



COMMONWEALTH of VIRGINIA

OFFICE OF CHILDREN'S SERVICES

Administering the Children's Services Act

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Executive Director

ADMINISTRATIVE MEMORANDUM #25-07

To: CPMT Chairs
CSA Coordinators
CSA Fiscal Agents
CSA Report Preparers

From: Kristy Wharton, Chief Financial Officer

Date: May 9, 2025

Subject: Changes to the CSA Local Allocation and Supplement Process for FY 2026

The recently signed Virginia Appropriation Act (Chapter 725) for FY 2026 (Item 268. B.) contains changes to the CSA pool allocation and supplemental process for localities. The distinction between base and supplemental allocations and the requirement to provide a specific pool allocation for the fiscal year to localities was removed. As a result, CSA will no longer be providing annual allocations for sufficient funding. This change will also remove the need for localities to submit supplement requests to increase their allocations during the fiscal year.

Please note that eliminating the allocations will not impact the availability of state CSA funding to reimburse eligible expenses based on the funds the General Assembly appropriates. All CSA-eligible expenditures submitted for reimbursement will continue to be processed monthly, and reimbursements will be issued to localities via the existing electronic funds transfer process.

This change will require localities to determine their own local matching fund requirements for CSA-eligible expenditures for the fiscal year based on historical financial data, anticipated changes in the number of children served, and the types and costs of services to be provided.

The Office of Children's Services will modify all financial reporting tools (e.g., the Pool Transaction History Report) to reflect these changes by removing the references to the base allocations.

This change does not impact the allocations of Protected (non-mandated) or Special Education Wraparound (SPED-Wrap) funds. SPED-Wrap will continue to be allocated and increases to those allocations will still require approval from the OCS. Protected amounts remain unchanged from the prior year.

OCS is making the required changes for the CBDRS and LEDRS applications. Localities should notify the appropriate parties that provide their software applications that interface with the CSA reimbursement process of this change.

If you have any further questions or concerns, please contact me via email or at 804 662-9819.