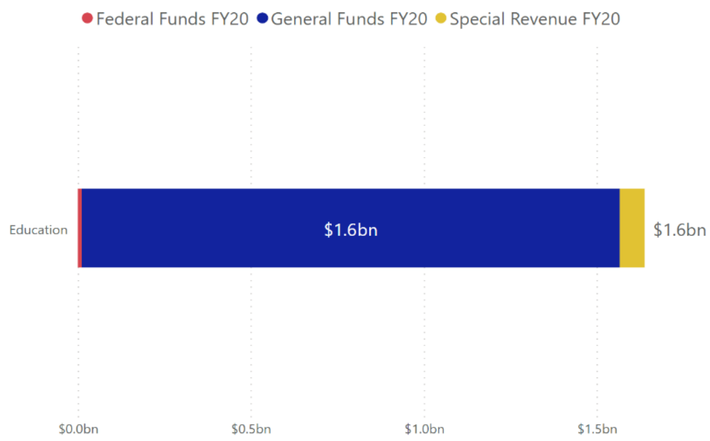


Figure 9: Source of Education Funds

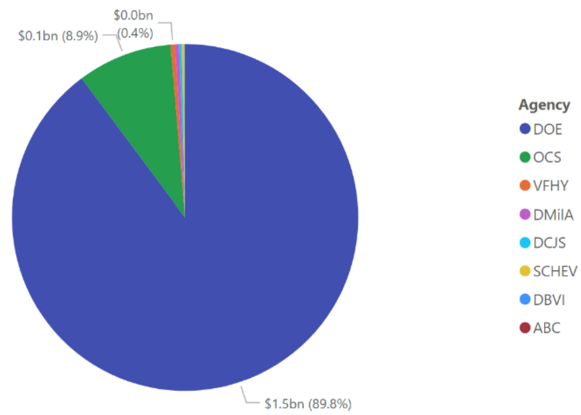


Figure 10: Agencies that Fund Education

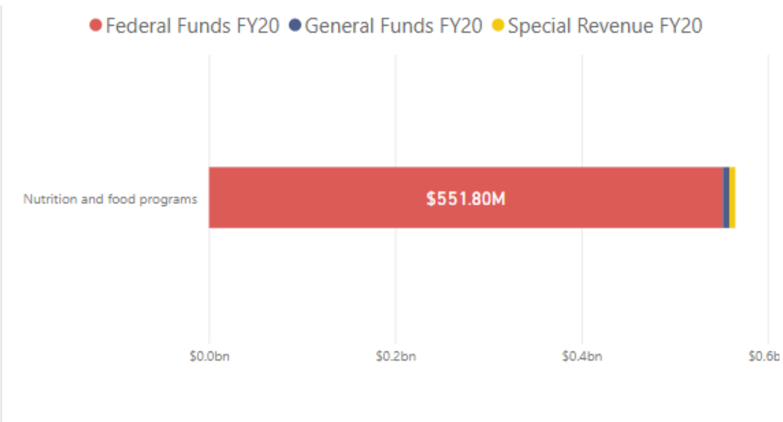


Figure 11: Source of Nutrition Funds

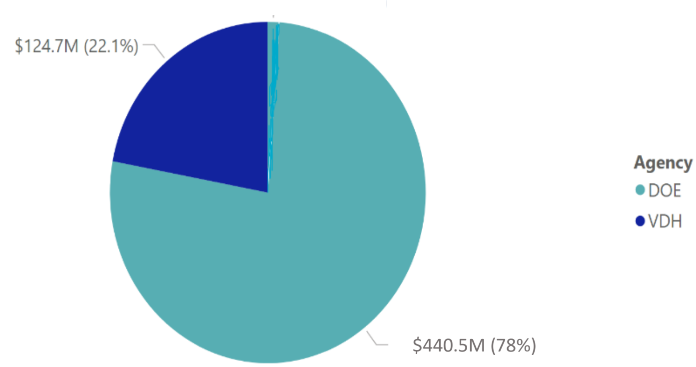


Figure 12: Agencies that Fund Nutrition Programs

Virginia's second largest investment in children and youth is in education ($1.64 billion, about 23% of total funds in FY20). This figure includes funds for services and supports that help a child enter the classroom ready to learn, for targeted educational interventions, and for educational services for special populations. Nutrition and food programs are the fourth highest investment ($559 million, approximately 8% of total funds in FY20).

There are 54 funding streams that support education. The majority of funds are administered by the Department of Education (DOE) ($1.47 billion), followed by the Office for Children's Services (OCS) ($144.8 million). Nine in ten dollars reported for the children's budget flow through the DOE. Another 9% is administered by OCS. Numerous other agencies also provide educational services including the Department of Alcoholic Beverage Control (ABC), the Department for the Blind and Vision Impaired (DBVI), the Department of Military Affairs (DMA), Virginia Foundation for Healthy Youth (VFHY), State Council for Higher Education (SCHEV), and Virginia Department of Criminal Justice Services (DCJS). It was reported that education services are

95% funded through state general funds ($1.56 billion), 4% funded through special revenues ($72 million), and less than 1% funded through federal funds ($11.3 million).

Nutrition and food programs are also predominately funded by DOE (almost $559 million in FY20, significantly increased from $356 million in FY18). These funds include eight funding streams dedicated to providing school meals and snacks and two administered through VDH for community-based services. VDH receives approximately $124.7 million funds for Women, Infants and Children (WIC) and the Child and Adult Care & Summer Food Service programs. Nutrition and food programs are funded 98% by federal funds, and approximately 2% by state general funds.

INVESTMENTS IN EDUCATION & NUTRITION

- Education is the second most funded program area of the eleven service tags and is almost entirely funded through state general and special funds.
- Totals for education services do not include funds for classroom instruction or for higher education. However, two funds to expand college access, SCHEV's GEAR UP and GO 1-2-3, were included in this budget scan.
- Special revenues for education are up – increased five-fold from FY18 to FY20. An additional 85% increase in funding from special revenues was allocated in FY21, reflecting priorities to shore up K-12 programs in the Covid era.
- Nutrition programs, nearly 80% of which are administered through DOE, are up more than 50%, reflecting economic realities strained by Covid. Nutrition programs are the fourth largest investment in children and youth.

CHILD WELFARE & FAMILY SUPPORT SERVICES

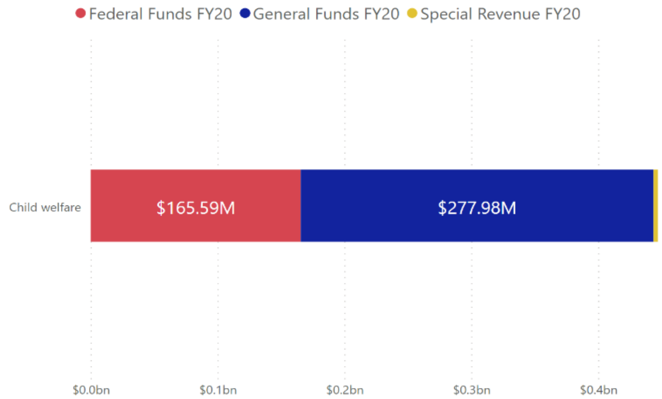


Figure 13: Source of Child Welfare Funds

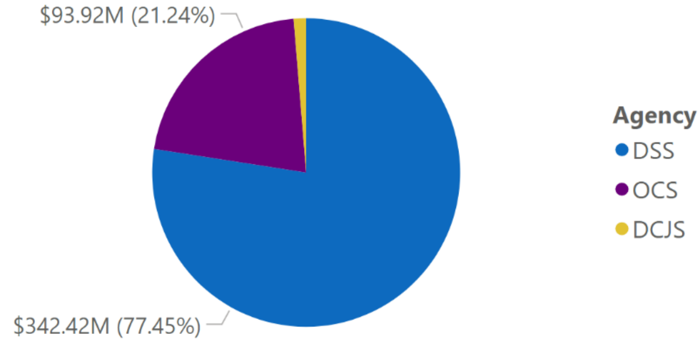


Figure 14: Source of Child Welfare Funds

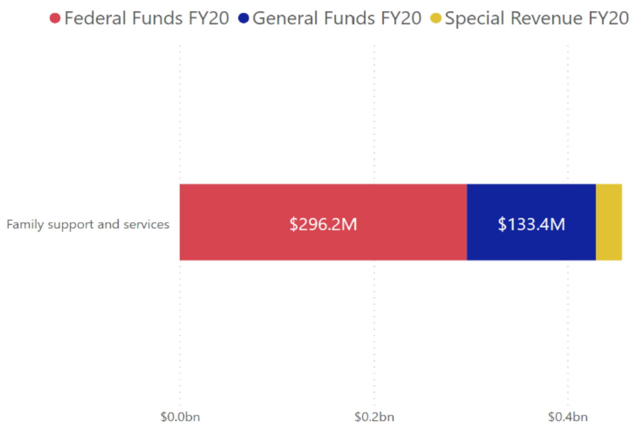


Figure 15: Agencies that Fund Family Supports

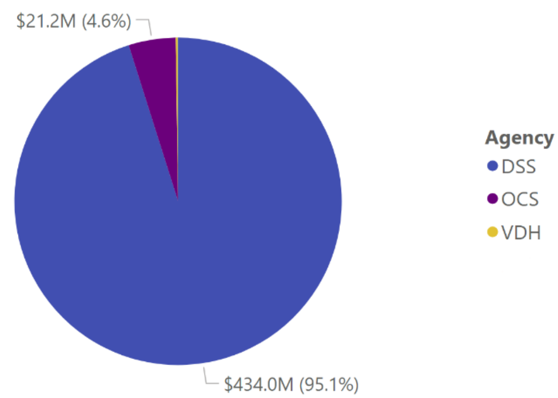


Figure 16: Agencies that Fund Family Supports

Child welfare and family support efforts comprised 6.3% ($442.1 million) and 6.5% ($456.3 million) respectively of total funding for children and youth. Sixty-three percent of child welfare funding comes from general funds. These funds support services for families that are involved in the child welfare system, including foster care, adoption, and child support. Funding streams that support vulnerable children's wellbeing in the community are also included in this service tag, including support for child victims and legal support. Child welfare as a percentage of overall funding is notably down from FY18 (10% of total funds in FY18 to the recent 6.3% in FY20).

The overall programmatic trend in FY20 signals a modest and gradual shift away from intensive interventions and toward interventions that provide more upstream and prevention-focused interventions to stabilize families, a shift that many states are considering as the child welfare sector revisits and reforms the ways in which it serves families. Another metric signaling movement in direction of a more prevention-focused trend is the total number of funds tagged for child welfare versus other purposes. The number of funds directed primarily toward child welfare purposes dropped from 25 such reported funds in FY18 to 20 funds in FY20. Even though overall investments were up as a percentage of overall funding, child welfare funds are down.

The Department of Social Services (DSS) still holds the largest combined total funds for child welfare ($342.4 million, more than 77% of all funds in this area), administering funds from 17 different funding streams. The Office of Children's Services administers another 21% of child welfare funding (almost $94 million). Department of Criminal Justice Services invests $5.8 million, mostly used for court navigation for minors and family services for their parents.

In contrast to investments in child welfare, 16 funding streams were characterized as family support services in FY20. Funds are categorized under family support services are used to help families meet their basic needs and achieve stability. This includes funds that help families find childcare, become self-sustaining, and manage crises.

The total amount of investments for family support services is reported at $456 million, making it the fifth largest investment in children and youth and 6.5% of the overall investment. Sixty-five percent of family support services funds, including Temporary Assistance for Needy Families and Childcare Subsidies, come from federal sources.

INVESTMENTS IN CHILD WELFARE & FAMILY SUPPORT

- Family support services are the fifth most funded service area. In FY20, child welfare is the sixth. Notably, child welfare was listed as the fourth most funded service in FY18, comprising a larger percentage of the budget and a significantly larger investment than family support services. These changes represent the kinds of shifts in investments away from more intensive services toward stabilization and support of families as a preventative measure versus those dedicated toward more intensive services are notable.
- The majority of child welfare dollars come from state general funds (67%). In contrast, early the same proportion of family support services comes from federal funds.
- The Office of Children's Services is entirely funded from state general funds, contrasting with DSS (the largest agency providing child welfare services) which administers a mix of state and federal funds.

EARLY CHILDHOOD

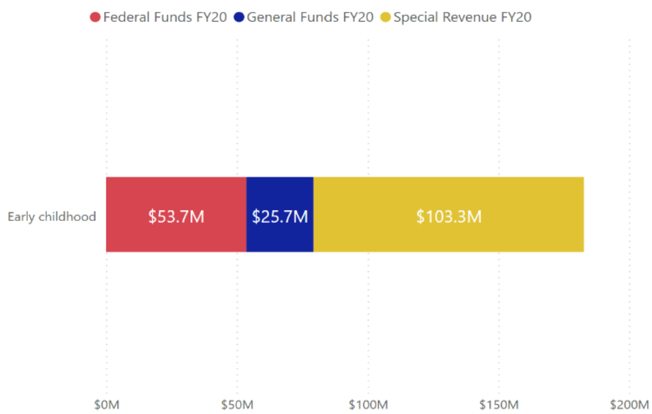


Figure 17: Source of Early Childhood Funds

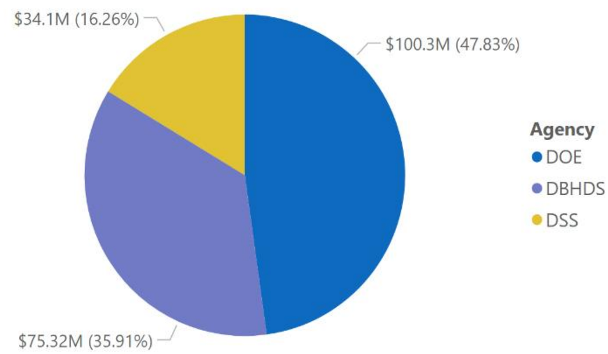


Figure 18: Agencies that Fund Early Childhood Programs

Early childhood investment ($209.7 million) ranks seventh out of the 11 services mapped in this report. As shown in *Figure 22*, the DOE administers nearly half of the state's early childhood programs. The Department of Behavioral Health and Developmental Services (DBHDS) receives the second largest sum of early childhood funds, including funds for the Infant and Toddler Connection which provides early intervention supports (S48.3 million). The Department of Social Services (DSS) also receives early childhood funds to provide home visiting, early health interventions, and childcare supports such as Head Start.

Nearly fifty percent of these investments come from special funds. Early childhood education has been an area long considered underfunded. Recent investments have sought to expand funding for early childhood programs in the state, including a historic investment in FY20 that nearly doubled investments from special revenues to ensure that early learning and care programs are strengthened and increase their capacity in the post-Covid era.

JUVENILE JUSTICE

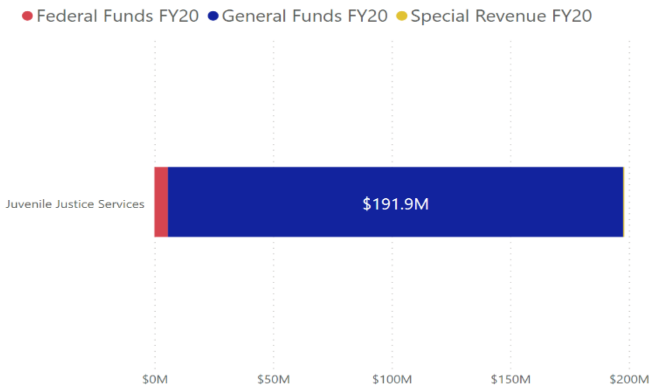


Figure 19: Source of Juvenile Justice Funds

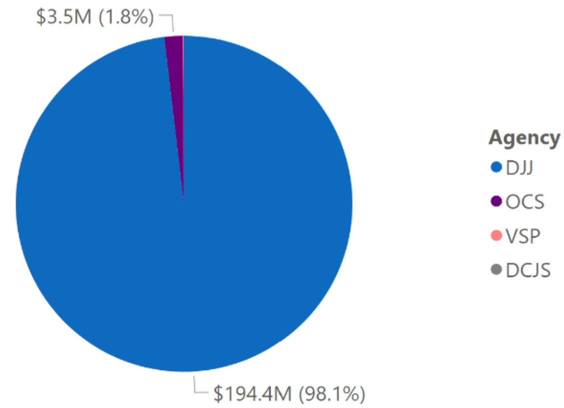


Figure 20: Agencies that Fund Juvenile Justice

The juvenile justice category mainly provides funds for services and supports for justice-involved youth, but also provides funds for juvenile protection such as school-based resource officers and missing children's services. Out of the total reported funds the state receives for children and youth, about 2.8% ($198 million) is invested in juvenile justice services. $192 million, nearly 97%, of these funds are appropriated from state general funds. The Department of Juvenile Justice (DJJ) is the largest funder of juvenile justice services, administering 98% of juvenile justice funding in the state.

WORKFORCE DEVELOPMENT

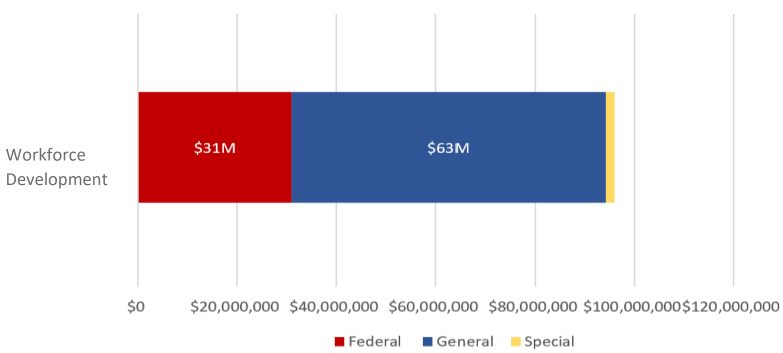


Figure 21: Source of Workforce Development Funds

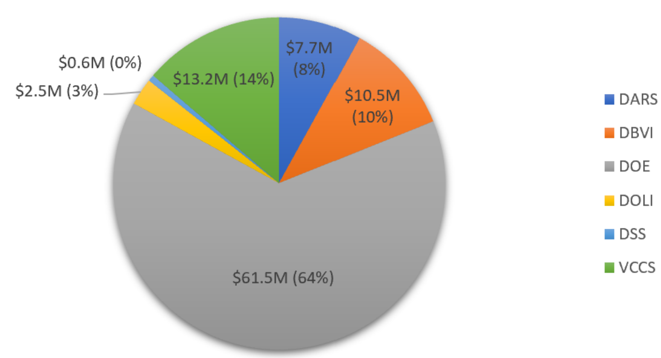


Figure 22: Agencies that Fund Workforce Development

A strong workforce begins with educating and training our youth. Six agencies provide funds for workforce development. For fiscal year 2020, it was reported that the state invested approximately $108.4 million (up 22% from $88 million in FY18) in workforce development, which is about 1.5% of the total appropriated budget for children's services. The Department of Education (DOE) administers about 68% of funds for workforce development and has multiple funding streams for vocational education and job readiness training.

Notably several other agencies administer about one-third of the workforce funds that support youth. The Department for Aging and Rehabilitation Services (DARS) and the Department for the Blind and Vision Impaired (DBVI) provide essential training to help special populations thrive and become contributing members to society. The Department of Labor and Industry (DOLI) has housed the Registered Apprenticeship Program which has trained the next generation of Virginia's workforce since 1938.

HOUSING

A specific type of family support – one that has become particularly critical during Covid – is housing and homelessness assistance. The economic hardships associated with the pandemic have been marked by a rise in families at risk of eviction and/or homelessness. The Department of Housing and Community Development (DHCD) is the agency tasked with providing assistance to families and individuals in need of assistance to remain in their home or find a more stable, permanent living situation. In FY20, DCHD provided $14.7 million in assistance to families with children.

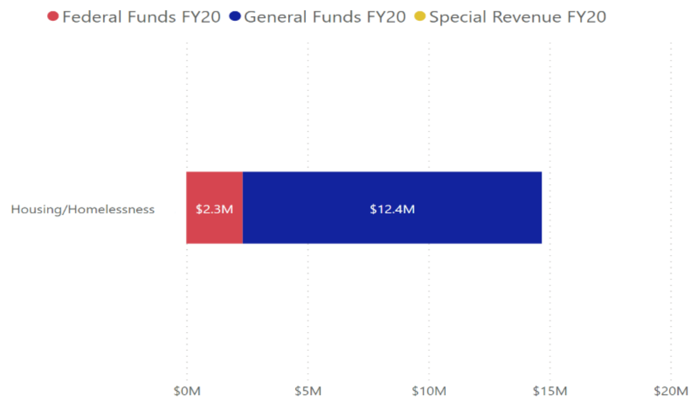


Figure 23: Source of Housing/Homeless Assistance Funds

The need for rental and other assistance is forecasted to continue to rise as additional federal recovery dollars are provided to states. In FY21, more than $80.0 million in special rental assistance funds have been disbursed to ensure housing stability for Virginia families, more than a fourfold increase over typical investment levels in housing assistance. Out of the households that have received payments since the inception of the program, over 65% included children under 8 years old and 56% included children ages 9-17. Nine in ten of housing emergency dollars have come from federal sources.

COMMUNITY ENGAGEMENT

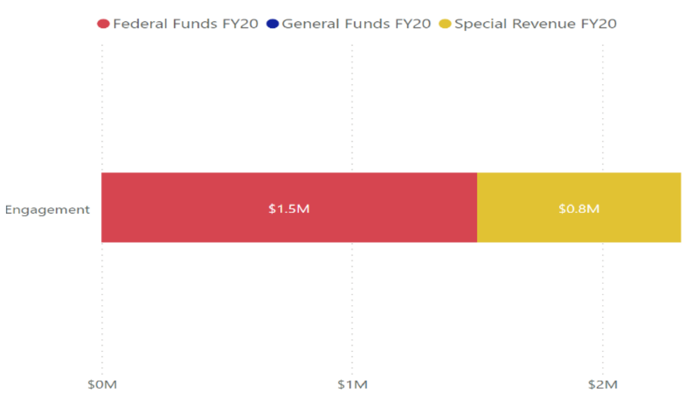


Figure 24: Source of Community Engagement Funds

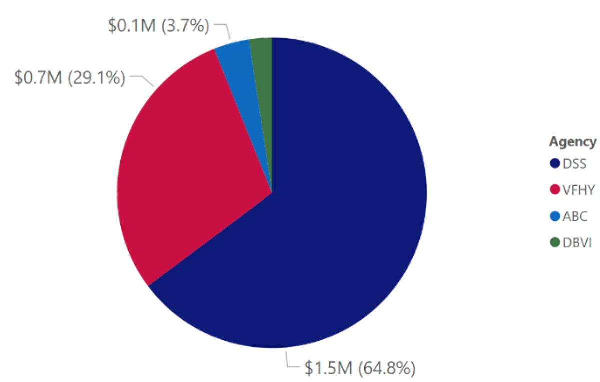


Figure 25: Agencies that Fund Community Engagement

Virginia allocates just a fraction of its total funding for child and youth supports to community engagement opportunities ($2.3 million). Such opportunities include after-school time activities, camps, and community-wide activities and interventions. The Department of Social Services (DSS) is the largest funder of this service and provides funds for organizations like the Virginia Alliance for Boys and Girls Clubs and Family Partnership Meetings which provides support networks in communities for foster care-involved youth. The Virginia Foundation for Healthy Youth (VFHY), Alcoholic Beverage Control (ABC), and the Department for the Blind and Vision Impaired (DBVI) all receive funds to support target interventions in the communities. While local communities often raise funds for such engagement services, we know that only about one-third of children who would attend an afterschool program if one were available get that opportunity. Similarly, other community-based engagement opportunities are characterized by a significant gap between interest and available funding.

DISCUSSION

ASSESSING THE STATUS OF YOUTH IN VIRGINIA

The task of assessing how effectively a state is utilizing its resources has several dimensions. First, it is helpful to understand how a state compares to similar states, both demographically as well as for comparable fiscal and policy infrastructure. While there are no consistent metrics for comparing investments across states, we do have some fiscal data that allow us to broadly characterize the state of Virginia's investments both in relation to other states and as a measure of progress within the state. Three states that have performed similar analyses of their children's services are Tennessee, Illinois, and Massachusetts.

Tennessee, Virginia's neighbor to the southwest, has also conducted a statewide fiscal map and has a similar population of children by age to Virginia's.[vii] From 2019 estimates for both states, children under 18 make up 22% of the total population and 27% of the child population under 5 years of age. Illinois and Massachusetts are two other states worthy of comparative consideration because they have undertaken fiscal mapping and made it a part of a regular budget review cycle. Where comparable, these states provide useful lessons for mapping investments to child wellbeing. Both states have demographic characteristics comparable to Virginia's child populations *and* have invested in a regularized fiscal mapping process against which to benchmark progress.

While Illinois is a larger state (with a million more children under 18), the racial demographics of the state and rates of child poverty are similar (47% BIPOC children in Illinois, 49% in Virginia and 35% and 31.5% child poverty rates respectively). Massachusetts has a similarly-sized population of youth (though youth make a slightly lower percentage of the overall population at 20%), but less overall poverty (it has the number one KIDS COUNT state ranking for child well-being).

CHILD OUTCOMES IN VIRGINIA

On child outcome data, Virginia was ranked 14th in the nation for overall child well-being (down from 10th in 2017) by the Annie E. Casey Foundation's KIDS COUNT data book annual ranking. Virginia is ahead of both Tennessee (39th) and Illinois (24th) in its overall ranking, and behind Massachusetts (1st). The KIDS COUNT Data Book assesses child well-being in the United States, and ranks states based on how they compare across 16 health and wellbeing indices.[viii] On several key indicators, it may be useful to understand not just the status of Virginia's children and youth landscape in comparison to other states, but also in comparison to previous years.

Virginia performs in the top third of states on child well-being indicators such as poverty (11th overall, ranked higher than all three comparison states and educational achievement (6th overall, ranked higher than Illinois and Tennessee, and lower than Massachusetts), and in the middle on health (24th overall, ranked lower than Massachusetts and Illinois, and higher than Tennessee). While, on its face, these data are promising, in various parts of the state there has been acknowledgement of deep pockets of inequity as one in three Virginia families meets the income threshold for economic survival ($78,000 for the average family of four in Virginia to afford housing, food, transportation, childcare and related costs). Conversations about equity, access, and return on investment may be a place to dig deeper in state-level stakeholder discussions on child wellbeing and how the Commonwealth best invests in child wellbeing in order reach positive long-term outcomes in the future.

A second way to assess child and youth wellbeing is to look at the state in comparison to its progress in key indicators of child well-being over previous years. Overall, the state of Virginia has improved in several key areas and remained stagnant or declined in others (pre-Covid data). Specifically, gains were made in reducing the housing cost burden (29% down from 37% in 2010) and in educational attainment (87% on-time graduation up from 82% in 2010) over the last decade. Indicators of well-being in the number of children in poverty (14%), preschool enrollment (51% not in preschool), and low birthweight babies (8.2% in 2010 and 2020) have remained stagnant while child deaths (24 per 100,000 in 2020 up from 22 per 100,000 in 2010) worsened.[ix]

While Covid-related data are still emerging, Voices for Virginia's Children has provided some Covid context data suggested that conditions for many youth and families are worsening:

- Overall, the child population in Virginia is changing and seeing significant and diverse growth, from 1990 to today, there are nearly a half million more children under 18 (from under 1.5 million, to more than 1.8 million children). Hispanic and Asian child populations have grown the most significantly. In the context of this growth in child population, the percentage of children in poverty has not budged, remaining at 14% of all families with children despite overall economic growth and significant improvements in other economic indicators.
- Food insecurity appears to be on the rise. Thirteen percent of surveyed families indicated that they sometimes or often did not have enough to eat; a 3% increase since the start of the pandemic. For Black families, the rate is nearly double at 25%.
- In terms of housing stability, 16% of families had slight or no confidence they would be able to make the next rent or mortgage payment on time. For Black Virginians, the rate is thirty-six percent.
- Nineteen percent of Virginia's families with children reported feeling down, depressed, or hopeless since the start of Covid compared to 21% nationally.[x]

PREVENTION-FOCUSED INVESTMENTS

In this scan of fiscal investments in children's and youth services, we were asked to survey agencies about funding streams that could be characterized as prevention-focused. Prevention was defined as primary, targeted (secondary), or intensive intervention to mitigate or reduce risk of adverse developmental outcomes. Relatively few funds were tagged with either primary, secondary, or intensive interventions (only 21 of the 174 funds were tagged for any prevention focus; only DSS, ABC and OCS applied prevention tags. Just 4% of funds were identified for prevention purposes ($252.7 million in funds), the majority of which are administered by DSS to support services for children at risk of adverse outcomes and those that require intervention in order to continue to function in their home communities.

We suspect that a broad range of prevention-focused activities fall within the scope of many other funding streams – including in such areas as mental health, education, family supports, early childhood, workforce, and housing – even though these funds were not tagged for a prevention focus. The lack of characterization may suggest that an overall statewide prevention framework, such as that outlined in the *Virginia 5-Year Prevention Plan* that has been shepherded by DSS, may be useful for more accurately characterizing how the balance of investments support prevention aims.

An overarching framework would support each agency in articulating and tracking investments in prevention efforts over time and can be used as a way to organize a children's budget going forward. Currently, the abovementioned prevention plan promotes the goal that all families, youth and children in the Commonwealth are safe, healthy and nurtured, and have equitable access to resources and opportunities to thrive in their communities. State decisionmakers might consider a prevention framework and continuum that tracks investments by strategies that promote:

1. **Well-being and economic stability:** Families have easy and equitable access to supports and services in the community that promote well-being and strengthen economic stability.

2. **Person- and family-centered programs:** Programs that establish and deliver effective, trauma and person/family-centered programs.

3. **Social norms:** Supports to parents and positive parenting social norms[xi].

Using these strategies as ways to assess the prevention-focused contribution of state funds may serve as the basis for an overall plan to focus a greater share of investments towards prevention and track how well investments are balanced across developmental goals from prevention to intervention. In doing so, future fiscal maps could more consistently identify funds providing housing and economic supports, home visiting and other family supports as well as mental health and preventative health supports under prevention-focused funding activities.

ADDITIONAL SIGNIFICANT INVESTMENTS TO SUPPORT CHILD WELLBEING

Not all public investments in children and youth are administered through state agencies. While the central aim of this children's budget update was to track relevant funds administered through the state's agencies, because of their high utilization rates among families, we discuss three additional public investments that provide significant supports to Virginia children round out the picture and are worthy of inclusion. These programs include the SNAP nutrition benefits, the Earned Income Tax Credit, and the Child Tax credit. In FY20 an estimated 327,600 children participated in the SNAP nutrition program as members of their households.[4] More than $525 million in SNAP benefits served children in these households, averaging $150 per person. An estimated 53,000 children were lifted out of poverty in 2019 as a result of their family's participation in the SNAP program.[xii]

Tax credit programs, including the Earned Income Tax Credit (EITC) and the Child Tax Credit, are designed to help taxpayers support their families by decreasing taxpayers' tax liability. Because the amount of any individual family EITC benefit will vary based on family income for families earning up to $56,800 in Virginia, a full estimate is difficult. However, 567,000 Virginian households made claims using the EITC. While the exact number of households with children were not reported, approximately 50% of EITC claims support children under 18 (CFBPP)[xiii], averaging $2650 per child in tax claim benefit.[xiv] This accounts for an estimated $751.3 million of $1.4 billion in total FY20 claims supporting children.

The Child Tax Credit was applied to approximately 967,000 children in Virginia (nearly 52%) at an FY20 tax credit of $2000 per child. An estimated $1.9 billion in Child Tax Credit payments supported these children in FY20. The Center on Budget and Policy Priorities estimated that the recent temporary increase to the child tax credit benefit in 2021 reached 86% of Virginia children, an additional 600,000 children, lifting 249,000 of them above or closer to the poverty line (CBPP). There is evidence that such tax programs, which put money back into the pockets of working families, not only help many families make ends meet, but also is correlated with overall social determinants of health and improved mental health outcomes, including fewer behavioral issues in children.[xv]

OUTCOMES AGAINST INVESTMENTS

A fiscal map provides the opportunity to engage the question of how effectively the state is spending the $7 billion invested in children and youth against the complex landscape of child and youth outcomes. Several important efforts have been taken up around the state to address particular issues where outcomes remain stagnant and where resources have long been considered inadequate to the address the need.

Early childhood education is one area in which several stakeholders have pushed for increased investments, particularly noting the stagnant pre-kindergarten program participation and Kindergarten readiness rates. Most recently, early childhood investments were increased 91% from FY18 to FY20, increasing another 21% in FY21.

[4] Individual child data were not available, however 730,370 Virginia residents across 360,337 households participated in the SNAP benefits program. Among these, 69% of these were households with children under 18 with an average benefit of $402 per month. An estimated 327,600 Virginia children reside in these households. The majority of the 258,000 children in poverty participate in this program, in addition to another estimated 70,000 children in modest income households.

Mental health is another area where a gaping lack of investment was considered to have reached a critical point. To address this, recent efforts to strengthen behavioral health access and infrastructure for children and youth were secured in a historic legislative session in 2020, boosting investments by $100 million over the next two years.[xvi] The Children's Cabinet has taken up priorities in the areas of early childhood development and school readiness, nutrition and food security, and systems of care and safety for school-aged youth – issues which track to emerging areas in which there has been wider recognition that investments should be increased. The discussion that follows presents key areas for further investigation.

NEW FUNDS & NOTABLE INVESTMENTS

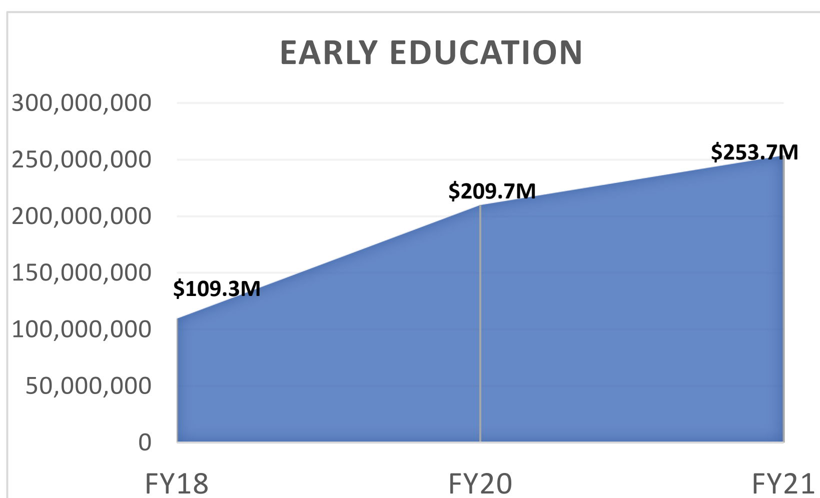
First, it is important to note that, overall, Virginia has invested more dollars to support education, expand health and mental health access, and ensure that families live in stable environments overall. Overall spending on children and youth is up 13.3%. There were 21 line items reported in FY20 that were not reported in FY18. While some of these discovered funds represent pools of money that were underreported in FY18 as relevant for inclusion, some pots of money represent brand new investments primarily aimed at early childhood, expansion of mental health services, and extending basic supports to vulnerable families. Much of this funding appears aimed at ensuring families and community businesses (such as daycare) make it through a post-COVID reality.

Both DOE and DSS have increased investments in early education, increasing investments in this area by $21 million and $12.9 million respectively. The Virginia Preschool Initiative is an example of a new funding stream to boost access and quality of pre-K education, addressing the stubborn stagnancy in preschool participation rates in the state. Overall, investments in pre-K almost doubled between 2018 and 2020. Most of these investments are made possible through the special revenues rather than general funds.

Another area of investment going forward is in the area of children's mental health. As mentioned before, more than $100 million in additional funds were approved by the legislature for FY21 and FY22. New investments in children's mental health pave the way for correcting a long-acknowledged gap in investments in this critical area of care.

A final area of notable investment is reflected not so much in an increase or decrease of funding overall as much as a modest, but clear, shift of funding priorities from institutional to community-based placement and care. This shift may align with broader trends toward investing in upstream supports and is demonstrated most visibly in the efforts of agencies such as the Department of Juvenile Justice, Department of Social Services, and the Office of Children's Services, all of which have shifted overall funding in the direction of a greater portion of investments toward least restrictive, community-based, and prevention-focused strategies.

Figure 26: Early Education Investments Set to Rise



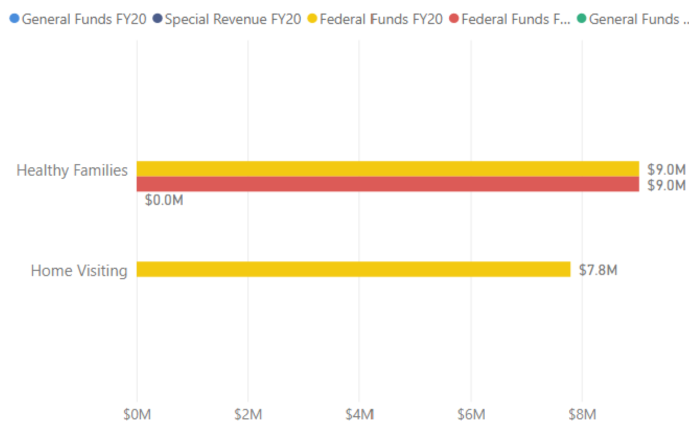
VULNERABLE FUNDS

Certain funds are more vulnerable than others due to the mix of funding sources that determine how monies are raised to support a given area of investment. Generally, federal funding presents more vulnerabilities than state general fund dollars – they may be less flexible in essential ways than state-generated dollars, are subject to the whims of change in administration priorities, and when a federal grant expires or changes, there is risk that the entire program that the funds support could disappear. Funds generated through special revenues, while often earmarked and protected at the time of their inception, may be subject to being raided or cut during lean times, and are particularly vulnerable under circumstances in which an entire block of funds, or even an agency, is heavily tilted toward being funded through a non-diversified single source.

Some experts warn that this is not a sustainable practice for building long-term support in priority policy areas. Moreover, there has been an increasing trend across states to move money between general and special funds, thereby reducing both "the transparency of budgeting" (special funds can communicate a veneer of investment, but as one-time or short-term funds are not intended as sustainable mechanisms) and the long-term viability of funding into the future.[xvii] With these cautions in mind, several funds may be particularly vulnerable, especially those in areas where there is widespread agreement that more and more permanent funding investments are needed, not fewer.

One set of vulnerable programs includes home visiting programs like the Maternal, Infant, and Early Childhood Home Visiting and Healthy Families programs continue to be funded entirely through federal sources of funding. These funds are vulnerable to the pendulums swings that can accompany changes in executive branch leadership. A strong statewide plan might include strategies to diversify the core components of a robust system.

Figure 26: Some Programs Remain Vulnerable, Same as in FY18



POTENTIAL GAPS IN SERVICES

In the context of the last few years, the overarching observation related to potential gaps is that with exception to the most recent investments in mental health and in pre-K programs, the gaps in services remain largely unchanged. Specifically, potential gaps remain in the areas of engagement and prevention, and a set of critical questions emerge as the state takes stock of its most recent efforts to increase resources in mental health and early childhood – have increased amounts gotten Virginia stakeholders to adequate levels of investment in those areas? How well will increased funding be distributed equitably to the communities most in need?

In the area of engagement – funds for learning, mentoring, family support, youth development, and camps – the state's contribution to those assets is minimal. While many localities do invest a portion of their dollars in such activities, we know that only one in three young people who could benefit from a community-based or school-based afterschool program, get an opportunity to participate. These efforts can be augmented with state increased state supports. This is particularly important because the Brookings Institution has estimated a "9 to

1" spending gap on such engagement opportunities between high- and low-income families for participation in supplemental activities.[xviii]

Assessing how well resources are being used to support prevention efforts is another area that will require further investigation. Though in the data collection tool, we asked agencies to tag funds that had a prevention related focus, few agencies (3 of the 17) completed that portion of the data collection tool. Therefore, we cannot make conclusive statements about how much of available funds are directed toward prevention efforts in the state of Virginia. What we can say is that we see an opening for a broader state discussion to leverage opportunities to more broadly recognize prevention efforts across agency contexts, and to advocate for a greater proportion of funds across agencies to be specifically earmarked for prevention and tracked for how well those resources align with communities' intent to move away from more restrictive and punitive environments and place more of their collective resources upstream. This is already happening in conversations within agencies to shift the programmatic and funding emphasis to strategies that keep young in communities or origin and connect them early with a robust array of community resources.

FEDERAL EMERGENCY FUNDS CREATE OPPORTUNITIES FOR EXPANSION

In the short term, states have a period of relative stability that supports their efforts to invest in children and youth through the infusion of new federal funds, including the through American Rescue Plan (ARPA) and other federal emergency funds. The intent of these funds are aid states in efforts to recover local economies and shore up investments in human infrastructure. A high level summary of federal emergency funds that may be used to support children, youth, and families for the state of Virginia is provided in *Figure 27*.

Figure 27: Federal Emergency Funds that May Support Children, Youth, and Families

State Funding Overview	
VIRGINIA	**Funding**
ARPA Child Care Stabilization Grants* **	$488,605,381
ARPA CCDF Discretionary Funding	$304,876,959
Coronavirus State and Local Fiscal Recovery Funds (State)	$4,293,727,162
Total State ARPA Elementary and Secondary School Emergency Relief Funds (ESSER III)	$2,109,490,751
ESSER III: 10% Maximum Reservation for the State Education Agency	$210,949,075
ESSER III: 90% Minimum Allocation to Local Education Agencies	$1,898,541,676
Flexible Funding that Can Be Spent on Children and Youth in Virginia	**$7,196,700,253**

The Child Care Stabilization Grant, Child Care Development discretionary funds, and ESSER funding provide targeted supports to children. The state has used the majority of available ESSER funds to support its return to school plan, to ready schools for students' successful return to school and to address the impact of the loss of instructional time, including allowing districts to use a portion of funds for students' social-emotional needs.[xix] The emergency child care funds via the Child Care Stabilization grant have been approved to stabilize child care and support providers to make strategic investments in personnel, facilities, and other operational investments.

As the state of Virginia plans and coordinates the use of these funds, there are critical opportunities for alignment around the prioritization and coordination of efforts to promote stability and wellbeing for children and families, and to ensure that maintenance of equity goals addressing the needs of high-poverty areas are fulfilled. Beyond the funds specifically directed to children and youth, additional state recovery dollars may be used broadly to support child-serving aims.

In August 2021, the General Assembly approved a package of admendments and the Governor sigend a bill to appropriate federal relief funding provided through state agencies through the American Rescue Plan Act. $465 million in rental assitance and an additional $39.7 million in funds to protect against eviction have been appropriated to help Viriginia residents, including families with children. Other broad funds that benefit the general population, including children and youth, include community and facility-based behavioral health investments (benefiting adults and youth) of approximately $65 million; and $35.8 million in additional funds for the Mental Health Block Grant for community programs.[xx]

CONCLUSION

SUGGESTIONS FROM FINDINGS

The aim of a fiscal map is to socialize the task of conducting a regular assessment of current investments among the stakeholders who are best positioned to align available resources with current goals for children and youth and maximize funding opportunities through coordination of existing supports and leveraging opportunities to identify new areas of efficiency, equity, and innovation. With that aim in mind, we offer the following recommendations for further action:

> Ø **Establish a high-level oversight body to manage a regular fiscal mapping process** that allows stakeholders to track trend data on investments. The Virginia Children's Cabinet may be best positioned to serve or stand up an oversight body for this purpose. This body would be charged with aligning statewide child outcome aims to the investments of child-serving agencies. The oversight body would serve as an institutional mechanism for bringing fiscal data on child-serving programs together with strategic discussions about outcomes for children and youth, building from previously collected data on FY17, 18, 19, and 20 on most agencies, and additional data, where available, on FY21 investments.
>
> Future iterations of the children's fiscal map can include the amount of funds that are disbursed to specific localities. Funding data at the county-level can be used in conjunction with the Youth Wellbeing Index and KIDS COUNT data. Comparing fiscal mapping information with these data can help determine whether those investments in children and youth are being used effectively to improve outcomes over time.

Ø **Socialize the adoption and use of a comprehensive, equity-focused prevention framework** that would undergird efforts within and across agencies to test, track, and innovate fiscal strategies that provide early supports to families to mitigate the risks most associated with harmful developmental outcomes and have strong potential to move outcomes that multiple agencies affect. This recommendation aligns with the work of the Department of Social Services in partnership with other state agencies and organizations throughout the Commonwealth to introduce a prevention framework in response to the 2020 Appropriations Act directive to create a comprehensive, coordinated plan to prevent child abuse and neglect. This framework would further help agencies articulate their contributions to a "children's budget" organized around determinants of wellness for all young people – health, safety, education, employment opportunities, and community connections.

Ø **Build on efforts to shore up families that have been most deeply impacted and are still recovering from Covid era setbacks and challenges.** One in three families in Virginia struggle to maintain a survival level income that meets the cost of living in the state despite the vast majority of these families maintaining full time work. Covid era challenges will continue for many families who will need assistance in maintaining housing and utility payments, affording rising food and childcare costs, and, increasingly, in accessing mental health supports during a time when mental health needs are rising, especially among children and youth.

Recent state investments, including the use of ARPA funds to increase rental and utility assistance; appropriations to community-based mental health services; and doubling state investments in early childhood education while ensuring that early care providers hardest hit by Covid setbacks could receive assistance to keep their doors open, have been critical for Virginia families. Continuing these funding priorities for nutrition and food security, secure housing, early childhood development and school readiness, and systems of care and safety will continue to be essential to support families reaching for economic prosperity. A basic fiscal mapping process can be aligned with efforts to strategically deploy resources and understand whether and how effectively "recovery" funds helped communities organize their resources in ways that advanced the goals of improved outcomes for all Virginia youth.

Ø **Consider undertaking a stage two project to launch a cost modeling projection** that helps stakeholders across the state to have a common understanding of the relationship between child wellbeing and the Commonwealth's investments in its children and youth. In many areas of child well-being, it is difficult to ascertain the levels of funding actually needed to move key outcomes – and ideally, move them together. Cost modeling is a close cousin to fiscal mapping. But where fiscal mapping answers the question of current investments, cost modeling addresses the question of what the level of funding should be to get us to the outcomes we seek. This approach has been taken up in a variety of contexts, with the right investments translating into both improved outcomes and cost savings over the long-term.

Ø **Prepare for a new incoming administration.** Use of fiscal mapping data can be a very effective tool for orienting and engaging a new Administration to the child- and youth-focused priorities and needs of children and youth in the state of Virginia, and to illuminate those priorities within the larger state budget. This would be a particularly important strategy for supporting a new Administration in prioritizing child and youth well-being and securing the long-term commitments necessary to coordinate interagency efforts that promote and invest in prevention, including strategies to support families in achieving and maintaining economic and social stability.

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