DANVILLE CITY COUNCIL REGULAR MEETING AGENDA

MUNICIPAL BUILDING

October 16, 2018

7:00 P.M.

PRESIDING:	Alonzo L. Jones, Mayor	
CITY COUNCIL MEMBERS:	James B. Buckner L.G. "Larry" Campbell, Jr. Gary P. Miller Sherman M. Saunders	Fred O. Shanks, III Adam J. Tomer J. Lee Vogler, Jr., Vice Mayor Madison J. Whittle
STAFF:	Ken F. Larking, City Manager Earl B. Reynolds, Jr., Deputy City Manager	W. Clarke Whitfield, Jr., City Attorney Susan M. DeMasi, City Clerk

The City Council is the City of Danville's legislative body and is composed of nine Council members. Council members are elected to serve a four year term of office and elects one of its own to serve as Mayor and presiding officer for a two year term.

Time and Place of Meeting

The public is invited and encouraged to attend and participate in the City Council meetings. The City Council meets in the City Hall, Fourth Floor, Council Chambers at 7:00 p.m. on the first and third Tuesday of each month. All meetings of the Council are open to the public.

Communications from Visitors

Communication from Visitors is an opportunity for citizens to address Council on matters not on the agenda. Citizens who desire to speak on agenda items will be heard when the agenda item is considered. Each speaker shall clearly state his or her name and address. Each individual speaker shall have five uninterrupted minutes. A representative of a group may have up to ten uninterrupted minutes to make a presentation. The representative shall identify the group and a group may have no more than one spokesperson. Time will be kept using the electronic timer on the podium.

Guidelines for Public Hearings

For Public Hearings the applicant or his or her representative shall be the first speaker(s). There shall be a time limit of ten (10) minutes for the applicant's or his or her representative's presentation. The presiding

officer shall then solicit comments from the public, asking those in favor of the proposal to speak first, and then those opposed to the proposal. Each speaker must clearly state his or her name and address. There shall be a time limit of three (3) minutes for each individual speaker. If the speaker represents a group, there shall be a time limit of five (5) minutes. A speaker representing a group shall identify the group at the beginning of his or her remarks. A group may have no more than one spokesperson. The presiding officer may limit or preclude comment which is repetitive, redundant, cumulative, or irrelevant to the subject of the public hearing. After public comments have been received, in a land use case, the applicant or the representative of the applicant, at his or her discretion, may respond with a rebuttal. There shall be a five (5) minute time limit for rebuttal.

MEETING CALLED TO ORDER

ROLL CALL

INVOCATION - Fred O. Shanks, III

PLEDGE OF ALLEGIANCE TO THE FLAG

COMMUNICATIONS FROM VISITORS

Citizens who desire to speak on matters not listed on the agenda will be heard at this time. Citizens who desire to speak on agenda items will be heard when the agenda item is considered.

CONSENT AGENDA

All matters listed under the Consent Agenda are considered to be routine, have previously been discussed by City Council and/or introduced for First Reading. There will be no separate discussion on these items and they will be enacted by one motion. If discussion is desired by a Council Member or a citizen, the item(s) will be removed from the consent process and considered separately.

A. Consideration of Approval of Minutes from Regular Council Meeting held on September 18, 2018.
Council Letter Number CL - 2007.

B. Consideration of Amending the FY 2019 Budget Appropriation Ordinance for a USDA Grant for Food Service Operations at W.W. Moore, Jr., Detention Home in the Amount of $62,867.
Council Letter Number CL - 1993.

An Ordinance Amending the Fiscal Year 2019 Budget Appropriation Ordinance for a Federal Grant in the Amount of Approximately $62,867 to Aid the Food Service Operations at W. W. Moore, Jr. Detention Home and Appropriating Same.
FINAL ADOPTION

C. Consideration of Amending the FY 2019 Budget Appropriation Ordinance for a Grant to Provide for Electronic Monitoring and Outreach Detention Programs and Contracted Pro-Social Skills Group at W.W. Moore, Jr., Detention Home.
Council Letter Number CL - 1994.

An Ordinance Amending the Fiscal Year 2019 Budget Appropriation Ordinance for a Grant from the Department of Juvenile Justice in the Amount of $86,999 and a Local Share of $39,830, for a Total Appropriation of $126,829, to Provide for the Electronic Monitoring and Outreach Detention

Programs and Contracted Pro-Social Skills Group for the City of Danville at the W. W. Moore Jr. Detention Home and Appropriating Same.
FINAL ADOPTION

NEW BUSINESS

A. Consideration of Approval of a Franchise Agreement with Comcast.
Council Letter Number CL - 1990

1. Public Hearing

2. An Ordinance Approving and Authorizing a Negotiated Cable Franchise Agreement with Comcast of Connecticut-Georgia-Massachusetts-New Hampshire-New York-North Carolina-Virginia-Vermont, LLC.

B. Consideration of Approval of an Agreement with Comcast for Educational and Government Access Channels.
Council Letter Number CL - 1991.

A Resolution Approving and Authorizing an Agreement with Comcast of Connecticut-Georgia-Massachusetts-New Hampshire-New York-North Carolina-Virginia-Vermont, LLC.

C. Authorizing and Approving Free Bus Service in the City of Danville on November 6, 2018 during Election Day.
Council Letter Number CL - 2008

A Resolution Authorizing the Danville Transit System to Offer Free Bus Service on Tuesday, November 6, 2018.

D. Consideration of Approval of the Performance Contract with Danville-Pittsylvania Community Services.
Council Letter Number CL - 1999.

A Resolution Approving the Fiscal Year 2019 and the Fiscal Year 2020 Performance Contract for Danville-Pittsylvania Community Services.

E. Consideration of Approval of the Creation of the Staunton River RIFA and Approval of a Cost and Revenue Sharing Agreement for the Staunton River RIFA.
Council Letter Number CL - 2001.

1. An Ordinance to Create the Staunton River Regional Industrial Facility Authority and to Add Article XX, Entitled “Staunton River Regional Industrial Facility Authority”, Sections 2-410 Through 2-419 to Chapter 2, Entitled “Administration” to the Code of City of Danville, Virginia, 1986, As Amended.

2. A Resolution Approving and Authorizing the Form of the Staunton River Cost and Revenue Sharing Agreement Among the County of Pittsylvania, Virginia, the Town of Hurt, Virginia, the Town of Altavista, Virginia, and the City of Danville, Virginia.

COMMUNICATIONS FROM:

A. City Manager

B. Deputy City Manager

C. City Attorney

D. City Clerk

E. Roll Call

ADJOURNMENT

Council Letter
City of Danville, Virginia

CL-2007 **Consent Agenda Item #: A.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: Consideration of Approval of Minutes

From: Susan M. DeMasi, City Clerk

COUNCIL ACTION

Business Meeting: 10/16/2018

SUMMARY

Consideration of Approval of Minutes from Regular Council Meeting held on September 18, 2018. Council Letter Number CL - 2007.

Attachments

Meeting Minutes

The Second Regular September meeting of the Danville City Council was held on September 18, 2018, at 7:00 p.m. in the Council Chambers located on the Fourth Floor of the Municipal Building. The following Council Members were present: James B. Buckner, L.G. "Larry" Campbell Jr., Mayor Alonzo L. Jones, Dr. Gary P. Miller, Sherman M. Saunders, Fred O. Shanks, III, Vice Mayor J. Lee Vogler, Jr., and Madison J.R. Whittle (8). Adam J. Tomer was absent (1).

Staff Members present were: City Manager Ken F. Larking, City Attorney W. Clarke Whitfield Jr., and City Clerk Susan M. DeMasi; Deputy City Manager Earl B. Reynolds, Jr., was absent.

INVOCATION AND PLEDGE OF ALLEGIANCE

The Invocation was given by Vice Mayor J. Lee Vogler, Jr.; the Pledge of Allegiance to the Flag followed.

Mayor Jones presided. Vice Mayor Jones noted Council will need to add an item to the Agenda, as New Business Item L.

ANNOUNCEMENTS AND SPECIAL RECOGNITIONS

Mayor Jones recognized Dr. Stan Jones, Superintendent of Danville Public Schools who introduced Dr. Tonya Steele, the new principal of Woodrow Wilson Intermediate School.

Mayor Jones read a Certificate of Recognition to the Garden Club of Danville, 100th Anniversary and presented it to Bonnie Griffith, President.

Mayor Jones read a Proclamation entitled Constitution Week and presented it to Anne Geyer, Regent, Dorothea Henry Chapter, Daughters of the American Revolution.

COMMUNICATIONS FROM VISITORS

Mayor Jones recognized Cynthia Terry, 202 North Union Street, Pastor of the Church at that location who noted she was interested in outreach in the community

CONSENT AGENDA

Mayor Jones opened the floor for a Public Hearing regarding the Budget Items on the Consent Agenda. Notice of the Public Hearing was published in the *Danville Register & Bee* on Tuesday, September 11, 2018. No one present desired to be heard and the Public Hearing was closed.

Council Member Saunders **moved** for approval of the Consent Agenda Items:

Minutes from the Regular Council Meeting held on August 21, 2018. Draft Copies had been distributed prior to the Meeting.

Budget Amendment - Amending the FY 2019 BAO for VDOT Highway Safety Improvement Program Funds in the Amount of $70,830

An Ordinance entitled, Ordinance No. 2018-09.01, presented by its First Reading on September 4, 2018, Amending the Fiscal Year 2019 Budget Appropriation Ordinance for Safety Projects to be Undertaken within the City and to be Financed Anticipating Revenues

from Virginia Department of Transportation (VDOT) Highway Safety Improvement Program Funds in the Amount of $70,830.

Budget Amendment - Amending the FY 2019 BAO for VDOT State of Good Repair/Primary Extension Funds in the Amount of $999,000

An Ordinance entitled, Ordinance No. 2018-09.02, presented by its First Reading on September 4, 2018, Amending the Fiscal Year 2019 Budget Appropriation Ordinance for Roadway Maintenance Projects to be Undertaken within the City and to be Financed Anticipating Revenues from Virginia Department of Transportation (VDOT) State of Good Repair / Primary Extension Funds in the Amount of $999,000.

Budget Amendment - Amending the FY 2019 BAO for Senior Citizen Programs

An Ordinance entitled, Ordinance No. 2018-09.03, presented by its First Reading on September 4, 2018, Amending the Fiscal Year 2019 Budget Appropriation Ordinance by Increasing Certain Revenues to Provide for Title III-B Grant Funds and Local Share for Senior Citizen Programs and Appropriating Same

Budget Amendment - Amending the FY 2019 BAO by Transferring $3,000,000 from the Unreserved Fund Balance from the Wastewater Fund for an Economic Development Project

An Ordinance entitled, Ordinance No. 2018-09.04, presented by its First Reading on September 4, 2018, Amending the Fiscal Year 2019 Budget Appropriation Ordinance by Transferring $3,000,000 from the Unreserved Fund Balance of the Wastewater Fund for an Economic Development Project to Establish a Revolving Economic Development Loan Fund and Appropriating the Same.

The Motion was **seconded** by Council Member Whittle and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Tomer (1)

NEW BUSINESS

PUBLIC HEARING - VACATING A RIGHT OF WAY NEAR CHERRY STREET

Mayor Jones opened the floor for a Public Hearing regarding Vacation of a Right of Way near Cherry Street. Notice of the Public Hearing was published in the *Danville Register & Bee* on September 11, 2018 and September 17, 2018. No one present desired to be heard and the Public Hearing was closed.

Council Member Shanks **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2018-09.10

VACATING APPROXIMATELY 2,230 SQUARE FEET OF PUBLIC RIGHT-OF-WAY ON CHERRY STREET

The Motion was **seconded** Council Member Buckner and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Tomer (1)

PUBLIC HEARING - TRANSFERRING CITY OWNED PROPERTY TO THE DRHA

Mayor Jones yielded the floor to Vice Mayor Vogler who opened the floor for a Public Hearing regarding Transferring City Owned Property to the DRHA. Notice of the Public Hearing was published in the *Danville Register & Bee* on September 11, 2018. No one present desired to be heard and the Public Hearing was closed.

Council Member Buckner **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2018-09.02

DECLARING CERTAIN CITY-OWNED PROPERTY TO BE SURPLUS TO THE NEEDS OF THE CITY AND AUTHORIZING THE CITY MANAGER TO CONVEY SUCH PROPERTY TO THE DANVILLE REDEVELOPMENT AND HOUSING AUTHORITY.

The Motion was **seconded** by Council Member Saunders and carried by the following vote:

VOTE: 7-0-1-1
AYE: Buckner, Campbell, Miller, Saunders, Shanks, Vogler and Whittle (7)
NAY: None
ABSENT: Tomer (1)
ABSTAIN: Jones (1)

STATEMENT OF CONFLICT OF INTEREST

I, Alonzo L. Jones, do hereby state that I have a conflict of interest regarding the Resolution Declaring Certain City-Owned Property to be Surplus to the Needs of the City and authorizing the City Manager to Convey Such Property to the Danville Redevelopment and Housing Authority listed on the agenda as New Business Item (B). Therefore, pursuant to the State and Local Government Conflict of Interest Act, Virginia Code §2.2-3112, I must abstain from voting on this agenda item. Witness my signature this 18th day of September, 2018.

s/Alonzo L. Jones

ENTERING INTO A PURCHASE POWER AGREEMENT WITH TURNINGPOINT ENERGY FOR THE WHITMELL SOLAR PROJECT

Council Member Shanks **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2018-09.03

AUTHORIZING AND APPROVING THE CITY OF DANVILLE, VIRGINIA TO ENTER INTO A PURCHASE POWER AGREEMENT WITH TURNINGPOINT ENERGY, FOR THE

WHITMELL SOLAR PROJECT, FOR TEN MEGAWATTS OF RENEWABLE SOLAR PEAKING GENERATION POWER TO BE CONSTRUCTED AT 7480 IRISH ROAD WITHIN THE DANVILLE UTILITIES SERVICE TERRITORY

The Motion was **seconded** by Council Member Miller and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Tomer (1)

ENTERING INTO A PURCHASE POWER AGREEMENT WITH STRATA SOLAR FOR THE RINGGOLD SOLAR PROJECT

Vice Mayor Vogler **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2018-09.04

AUTHORIZING AND APPROVING THE CITY OF DANVILLE, VIRGINIA TO ENTER INTO A PURCHASE POWER AGREEMENT WITH STRATA SOLAR, FOR THE RINGGOLD SOLAR PROJECT, FOR TWELVE MEGAWATTS OF RENEWABLE SOLAR PEAKING GENERATION POWER TO BE CONSTRUCTED AT 1493 RINGGOLD ROAD WITHIN THE DANVILLE UTILITIES SERVICE TERRITORY.

The Motion was **seconded** by Council Member Shanks and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Tomer (1)

ENTERING INTO A SHARED USAGE AGREEMENT WITH PATHS INC., FOR THE STONEWALL RECREATION CENTER

Vice Mayor Vogler **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2018-09.05

APPROVING AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF DANVILLE, VIRGINIA AND PATHS, INC.

The Motion was **seconded** by Council Member Miller and carried by the following vote:

VOTE: 8-0-1
AYE: Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY: None
ABSENT: Tomer (1)

CITY CODE – AMENDING CHAPTER 24, PARADES AND OTHER ASSEMBLIES, OF THE DANVILLE CITY CODE

Council Member Miller **moved** for adoption of an Ordinance entitled:

ORDINANCE NO. 2018-09.11

REPEALING AND REORDAINING CHAPTER 24, ENTITLED "PARADES AND OTHER ASSEMBLIES" OF THE CODE OF THE CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED, MORE SPECIFICALLY ARTICLE 1, ENTITLED "IN GENERAL", SECTION 24-1, ENTITLED "PERMIT FOR ASSEMBLIES, DEMONSTRATIONS, ETC., ON CITY PROPERTY.

The Motion was **seconded** by Council Member Saunders.

Council Member Shanks questioned if the Council meeting was considered an assembly, and Mr. Whitfield noted it would not be an assembly under the City Code, it was covered under another section. Council Member Saunders noted he would like to commend the City Manager and staff, and Chief Booth for their forward thinking on this matter, to keep the City safe and appreciated their efforts. Council Member Miller noted his agreement, this also gives the City three days to approve a permit and allows the City to prepare.

The Motion was **carried** by the following vote:

VOTE:	8-0-1
AYE:	Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY:	None
ABSENT:	Tomer (1)

BUDGET AMENDMENT – AMENDING THE FY 2019 BUDGET APPROPRIATION ORDINANCE FOR VIRGINIA DMV OCCUPANT PROTECTION GRANT FUNDS

Upon **Motion** by Council Member Saunders and **second** by Council Member Buckner, an Ordinance entitled:

ORDINANCE NO. 2018-09.12

AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUE FROM THE VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY OFFICE SELECTIVE ENFORCEMENT – OCCUPANT PROTECTION GRANT PROGRAM IN THE AMOUNT OF $5,250 AND APPROPRIATING SAME

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

BUDGET AMENDMENT – AMENDING THE FY 2019 BUDGET APPROPRIATION ORDINANCE FOR VIRGINIA DMV HIGHWAY SAFETY SPEED GRANT FUNDS

Upon **Motion** by Council Member Buckner and **second** by Council Member Whittle, an Ordinance entitled:

ORDINANCE NO. 2018-09.13

AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUES FROM THE VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY OFFICE SELECTIVE ENFORCEMENT – SPEED GRANT PROGRAM IN THE AMOUNT OF $9,100 AND APPROPRIATING SAME.

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

BUDGET AMENDMENT – AMENDING THE FY 2019 BUDGET APPROPRIATION ORDINANCE FOR VIRGINIA DMV HIGHWAY SAFETY ALCOHOL GRANT FUNDS

Upon **Motion** by Vice Mayor Vogler and **second** by Council Member Saunders, an Ordinance entitled:

ORDINANCE NO. 2018-09.14

AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE BY INCREASING REVENUES FROM THE VIRGINIA DEPARTMENT OF MOTOR VEHICLES HIGHWAY SAFETY SELECTIVE ENFORCEMENT – ALCOHOL GRANT PROGRAM IN THE AMOUNT OF $19,285 AND APPROPRIATING SAME

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

APPROVING A MORAL OBLIGATION WITH AMERICAN NATIONAL BANK

Council Member Campbell **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2018-09.06

APPROVING AND AUTHORIZING THE EXECUTION OF A MORAL OBLIGATION AGREEMENT BY AND BETWEEN THE CITY OF DANVILLE, VIRGINIA AND AMERICAN NATIONAL BANK AND TRUST COMPANY

The Motion was **seconded** by Council Member Whittle and carried by the following vote:

VOTE:	8-0-1
AYE:	Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY:	None
ABSENT:	Tomer (1)

CODE CHANGE – AMENDING CHAPTER 37 OF THE DANVILLE CITY CODE TO ADD A NEW SECTION, ENTITLED "DATA CENTERS AND DATA CENTER TAX RATE."

Upon **Motion** by Vice Mayor Vogler and **second** by Council Member Whittle, an Ordinance entitled:

ORDINANCE NO. 2018-09.15

AMENDING AND REORDAINING CHAPTER 37, ENTITLED "TAXATION", ARTICLE II, ENTITLED "LEVY AND RATE OF TAX ON REAL ESTATE, TANGIBLE PERSONAL PROPERTY, ETC." OF THE CODE OF THE CITY OF DANVILLE, 1986, AS AMENDED, TO ADD A NEW SECTION 37-37, ENTITLED "DATA CENTERS AND DATA CENTER TAX RATE".

was presented by its **First Reading**, as required by City Charter, to lie over before final adoption.

DECLARING A STATE OF LOCAL EMERGENCY DUE TO FLOOD CONDITIONS AS A RESULT OF HURRICANE FLORENCE WITHIN THE CITY OF DANVILLE

Council Member Buckner **moved** for adoption of a Resolution entitled:

RESOLUTION NO. 2018-09-07

DECLARING A LOCAL EMERGENCY DUE TO FLOOD CONDITIONS A RESULT OF HURRICANE FLORENCE WITHIN THE CITY OF DANVILLE, VIRGINIA ON SEPTEMBER 17TH AND SEPTEMBER 18TH, 2018.

The Motion was **seconded** by Council Member Campbell and carried by the following vote:

VOTE:	8-0-1
AYE:	Buckner, Campbell, Jones, Miller, Saunders, Shanks, Vogler and Whittle (8)
NAY:	None
ABSENT:	Tomer (1)

COMMUNICATIONS

City Manager Ken Larking noted the City avoided the most damaging part of the hurricane and thanked the employees and agencies who worked with the City to make sure it was prepared. Mr. Larking stated the City is well served by a dedicated group of men and women, in multiple agencies and City Departments. There were several emergency planning meetings over the last two weeks with representatives from over a dozen groups ready to help anyone in need and thanked them all for their service. There were no communications from the City Attorney or City Clerk.

ROLL CALL

Council Member Buckner reminded citizens to pray for those who have lost everything during the hurricane, and for the people affected by the tornados in Richmond. Mr. Buckner thanked everyone who came to Danville to escape the hurricane and those that took in refugees from the coast.

Council Member Campbell noted his agreement with the City Manager regarding the efficiency and preparation of the City workers. Danville was blessed that it was not affected by the hurricane and thanked the City Manager for keeping Council informed.

Mayor Jones noted he sat in the command center with the various agencies and City workers, watched the City staff and how well they were informed and ready. Mayor Jones thanked the City Manager for his leadership and for the announcements from Arnold Hendrix and Marc

Aron. Mayor Jones noted the media played an important role in all this and thanked them for their work, thanked everyone who attended the meeting tonight and those watching at home.

Dr. Miller stated the City did a great job being ready for the emergency, staff did an outstanding job. Dr. Miller noted he attended the ribbon cutting at Kyocera, it is a very impressive facility, and stated his concerns with the situation with the dog warden, the City needs two or three wardens. Dr. Miller noted his thoughts and prayers went to the citizens of New Bern who had been hit by Hurricane Florence.

Council Member Saunders noted his thoughts and prayers went to the families in North and South Carolina and people in Richmond. A special thanks to the fire and police departments for the job they do. The Mayor did an excellent job welcoming Kyocera to Danville and thanked the high school and DCC students that attended the ceremony. Also, thanks to the City Manager and staff, and Marc Aron and Arnold Hendrix for keeping citizens informed.

Council Member Shanks noted he attended the ribbon cutting at Kyocera, it was a very exciting opening that will bring in some high paying jobs, and also promises other businesses in related fields locating in Danville; it is a beautiful building. Mr. Shanks thanked the City employees, some are still working on emergency duties, and fortunately the City didn't get affected by the hurricane.

Vice Mayor Vogler noted he was very proud of the City, the great job the City Manager did, the employees and department heads and thanks to the Mayor for the great job he did and the citizens, helping each other. This Saturday is the 2018 Walk to End Alzheimer's at Ballou Park, registration begins at 8:00 a.m., and invited council members, staff and citizens to participate.

Council Member Whittle noted the City dodged a bullet, all the staff did a tremendous job and reminded citizens that the River has not crested yet and was still dangerous. The ribbon cutting at Kyocera was a great opportunity to see the collaboration between the City and the County.

The meeting adjourned at 8:22 p.m.

APPROVED:

_____
MAYOR

ATTEST:

_____
CITY CLERK

Council Letter
City of Danville, Virginia

CL-1993 **Consent Agenda Item #: B.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: USDA Grant for Food Services at W.W. Moore, Jr., Detention Home

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 10/04/2018
Final Adoption 10/16/2018

SUMMARY

Each year, the W. W. Moore, Jr. Detention Home receives funds from the United States Department of Agriculture (USDA) as a result of the Detention Home's participation in the National School Nutrition Program. The revenue from the USDA offsets some of the costs related to the Food Service Operation at the Detention Home. It is projected the City will receive $62,867 for FY 2019. The amount of funds received may be more or less depending on changes in the daily population.

BACKGROUND

The W. W. Moore, Jr. Detention Home will participate in the National School Nutrition Program during FY 2019. The anticipated revenue is projected, and an appropriation is requested, based on utilization rates, reimbursement rates, and the number of days each meal or snack is reimbursed. The USDA reimbursement rates provided by the Department of Juvenile Justice Food Service Operations Unit for FY 2019 are as follows: Breakfast - $2.14; Lunch - $3.54; and Snack - $0.91. Breakfast and Lunch meals are reimbursed 365 days per year. Snacks are reimbursed 104 days per year. There is no reimbursement for Dinner meals. Based on the Average Daily Population of 29 last fiscal year, and the number of days meals and snacks are reimbursed, the W. W. Moore, Jr. Detention Home expects to receive approximately $62,867. USDA funds are received quarterly by the City of Danville.

RECOMMENDATION

It is recommended that City Council adopt the attached Ordinance appropriating funds within the Special Grants Fund for expenses related to the Food Service Operation at the W. W. Moore, Jr. Detention Home.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR A FEDERAL GRANT IN THE AMOUNT OF APPROXIMATELY $62,867 TO AID THE FOOD SERVICE OPERATIONS AT W. W. MOORE, JR. DETENTION HOME AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2019 Budget Appropriation Ordinance be, and it is hereby, amended to anticipate revenues from a grant in the amount of approximately $62,867 from the United States Department of Agriculture to the W. W. Moore, Jr. Detention Home for the purpose of aiding the food service operations and appropriating same in the Special Grants Fund for Fiscal Year 2019, such revenue and appropriation to be as follows:

ANTICIPATED REVENUES

Description	Account No.	Amount
Categorical Aid-State:		
U.S.D.A.- Detention Home	60114000-47210	$62,867

ANTICIPATED EXPENDITURES

Description	Account No.	Amount
W. W. Moore, Jr. Detention Home		
Food Supplies/Food Services	60114000-55825	$62,867

AND BE IT FURTHER ORDAINED that this appropriation shall be a continuing appropriation and such appropriations shall carry forward from year to year until such funds are expended for the purpose for which they were appropriated; and

BE IT FINALLY ORDAINED that all other accounts and provisions of the Fiscal Year 2019 Budget Appropriation Ordinance, as amended, not hereby amended,

shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

Council Letter
City of Danville, Virginia

CL-1994 **Consent Agenda Item #: C.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: Virginia Juvenile Community Crime Control Act Funding Appropriation

From: Scott Booth, Police Chief

COUNCIL ACTION

First Reading: 10/04/2018
Final Adoption: 10/16/2018

SUMMARY

The Virginia Juvenile Community Crime Control Act (VJCCCA) requires the locality to develop and submit a plan outlining how the City will serve juvenile offenders before intake on complaints, or from the court, on petitions alleging the juvenile is delinquent, in need of services, or in need of supervision with allocated funds. The locality's biennial plan and funding was approved for FY 2019 and FY 2020. The VJCCCA Plan for FY 2019 will continue to provide the Electronic Monitoring and Outreach Detention Programs. It is projected that forty-five (45) juveniles will be served in the Electronic Monitoring Program and twenty-five (25) will be served in the Outreach Detention Program. The plan will also continue to provide Aggressors, Victims, and Bystanders: Thinking and Acting to Prevent Violence, a Pro-Social Skills group facilitated by the Prevention Services Division of Danville-Pittsylvania Community Services. It is projected that forty (40) juveniles will be served in the Pro-Social Skills group. During FY 2019, the City will receive $86,999 from the Department of Juvenile Justice to support the delivery of programs and services to juvenile offenders; the City will provide a local match of $39,830. The total allocation to operate the VJCCCA Programs is $126,829.

BACKGROUND

In 1995, the General Assembly enacted the Virginia Juvenile Community Crime Control Act (VJCCCA), which appropriated additional funding to localities to implement non-secure detention programs and services to meet the needs of juveniles involved with the Juvenile and Domestic Relations Court Services Unit. The City has been the recipient of VJCCCA funds since its inception. The VJCCCA funding allows the W. W. Moore, Jr. Detention Home to operate an Electronic Monitoring and Outreach Detention Program and provide other identified services based on the needs of the juveniles referred by the Danville Juvenile and Domestic Relations Court. Without these programs and services, it is possible many of these juveniles would be placed in secure detention or in an out-of-home placement, resulting in a greater cost to the locality.

RECOMMENDATION

It is recommended that City Council approve the attached Ordinance appropriating funds to operate non-secure detention programs to provide services for offenders in the Juvenile Justice System.

Attachments

Ordinance

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-___.___

AN ORDINANCE AMENDING THE FISCAL YEAR 2019 BUDGET APPROPRIATION ORDINANCE FOR A GRANT FROM THE DEPARTMENT OF JUVENILE JUSTICE IN THE AMOUNT OF $86,999 AND A LOCAL SHARE OF $39,830, FOR A TOTAL APPROPRIATION OF $126,829, TO PROVIDE FOR THE ELECTRONIC MONITORING AND OUTREACH DETENTION PROGRAMS AND CONTRACTED PRO-SOCIAL SKILLS GROUP FOR THE CITY OF DANVILLE AT THE W. W. MOORE JR. DETENTION HOME AND APPROPRIATING SAME.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the Fiscal Year 2019 Budget Appropriation Ordinance be, and it is hereby, amended to anticipate revenues from a grant in the amount of $86,999 from the Virginia Juvenile Community Crime Control Act for the purpose of operating programs which provide alternatives to detention and appropriating same in the Special Grants Fund, and $39,830 be appropriated from the General Fund Account such revenue and appropriation to be as follows:

ANTICIPATED REVENUES

Description	Account No.	Amount
Categorical Aid-State: Virginia Juvenile Community Crime Control Act (VJCCCA)	61256000-47240	$ 86,999
Local Share: Transfers from General Fund	61256000-6101	39,830
	TOTAL:	$126,829

ANTICIPATED EXPENDITURES

Description	Account No.	Amount
W. W. Moore, Jr. Detention Home Electronic Monitoring & Outreach Detention Program		
FT Sal/Wages Reg	61364000 51100	$ 90,747
FICA	61364000 51450	6,655

Retirement ERS	61364000 51525	7,193
Telephone	61364000 54100	984
Materials & Supplies	61364000 55930	0
Travel/Train Exp	61364000 54900	3,650
Equipment Leased	61364000 54750	8,000
Contracted Services	61364000 52349	9,600
	TOTAL:	$126,829

AND BE IT FURTHER ORDAINED that all other accounts and provisions of the Fiscal Year 2019 Budget Appropriation Ordinance, as amended, not hereby amended, shall continue in full force and effect unless and until hereafter further amended or repealed.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

Council Letter
City of Danville, Virginia

CL-1990 **New Business Item #: A.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: Comcast Cable Television Franchise Agreement

From: Jason Grey, Utilities Director

COUNCIL ACTION

Business Meeting: 10/16/18

SUMMARY

Comcast and City staff have negotiated the proposed franchise agreement under the Code of Virginia and the Cable Act for a nonexclusive franchise which would authorize Comcast to construct and operate a cable system in the City's public right-of-ways within the City limits. The proposed term is for five (5) years unless the agreement is renewed or lawfully terminated under the Code of Virginia and/or the Cable Act. The franchise agreement shall be extended for one (1) additional, five (5) year term unless either party notifies the other within three (3) years of the expiration of the agreement.

Comcast shall make cable service available to every residential dwelling unit within the City limits where the minimum density is at least forty (40) occupied residential dwelling units per mile with aerial cable or sixty (60) occupied residential dwelling units per mile with underground cable, and is within one (1) mile as measured in strand footage from the nearest point on the cable system trunk or feeder line from which a usable cable signal can be obtained. Subject to the density requirement, Comcast shall offer cable service to all new homes or previously unserved homes located within one hundred and twenty-five (125) feet of the franchisee's distribution cable at the standard installation rate. Should, through new construction, an area within the Franchise Area meet the density requirements, Comcast shall provide cable service to such area within one (1) year after it confirms that the density requirements have been met following notice from the City of Danville that one (1) or more residents has requested Service.

BACKGROUND

In August 2004, the City granted a ten-year cable franchise to Adelphia Cable Communications to provide nonexclusive cable services with the City of Danville. Approximately in 2007, Comcast purchased the Adelphia Danville system and began operations of the cable system. The existing cable franchise agreement expired in August 2014 and was extended to January 2015 in hopes to have a mutually negotiated franchise agreement. Currently, Comcast has been operating under the guidelines of the expired agreement from August 2014.

RECOMMENDATION

Staff recommends that City Council approve the proposed franchise agreement with Comcast of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC, for a term of five years.

Attachments

Ordinance
Agreement

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-____.____

AN ORDINANCE APPROVING AND AUTHORIZING A NEGOTIATED CABLE FRANCHISE AGREEMENT WITH COMCAST OF CONNECTICUT-GEORGIA-MASSACHUSETTS-NEW HAMPSHIRE-NEW YORK-NORTH CAROLINA-VIRGINIA-VERMONT, LLC.

WHEREAS, the City of Danville has authority, pursuant to the Cable Communications Policy Act of 1984, 47 U.S.C. § 521 et seq., and the Code of Virginia, 1950, as amended, § 16.2-2108.19 et seq. to grant cable franchises, and has enacted Section 9.5-5, entitled “Grant of authority”, of Chapter 9.5, entitled “Cable Television”, of the Code of the City of Danville, 1986, as amended, effectuating this grant of power; and

WHEREAS, Comcast of Connecticut-Georgia-Massachusetts-New Hampshire-New York-North Carolina-Virginia-Vermont, LLC (“Comcast”), and its predecessor-in-interest, Three Rivers Cable Associates, L.P., d/b/a Adelphia Cable Communications, have provided cable services in the City for many years, and have requested a re-negotiation of their existing Cable Franchise with the City; and

WHEREAS, the City Manager and the City Attorney have negotiated an agreement with Comcast to continue cable service in the City under similar terms and conditions to those that were previously in force and effect.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that:

1. Pursuant to Section 9.5-5, entitled “Grant of authority”, of Chapter 9.5, entitled “Cable Television”, of the Code of the City of Danville, Virginia, 1986, as amended, the City grants a franchise to Comcast of Connecticut-Georgia-Massachusetts-New Hampshire-New York-North Carolina-Virginia-Virginia, LLC, to occupy the public right-of-way for the purpose of operating a cable system under the terms and conditions more particularly set forth in the cable franchise agreement, attached hereto and incorporated herein as **Exhibit A** (the “Agreement” or “Franchise Agreement”); and
2. The provisions of Chapter 9.5, entitled “Cable Television” of the Code of the City of Danville, Virginia, 1986, as amended, are to be read together with the

Franchise Agreement so as to give full force and effect to each. However, in the event of a manifest inconsistency between the provisions, the specific provisions of the Franchise Agreement shall supersede the general provisions of the Code.

AND BE IT FURTHER ORDAINED, by the Council of the City of Danville, Virginia, that the City Manager, Kenneth Larking, be, and is hereby, authorized and directed to execute the Franchise Agreement and to any other documents necessary to be executed or signed to complete this transaction.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

CABLE FRANCHISE AGREEMENT

BETWEEN

CITY OF DANVILLE

AND

COMCAST OF CONNECTICUT/GEORGIA/MASSACHUSETTS/NEW HAMPSHIRE/NEW YORK/NORTH CAROLINA/VIRGINIA/VERMONT, LLC

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CABLE TELEVISION FRANCHISE AGREEMENT

This Franchise Agreement (hereinafter, the "Agreement" or "Franchise Agreement") is made between the City of Danville, a political subdivision of the Commonwealth of Virginia (hereinafter, "City" or "Franchising Authority") and Comcast of Connecticut/ Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC (hereinafter, "Franchisee").

The City, having determined that the financial, legal, and technical ability of the Franchisee is reasonably sufficient to provide the services, facilities, and equipment necessary to meet the future cable-related needs of the community, desires to enter into this Franchise Agreement with the Franchisee for the construction, operation and maintenance of a Cable System on the terms and conditions set forth herein.

SECTION 1 - Definition of Terms

For the purpose of this Franchise Agreement, capitalized terms, phrases, words, and abbreviations shall have the meanings ascribed to them in the Code of Virginia, Article 1.2, § 15.2-2108.19, and the Cable Communications Policy Act of 1984, as amended from time to time, 47 U.S.C. §§ 521–631 (the "Cable Act"), unless otherwise defined herein. When not inconsistent with the context, words used in the present tense include the future tense, words used to refer to the masculine include the feminine, words in the plural number include the singular number and likewise words in the singular number include the plural number. The word "shall" is mandatory and "may" is permissive. Words not defined in the Code of Virginia, Article 1.2, §15.2-2108.19, the Cable Act, or herein shall be given their common and ordinary meaning.

1.1 "Act" shall mean the Communications Act of 1934.

1.2 "Affiliate" shall mean any Person who owns or controls, is owned or controlled by, or is under common ownership or control with the Grantee, excluding any entity related to the operations of NBC Universal.

1.3 "Basic service tier" shall mean the service tier that includes (i) the retransmission of local television broadcast channels and (ii) public, educational, and governmental channels required to be carried in the basic tier.

1.4 *"*Cable Operator" shall mean any Person or group of Persons that (i) provides Cable Service over a Cable System and directly or through one or more affiliates owns a significant interest in such Cable System or (ii) otherwise controls or is responsible for, through any arrangement, the management and operation of a Cable System.

1.5 “Cable Service” shall mean the one-way transmission to Subscribers of (i) video programming or (ii) other programming service, and Subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service. Cable service does not include any video programming provided by a commercial mobile service provider defined in 47 U.S.C. § 332(d).

1.6 “Cable System” or “System” shall mean any facility consisting of a set of closed transmission paths and associated signal generation, reception and control equipment that is designed to provide Cable Service that includes video programming and that is provided to multiple Subscribers within a community, except that such definition shall not include (i) a system that serves fewer than 20 Subscribers; (ii) a facility that serves only to retransmit the television signals of one or more television broadcast stations; (iii) a facility that serves only Subscribers without using any public right-of-way; (iv) a facility of a common carrier that is subject, in whole or in part, to the provisions of Title II of the Communications Act of 1934, 47 USC § 201 et seq., except that such facility shall be considered a Cable System to the extent such facility is used in the transmission of video programming directly to Subscribers, unless the extent of such use is solely to provide interactive on-demand services; (v) any facilities of any electric utility used solely for operating its electric systems; (vi) or any portion of a System that serves fewer than 50 Subscribers in any locality, where such portion is part of a larger System franchised in an adjacent locality; or (vii) an open video system that complies with § 653 of Title VI of the Communications Act of 1934, as amended, 47 U.S.C. § 573.

1.7 “City” shall mean the City of Danville, Virginia.

1.8 “Customer” or “Subscriber” shall mean a Person or user of the Cable System who lawfully receives Cable Service therefrom with the Franchisee’s express permission.

1.9 “Effective Date” shall mean _____ 2018.

1.10 “FCC” shall mean the Federal Communications Commission or successor governmental entity thereto.

1.11 “Franchise” shall mean the initial authorization, or renewal thereof, issued by the Franchising Authority, whether such authorization is designated as a franchise, agreement, permit, license, resolution, contract, certificate, ordinance or otherwise, which authorizes the construction and operation of the Cable System.

1.12 “Franchise Agreement” or “Agreement” shall mean this Ordinance Cable Franchise Agreement and any amendments or modifications hereto.

1.13 “Franchise Area” shall mean the present legal boundaries of the City of Danville, Virginia as of the Effective Date, and shall also include any additions thereto, by annexation or other legal means during the term of the Franchise, as per the requirements set forth in this Agreement.

1.14 “Franchising Authority” shall mean the City of Danville, Virginia, or the lawful successor, transferee, designee, or assignee thereof.

1.15 “Franchisee” shall mean Comcast of Connecticut/Georgia/ Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC.

1.16 “Gross Revenue” shall mean revenue derived by the Franchisee from the operation of the Cable System in the Franchise Area to provide Cable Service, calculated in accordance with generally accepted accounting principles (“GAAP”). Gross Revenue includes monthly basic cable, premium and pay-per-view video fees, installation fees and subscriber equipment rental fees, and commercial leased access fees. Gross Revenue shall not include program launch support payments, revenue from advertising and home shopping, refundable deposits, late fees, investment income, nor any taxes, franchise fees, or other fees or assessments imposed or assessed by any governmental authority. Gross Annual Revenues shall not include actual bad debt that is written off, consistent with generally accepted accounting principles, provided however, that all or any part of any such actual bad debt that is written off, but subsequently collected, shall be included in the Gross Annual Revenues in the period so collected.

1.17 “Person” shall mean any natural person or any association, firm, partnership, joint venture, corporation, or other legally recognized entity, whether for-profit or not-for profit, but shall not mean the Franchising Authority.

1.18 “Public Way” shall mean the surface of, and the space above and below, any public street, highway, freeway, bridge, land path, alley, court, boulevard, sidewalk, way, lane, public way, drive, circle, park, bridge, waterway, dock, bulkhead, wharf, pier, other public ground or water subject to the jurisdiction and control of the Franchising Authority, or other public right-of-way, including, but not limited to, public utility easements, dedicated utility strips, or easements dedicated for compatible uses and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the Franchising Authority in the Franchise Area, which shall entitle the Franchisee to the use thereof for the purpose of installing, operating, repairing, and maintaining the Cable System. Public Way shall also mean any easement now or hereafter held by the Franchising Authority within the Franchise Area for the purpose of public travel, or for utility or public service use dedicated for compatible uses, and shall include other easements or rights-of-way as shall within their proper use and meaning entitle the Franchisee to the use thereof for the purposes of installing, operating, and maintaining the Franchisee’s Cable System over poles,

wires, cables, conductors, ducts, conduits, vaults, manholes, amplifiers, appliances, attachments, and other property as may be ordinarily necessary and pertinent to the Cable System.

1.19 "Interactive on-demand services" shall mean a service providing video programming to Subscribers over switched networks on an on-demand, point-to-point basis, but does not include services providing video programming prescheduled by the programming provider.

1.20 "Transfer" shall mean any transaction in which (i) an ownership or other interest in the Franchisee is transferred, directly or indirectly, from one Person or group of Persons to another Person or group of Persons, so that majority control of the Franchisee is transferred; or (ii) the rights and obligations held by the Franchisee under the Franchise granted under this Franchise Agreement are transferred or assigned to another Person or group of Persons. However, notwithstanding clauses (i) and (ii) of the preceding sentence, a Transfer of the Franchise shall not include (a) a transfer in trust, by mortgage, hypothecation, or by assignment of any rights, title, or interest of the Franchisee in the Franchise or in the Cable System in order to secure indebtedness, (b) a transfer to an entity directly or indirectly owned or controlled by Comcast Corporation, or (c) the sale, conveyance, transfer, exchange or release of fifty percent (50%) or less of its equitable ownership.

1.21 "Video programming" shall mean programming provided by, or generally considered comparable to, programming provided by a television broadcast station.

SECTION 2 - Grant of Authority

2.1 The Franchising Authority hereby grants to the Franchisee under the Code of Virginia and the Cable Act a nonexclusive Franchise authorizing the Franchisee to construct and operate a Cable System in the Public Ways within the Franchise Area, and for that purpose to use, erect, install, construct, repair, alter, add to, inspect, replace, reconstruct, maintain, or retain in any Public Way such poles, wires, cables, conductors, ducts, underground conduits, vaults, manholes, pedestals, amplifiers, appliances, attachments, and, including but not limited to, above ground enclosures, markers, concrete pads, or other related property or equipment as may be necessary, useful, or appurtenant fixtures to the Cable System and to provide such services over the Cable System as may be lawfully allowed.

2.2 Term of Franchise. The term of the Franchise granted hereunder shall be five (5) years, commencing upon the Effective Date of the Franchise, unless the Franchise is renewed or is lawfully terminated in accordance with the terms of this Franchise Agreement, the Code of Virginia, and/or the Cable Act.

This Franchise shall be automatically extended for one (1) additional term of five (5) years unless either party notifies the other in writing of its desire to enter renewal negotiations under the Cable Act at least three (3) years before the expiration date of the Franchise Agreement.

2.3 Renewal. Any renewal of this Franchise shall be governed by and comply with the provisions of Article 1.2 of the Code of Virginia and Section 626 of the Cable Act, as amended.

2.4 Reservation of Authority. Nothing in this Franchise Agreement shall be construed as a waiver of any codes or ordinances of general applicability promulgated by the Franchising Authority.

SECTION 3 - Construction and Maintenance of the Cable System

3.1 Permits and General Obligations. The Franchisee shall be responsible for obtaining all generally applicable permits, licenses, or other forms of approval or authorization prior to the commencement of any activity that materially disturbs the surface of any street, curb, sidewalk or other public improvement in the Public Way, or impedes vehicular traffic. The issuance of such permits shall not be unreasonably withheld, conditioned or delayed. Construction, installation, and maintenance of the Cable System shall be performed in a safe, thorough and reliable manner using materials of good and durable quality. All work shall be done by the Franchisee in accordance with FCC regulations. Notwithstanding the requirements herein, Franchisee shall not be required to obtain a permit for individual drop connections to Subscribers, servicing or installing pedestals or other similar facilities, or other instances of routine maintenance or repair to its Cable System. All transmission and distribution structures, poles, other lines, and equipment installed by the Franchisee for use in the Cable System in accordance with the terms and conditions of this Franchise Agreement shall be located so as to minimize the interference with the proper use of the Public Ways and the rights and reasonable convenience of property owners who own property that adjoins any such Public Way.

3.2 Conditions of Street Occupancy.

3.2.1 New Grades or Lines. If the grades or lines of any Public Way within the Franchise Area are lawfully changed at any time during the term of this Franchise Agreement, then the Franchisee shall, upon reasonable advance written notice from the Franchising Authority (which shall not be less than thirty (30) business days) and at its own cost and expense, protect or promptly alter or relocate the Cable System, or any part thereof, so as to conform with any such new grades or lines. If public funds are available to any other user of the Public Way for the purpose of defraying the cost of any of the foregoing,

the Franchising Authority shall notify the Franchisee of the availability of such funding and make such funds available to the Franchisee within a reasonable timeframe. In the event that funds are not available, Franchisee reserves the right to pass its costs through to its Subscribers in accordance with applicable law.

3.2.2 Relocation at Request of Third Party. The Franchisee shall, upon reasonable prior written request of any Person holding a permit issued by the Franchising Authority to move any structure, temporarily move its wires to permit the moving of such structure; provided (i) the Franchisee may impose a reasonable charge on any Person for the movement of its wires, and such charge may be required to be paid in advance of the movement of its wires; and (ii) the Franchisee is given not less than thirty (30) business days advance written notice to arrange for such temporary relocation.

3.2.3 Restoration of Public Ways. If in connection with the construction, operation, maintenance, or repair of the Cable System, the Franchisee disturbs, alters, or damages any Public Way, the Franchisee agrees that it shall at its own cost and expense replace and restore any such Public Way to a condition reasonably comparable to the condition of the Public Way existing immediately prior to the disturbance as is practical.

3.2.4 Safety Requirements. The Franchisee shall undertake all necessary and appropriate commercial efforts to maintain its work sites in a safe manner in order to prevent failures and accidents that may cause damage, injuries or nuisances. All work undertaken on the Cable System shall be performed in accordance with applicable FCC or other federal and state regulations. The Cable System shall not unreasonably endanger or interfere with the safety of Persons or property in the Franchise Area.

3.2.5 Trimming of Trees and Shrubbery. The Franchisee shall have the authority to trim trees or other natural vegetative growth encroaching on or overhanging any of its Cable System in the Franchise Area so as to prevent contact with the Franchisee's wires, cables, or other equipment. All such trimming shall be done at the Franchisee's sole cost and expense. The Franchisee shall be responsible for any collateral, direct real property damage caused by such trimming.

3.2.6 Aerial and Underground Construction. At the time of Cable System construction, if all of the transmission and distribution facilities of all of the respective public or municipal utilities in any area of the Franchise Area are underground, the Franchisee shall place its Cable System transmission and distribution facilities underground; provided that such underground locations are actually capable of accommodating the Franchisee's cable and other equipment without technical degradation of the Cable System's signal quality. In any region(s) of the Franchise Area where the transmission or distribution facilities of

the respective public or municipal utilities are both aerial and underground, the Franchisee shall have the discretion to construct, operate, and maintain all of its transmission and distribution facilities, or any part thereof, aerially or underground. Nothing in this Agreement shall be construed to require the Franchisee to construct, operate, or maintain underground any ground-mounted appurtenances such as customer taps, line extenders, system passive devices, amplifiers, power supplies, pedestals, or other related equipment.

3.2.7. Undergrounding and Beautification Projects. In the event all similarly-situated users of the Public Way, including, but not limited to power lines, telephone lines, and telecommunication lines, relocate aerial facilities underground as part of an undergrounding or neighborhood beautification project, Franchisee shall participate in the planning for relocation of its aerial facilities contemporaneously with other utilities. Franchisee's relocation costs shall be included in any computation of necessary project funding by the Franchising Authority or private parties. Franchisee shall be given reasonable notice and access to the public utilities' facilities at the time that such are placed underground and shall be entitled to reimbursement of its relocation costs from public or private funds raised for the project and made available to other users of the Public Way. In the event that public and/or private funds are not available or do not cover the entire direct and actual cost of the relocation, Franchisee reserves the right to pass its costs, or in the case of partial reimbursement from public and/or private funds its incremental cost, through to its Subscribers in accordance with applicable law.

SECTION 4 - Service Obligations

4.1 General Service Obligation.

4.1.1 The Franchisee shall make Cable Service available to every residential dwelling unit within the Franchise Area where the minimum density is at least forty (40) occupied residential dwelling units per mile with aerial cable or sixty (60) occupied residential dwelling units per mile with underground cable and is within one (1) mile as measured in strand footage from the nearest point on the Cable System trunk or feeder line from which a usable cable signal can be obtained. For purposes of this section, a home shall only be counted as a "dwelling unit" if such home is within two hundred seventy-five (275) feet of the public right of way. Subject to the density requirement, Franchisee shall offer Cable Service to all new homes or previously unserved homes located within one hundred and twenty-five (125) feet of the Franchisee's distribution cable at the standard installation rate. Should, through new construction, an area within the Franchise Area meet the density requirements, Franchisee shall provide Cable Service to such area within one (1) year after it confirms that the density requirements have been met following notice from the Franchising Authority that one (1) or more residents has requested Service.

4.1.2 The Franchisee may elect to extend Cable Service to areas that do not otherwise qualify to receive Cable Service under this section if any resident or group of residents agree in writing to pay to Franchisee the cost of construction, including materials, labor, and the total cost of any easement(s) necessary to accomplish the proposed line extension. One half of the cost of construction shall be paid to the Franchisee prior to engineering and the balance shall be paid prior to commencement of construction.

4.2 New Developments. The Franchising Authority shall provide the Franchisee with written notice of the issuance of building or development permits for planned developments within the Franchise Area requiring undergrounding of cable facilities. The Franchising Authority agrees to require the developer, as a condition of issuing the permit, to give the Franchisee access to open trenches for deployment of cable facilities and at least fifteen (15) business days written notice of the date of availability of open trenches. Developer shall be responsible for the digging and backfilling of all trenches.

4.3 Programming. The Franchisee shall offer to all Customers a diversity of video programming services.

4.4 No Unfair Discrimination. Neither the Franchisee nor any of its employees, agents, representatives, contractors, subcontractors, or consultants, nor any other Person, shall discriminate or permit discrimination between or among any Persons in the availability of Cable Services provided in connection with the Cable System in the Franchise Area; provided, however, Franchisee reserves the right to deny service for good cause, including but not limited to non-payment or theft of service, vandalism of equipment, or documented or founded harassment or abuse of Franchisee's employees or agents. It shall be the right of all Persons to receive all available services provided on the Cable System so long as such Person's financial or other obligations to the Franchisee are satisfied. Nothing contained herein shall prohibit the Franchisee from offering bulk discounts, promotional discounts, package discounts, or other such pricing strategies as part of its customary business practice.

4.5 Prohibition Against Reselling Service. No Person shall sell, offer for sale, or resell, without the express prior written consent of the Franchisee, any Cable Service, program or signal transmitted over the Cable System by the Franchisee.

SECTION 5 - Educational and Governmental Access Channel

5.1 EG Access. Franchisee shall continue to make available one (1) channel for educational and governmental access video programming provided by the Franchising Authority or its designee. Use of a channel position for

educational and governmental ("EG") access shall be provided on the most basic tier of service offered by Franchisee in accordance with the Cable Act, Section 611, and Article 1.2 of Chapter 21 of Title 15.2 of the Code of Virginia, 1950, as amended, and as further set forth below. "Channel position" means a number designation on the Franchisee's channel lineup regardless of the transmission format (analog or digital). Franchisee does not relinquish its ownership of or ultimate right of control over a channel by designating it for EG use. An EG access user – whether an individual, educational or governmental user – acquires no property or other interest by virtue of the use of a channel so designated, and may not rely on the continued use of a particular channel number, no matter how long the same channel may have been designated for such use. Franchisee shall not exercise editorial control over any educational or governmental use of a channel position, except Franchisee may refuse to transmit any access program or portion of an access program that contains obscenity, indecency, or nudity. The Franchising Authority shall be responsible for developing, implementing, interpreting and enforcing rules for EG Access Channel use. Comcast and the City agree that Comcast shall have no further financial or operational responsibility to maintain a PEG Access studio or to produce PEG Access programming.

5.1.1 Additional EG Access Channels. The Franchising Authority may request one (1) additional EG Access Channel, not to exceed a total of two (2) channels, so long as a threshold use requirement is met for the existing EG Access Channel. In order to request an additional EG channel , the existing EG Access Channel must be programmed at least eight (8) hours per day with non-repetitive, non-character generated, non-alphanumeric, locally-produced programming, Monday through Saturday, for a minimum of six (6) consecutive weeks. The Franchising Authority must provide Franchisee with written, detailed documentation evidencing the usage meets the threshold requirement. Franchisee shall have one hundred eighty (180) days to provide the requested additional channel. Once the threshold is met and the additional channel is made available, the initial EG channel must maintain the threshold requirement. If the initial EG channel fails to meet the threshold for four (4) consecutive months, the additional EG channel may be reclaimed by Franchisee upon sixty (60) calendar days written notice. Under no circumstances shall the Franchising Authority lose the right to its initial EG channel position.

5.2 Educational and Government Access. An "Educational and Government Access Channel" is a channel made available for noncommercial use by educational institutions such as public or private schools (but not "home schools"), community colleges, and universities, and for noncommercial use by the Franchising Authority for the purpose of showing the public local government at work.

5.3 Return Line. In order that EG Access Programming can be cablecast over Franchisee's downstream EG Access Channel, all EG Access Programming

shall continue to be modulated, or its equivalent, then transmitted from the origination location at 427 Patton Street, Danville, VA 24541 to the Franchisee-owned headend or hub-site on a Franchisee-owned upstream channel made available to the Franchising Authority for its use. Except as otherwise provided or agreed, any costs related to the construction or upgrading of return lines or origination locations shall be the responsibility of the Franchising Authority. Said payment shall be made in advance to the Franchisee subject to the Franchisee providing the Franchising Authority with a detailed estimate of said construction cost.

5.4 Franchisee Use of Fallow Time. Because blank or underutilized PEG channels are not in the public interest, in the event the Franchising Authority or other PEG access user elects not to fully program its channel(s), a Franchisee may program unused time on those channels subject to reclamation by the Franchising Authority upon no less than sixty (60) days' notice.

5.5 Indemnification. To the extent permitted by law, if at all, and without waiving the sovereign immunity of the City in any manner, the Franchising Authority shall indemnify Franchisee for any liability, loss, or damage it may suffer due to violation of the intellectual property rights of third parties or arising out of the content of programming shown on any EG channel and from claims arising out of the Franchising Authority's rules for or administration of access.

SECTION 6 - Customer Service Standards; Customer Bills; and Privacy Protection

6.1 Customer Service Standards. The Franchising Authority hereby adopts the customer service standards set forth in Part 76, § 76.309 of the FCC's rules and regulations, as amended. The Franchisee shall comply in all respects with the customer service requirements established by the FCC.

6.2 Customer Bills. Customer bills shall be designed in such a way as to present the information contained therein clearly and comprehensibly to Customers, and in a way that (i) is not misleading and (ii) does not omit material information. Notwithstanding anything to the contrary in Section 6.1, the Franchisee may, in its sole discretion, consolidate costs on Customer bills as may otherwise be permitted by Section 622(c) of the Cable Act (47 U.S.C. § 542(c)).

6.3 Privacy Protection. The Franchisee shall comply with all applicable federal and state privacy laws, including Section 631 of the Cable Act and regulations adopted pursuant thereto.

6.4 Credits for Outages. Upon Subscriber request, the Franchisee shall, under Normal Operating Conditions, provide a pro-rata credit related Cable

Service charges when a Subscriber has experienced an outage affecting all service for a continuous period of forty-eight (48) hours or longer. In order for a Subscriber to be eligible for a credit, they must promptly notify Franchisee of the issue and provide reasonable access to the Franchisee to investigate and repair the issue. A credit will not be provided for such time, if any, that the Subscriber is not reasonably available.

SECTION 7 – Fees and Charges to Customers

7.1 All rates, fees, charges, deposits and associated terms and conditions to be imposed by the Franchisee or any affiliated Person for any Cable Service as of the Effective Date shall be in accordance with applicable FCC rate regulations. Before any new or modified rate, fee, or charge is imposed, the Franchisee shall follow the applicable FCC notice requirements and rules and notify affected Customers, which notice may be by any means permitted under applicable law.

SECTION 8 - Oversight and Regulation by Franchising Authority

8.1 Communications Tax. Franchisee shall comply with the provisions of Section 58.1-645 *et seq.* of the Code of Virginia, pertaining to the Virginia Communications Sales and Use Tax, as amended.

8.2 Payment of Franchise Fee: In the event that the Communications Tax is repealed and no successor state or local tax is enacted that would constitute a Franchise Fee for purposes of 47 U.S.C. § 542, as amended, Franchisee shall pay to the Franchising Authority a Franchise Fee of five percent (5%) of annual Gross Revenue, beginning on the effective date of the repeal of such tax (the "Repeal Date"); provided, however, that Franchisee shall not be compelled to pay any higher percentage of franchise fees than any other cable operator providing service in the Franchise Area. Beginning on the Repeal Date, the terms of Section 8.2 and 8.3 of this Agreement shall take effect. In accordance with Title VI of the Communications Act, the twelve (12) month period applicable under the Franchise for the computation of the Franchise Fee shall be a calendar year. The payment of franchise fees shall be made on a quarterly basis and shall be due forty-five (45) days after the close of each first, second and third calendar quarter (i.e., May 15, August 15, November 15) and sixty (60) days after the close of the calendar year (last day of February). Each franchise fee payment shall be accompanied by a report prepared by a representative of the Franchisee showing the basis for the computation of the Franchise Fees paid during that period.

8.3. Franchise Fees Subject to Audit.

8.3.1 Upon notice pursuant to Section 14.2 herein, during Normal Business Hours at Franchisee's principal business office, the Franchising Authority shall have the right to inspect the Franchisee's financial records used to calculate the Franchising Authority's franchise fees; provided, however, that any such inspection shall take place within two (2) years from the date the Franchising Authority receives such payment, after which period any such payment shall be considered final.

8.3.2. Upon the completion of any such audit by the Franchising Authority, the Franchising Authority shall provide to the Franchisee a final report setting forth the Franchising Authority's findings in detail, including any and all substantiating documentation. In the event of an alleged underpayment, the Franchisee shall have thirty (30) days from the receipt of the report to provide the Franchising Authority with a written response agreeing to or refuting the results of the audit, including any substantiating documentation. Based on these reports and responses, the parties shall agree upon a "Final Settlement Amount." For purposes of this Section, the term "Final Settlement Amount(s)" shall mean the agreed upon underpayment, if any, to the Franchising Authority by the Franchisee as a result of any such audit. If the parties cannot agree on a "Final Settlement Amount," the parties shall submit the dispute to a mutually agreed upon mediator within sixty (60) days of reaching an impasse. In the event an agreement is not reached at mediation, either party may bring an action to have the disputed amount determined by a court of law.

8.3.3. Any "Final Settlement Amount(s)" due to the Franchising Authority as a result of such audit shall be paid to the Franchising Authority by the Franchisee within thirty (30) days from the date the parties agree upon the "Final Settlement Amount." Once the parties agree upon a Final Settlement Amount and such amount is paid by the Franchisee, the Franchising Authority shall have no further rights to audit or challenge the payment for that period. The Franchising Authority shall bear the expense of its audit of the Franchisee's books and records.

8.4 Oversight of Franchise. In accordance with applicable law, the Franchising Authority shall have, at its sole cost and expense, the right to oversee, regulate and, on reasonable prior written notice and in the presence of Franchisee's employee, periodically inspect the construction, operation and maintenance of the Cable System in the Franchise Area as necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement.

8.5 Technical Standards. The Franchisee shall comply with all applicable technical standards of the FCC as published in subpart K of 47 C.F.R. § 76.601 et seq. To the extent those standards are altered, modified, or amended during the term of this Franchise, the Franchisee shall comply with

such applicable altered, modified or amended standards within a commercially reasonable period after such standards become effective. The Franchising Authority shall have, upon written request, the right to obtain a copy of tests and records required to be performed pursuant to the FCC's rules.

8.6 Maintenance of Books, Records, and Files.

8.6.1 Books and Records. Throughout the term of this Franchise Agreement, the Franchisee agrees that the Franchising Authority, upon reasonable prior written notice to the Franchisee, may review such of the Franchisee's books and records in the Franchise Area as are reasonably necessary to monitor Franchisee's compliance with the provisions of this Franchise Agreement at the Franchisee's business office, during Normal Business Hours, and without unreasonably interfering with Franchisee's business operations. All such documents that may be the subject of an inspection by the Franchising Authority shall be retained by the Franchisee for a minimum period of three (3) years.

8.6.2 File for Public Inspection. Throughout the term of this Franchise Agreement, the Franchisee shall maintain at its business office, in a file available for public inspection during normal business hours, those documents required pursuant to the FCC's rules and regulations.

8.6.3 Proprietary Information. Notwithstanding anything to the contrary set forth in this Section, the Franchisee shall not be required to disclose information which it reasonably deems to be proprietary or confidential in nature. The Franchising Authority agrees to treat any information disclosed by the Franchisee as confidential and only to disclose it to those employees, representatives, and agents of the Franchising Authority that have a need to know in order to enforce this Franchise Agreement and who agree, through the execution of a non-disclosure agreement, to maintain the confidentiality of all such information. The Franchisee shall not be required to provide Customer information in violation of Section 631 of the Cable Act or any other applicable federal or state privacy law. For purposes of this Section, the terms "proprietary or confidential" include, but are not limited to, information relating to the Cable System design, customer lists, marketing plans, financial information unrelated to the calculation of franchise fees or rates pursuant to FCC rules, or other information that is reasonably determined by the Franchisee to be competitively sensitive. Franchisee may make proprietary or confidential information available for inspection, but not copying or removal of information by the Franchising Authority's representative. In the event that the Franchising Authority receives a request under a state "sunshine," public records or similar law for the disclosure of information in its possession which the Franchisee has designated as confidential, trade secret or proprietary, the Franchising Authority shall notify Franchisee of such request and cooperate with Franchisee in opposing such request.

8.6.3.1 The Franchisee and Franchising Authority shall abide by all applicable provisions of the Virginia Freedom of Information Act, §2.2-3700 et seq.

8.6.4 Service Area Maps. Upon thirty (30) days' written request, and no more often than once every twelve (12) months, Franchisee shall provide to the Franchising Authority for its exclusive use a complete set of service area strand maps on which shall be shown those areas in which its facilities exist.

8.6.5 Information Use. Information made available or provided to the Franchising Authority under this Agreement shall be used exclusively to monitor the Franchisee's compliance with the provisions of, or to enforce, this Franchise Agreement. The City shall not use, or permit any other entity or person to use, information provided under this Agreement to directly or indirectly compete with any product or services provided by the Franchisee.

8.7 Notification. In accordance with applicable law, Franchisee shall notify Subscribers and the City of any changes in rates, programming services, or channel positions a minimum of thirty (30) days in advance of such changes provided that such change is within the control of Franchisee. Franchisee shall not be required to provide prior notice to Subscribers of any rate change that is the result of a regulatory fee, Franchise Fee or any other fee, tax, assessment or charge of any kind imposed by any federal agency, the State of Virginia, or the City on the transaction between the Franchisee and the Subscriber.

8.8 Performance Review Session. Upon a showing of a pattern of non-compliance with the terms of this Agreement, not more often than once every three (3) years, and upon thirty (30) days written notice to the Franchisee, the Franchising Authority may require the Franchisee to attend and participate in a performance review session. Performance review sessions shall be open to the public. Franchisee shall cooperate in good faith to participate in any such performance review session, however Franchisee shall not be required to disclose any information or documents reasonably determined by Franchisee to be proprietary or confidential.

SECTION 9 - Transfer or Change of Control of Cable System or Franchise

9.1 No Transfer of this Franchise to an unaffiliated entity shall occur without the prior written consent of the Franchising Authority. Upon written notification by the Franchisee of intent to transfer the Franchise to an unaffiliated entity, the Franchising Authority shall act to approve, approve with conditions, or disapprove the transfer within one hundred twenty (120) days. If the Franchising Authority fails to reach a final decision within one hundred twenty (120) days or such extension thereof as the Franchisee may agree to, the transfer shall be

deemed approved. No Transfer shall be made to a Person, group of Persons or Affiliate that is not legally, technically, and financially qualified to operate the Cable System and satisfy the obligations hereunder.

SECTION 10 - Insurance and Indemnity

10.1 Insurance. Throughout the term of this Franchise Agreement, the Franchisee shall, at its own cost and expense, maintain Commercial General Liability Insurance and provide the Franchising Authority certificates of insurance designating the Franchising Authority and its officers, boards, commissions, councils, elected officials and employees as additional insureds and demonstrating that the Franchisee has obtained the insurance required in this Section. Such policy or policies shall be in the minimum amount of One Million Dollars ($1,000,000.00) per occurrence for bodily injury or property damage. The Franchisee shall provide workers' compensation coverage in accordance with applicable law.

10.2 Indemnification. The Franchisee shall indemnify, defend and hold harmless the Franchising Authority, its officers and employees acting in their official capacities from and against any liability or claims resulting from property damage or bodily injury (including accidental death) that directly arise out of the Franchisee's construction, operation, maintenance, or removal of the Cable System, including, but not limited to, reasonable attorneys' fees and costs, provided that the Franchising Authority shall give the Franchisee timely written notice of its obligation to indemnify and defend the Franchising Authority within ten (10) business days of receipt of a claim or action which it is reasonably clear is covered pursuant to this Section. The Franchising Authority agrees that it will take all necessary action to avoid a default judgment and not prejudice the Franchisee's ability to defend the claim or action. If the Franchising Authority determines that it is necessary for it to employ separate counsel, the costs for such separate counsel shall be the responsibility of the Franchising Authority.

10.2.1 Franchisee shall not be required to indemnify the Franchising Authority for negligence or misconduct on the part of the Franchising Authority or its officials, boards, commissions, agents, or employees, including any loss or claims related to PEG access Channels in which the Franchising Authority or its designee participates, subject to Applicable Law.

SECTION 11 - System Description and Service

11.1 System Capacity. During the term of this Agreement the Franchisee's Cable System shall be capable of providing Video Programming with reception available to its Subscribers in the Franchise Area in accordance with the Cable Act.

11.2. Cable Service to Public Buildings. Upon written request, the Franchisee agrees to provide, within the City, at no cost to the Franchising Authority, Basic Cable Service and Standard Installation at each governmental or school division building, fire station, police station, library, school, City owned community center and/or other City or School Board-owned or occupied buildings (excluding housing units, outbuildings, storage facilities, buildings owned by the Franchising Authority, but not used for governmental purposes, or buildings at which government employees are not regularly stationed), located within two hundred (200) feet of the Franchisee's existing distribution cable. No charge shall be made for installation or Cable Service, except that Franchisee may charge for installation beyond two hundred (200) feet and beyond one (1) outlet. Any attached structures shall be treated as separate buildings. For the purposes of this section, the term "school" means an educational institutions that receives funding pursuant to Title I of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6301 et seq., as amended, and does not include "home schools." Upon written request, The Franchisee agrees to provide or extend the foregoing to any future buildings or facilities of the above-describe nature that are established within the City. Any standard cable drop provided hereunder may be internally extended by, the Franchising Authority, without imposition of any fee therefor by the Franchisee for the provision of Basic Service, however, any such extension performed by the Franchising Authority shall be in accordance with all applicable state and federal rules and regulations. Franchisee agrees to continue to provide, at no cost to the Franchising Authority, the complimentary services currently provided to the facilities identified in Exhibit A.

11.3 Construction/Reconstruction. Construction of Franchisee's Cable System in the City has been completed and no reconstruction is planned, or required, during the term of this Agreement. The Service Obligation under Section 4.1 herein shall satisfy all requirements related to build-out, extension, construction, or reconstruction of the Cable System under this Agreement and the Section 9.5-9 of the City Code.

SECTION 12 - Enforcement of Franchise

12.1 Notice of Violation or Default and Opportunity to Cure. In the event the Franchising Authority believes that the Franchisee has not complied with the material terms of the Franchise, it shall notify the Franchisee in writing with

specific details regarding the exact nature of the alleged non-compliance or default.

12.1.1 Franchisee's Right to Cure or Respond. The Franchisee shall have forty-five (45) days from the receipt of the Franchising Authority's written notice: (i) to respond to the Franchising Authority, contesting the assertion of non-compliance or default; or (ii) to cure such default; or (iii) in the event that, by nature of the default, such default cannot be cured within the forty-five (45) day period, initiate commercially reasonable steps to diligently remedy such default and notify the Franchising Authority of the steps being taken and the projected date that the cure will be completed. In the case of breaches of requirements measured on a monthly, quarterly or longer period, Franchisee's cure period shall be no less than one (1) such period.

12.1.2 Public Hearings. In the event the Franchisee fails to respond to the Franchising Authority's notice or in the event that the alleged default is not remedied within forty five (45) days or the date projected by the Franchisee, the Franchising Authority shall schedule a public hearing to investigate the default. Such public hearing shall be held at the next regularly scheduled meeting of the Franchising Authority that is scheduled at a time that is no less than ten (10) business days therefrom. The Franchising Authority shall notify the Franchisee in advance, in writing of the time and place of such meeting and provide the Franchisee with a reasonable opportunity to be heard.

12.1.3 Enforcement. Subject to applicable federal and state law, in the event the Franchising Authority, after such public hearing, determines that the Franchisee is in default of any material provision of the Franchise, the Franchising Authority may: (i) seek specific performance of any provision that reasonably lends itself to such remedy as an alternative to damages, or seek other equitable relief; (ii) pursue liquidated damages under Section 12.1.4 herein, or (iii) in the case of a substantial default of a material provision of the Franchise, initiate revocation proceedings in accordance with Section 12.1.5 herein.

12.1.4 Liquidated Damages. Because it may be difficult to calculate the harm to the Franchising Authority in the event of a breach of this Franchise Agreement by Franchisee, the parties agree to liquidated damages as a reasonable estimation of the actual damages as set forth below. To the extent that the Franchising Authority elects to assess liquidated damages as provided in this Agreement and such liquidated damages have been paid, such damages shall be the Franchising Authority's sole and exclusive remedy. Nothing in this Section is intended to preclude the Franchising Authority from exercising any other right or remedy with respect to a breach that continues past the time the Franchising Authority stops assessing liquidated damages for such breach. Nothing herein is intended to allow duplicative recovery from or payments by Franchisee or its surety(s).

(i) For failure to complete construction or reconstruction of the Cable System, as required under this Agreement, one hundred dollars ($100) per day for each day the violation continues.

(ii) For failure to provide upon written request, data, documents, reports, information, or to cooperate with the Franchising Authority during an application process or a Cable System review, as required under this Agreement, fifty dollars ($50) per day for each day the violation continues.

(iii) For failure to test, analyze, and report of the performance of the Cable System, as required under this Agreement, one hundred dollars ($100) per day for each day the violation continues.

(iv) For failure to provide, in a continuing manner, Cable Service as required under this Agreement, one hundred ($100) per day for each day the violation continues.

(v) For failure to maintain the technical, operational, or maintenance standards set forth under this Agreement, one hundred ($100) per day for each day the violation continues.

(a) The Franchising Authority may not assess any liquidated damage if the Franchisee has reasonably responded to the complaint or cured or commenced to cure, as may be appropriate, the violation following receipt of written notice from the Franchising Authority, unless some other cure period is approved by the Franchising Authority. In the event Franchisee fails to cure or commence to cure, or fails to refute the alleged breach, the Franchising Authority may assess liquidated damages and shall inform Franchisee in writing of the assessment. Franchisee shall have thirty (30) days to pay the damages.

(b) Franchisee may appeal (by pursuing judicial relief or other relief afforded by the Franchising Authority) any assessment of liquidated damages within thirty (30) days of receiving written notice of the assessment. Franchisee's obligation to pay the liquidated damages assessed shall be stayed pending resolution of the appeal.

(c) The amount of liquidated damages per annum shall not exceed five thousand dollars ($5,000) in the aggregate. With respect to liquidated damages assessed herein, all similar violations or failures from the same factual events affecting multiple Subscribers shall be assessed as a single violation, and a violation or a failure may only be assessed under any one (1) of the above-referenced categories.

(d) The first day for which liquidated damages may be assessed, if there has been no cure after the end of the applicable cure period, shall be the day after the end of the applicable cure period, including any extension of the cure period granted by the Franchising Authority. In no event may liquidated damages be assessed for a time period exceeding one hundred twenty (120) days. If after that amount of time Franchisee has not cured or commenced to cure the alleged breach to the satisfaction of the Franchising Authority, the Franchising Authority may pursue all other remedies.

12.4.5 Revocation. The Franchising Authority shall give written notice to the Franchisee of its intent to revoke the Franchise on the basis of a pattern of non-compliance by the Franchisee, including two or more instances of substantial non-compliance with a material provision of the Franchise. The notice shall set forth with specificity the exact nature of the non-compliance. The Franchisee shall have ninety (90) business days from the receipt of such notice to object in writing and to state its reasons for such objection. In the event the Franchising Authority has not received a response from the Franchisee or upon receipt of the response does not agree that the allegations of non-compliance have been or will be resolved, it may then seek revocation of the Franchise at a public hearing. The Franchising Authority shall cause to be served upon the Franchisee, at least thirty (30) days prior to such public hearing, a written notice specifying the time and place of such hearing and stating its intent to request revocation of the Franchise.

(a) At the designated public hearing, the Franchising Authority shall give the Franchisee an opportunity to state its position on the matter, present evidence and question witnesses, in accordance with the standards of a fair hearing applicable to administrative hearings in the Commonwealth of Virginia, after which it shall determine whether or not the Franchise shall be terminated. The public hearing shall be on the record and a written transcript shall be made available to the Franchisee within ten (10) business days. The decision of the Franchising Authority shall be in writing and shall be delivered to the Franchisee by certified mail. The Franchisee may appeal such determination to an appropriate court, which shall have the power to review the decision of the Franchising Authority “de novo” and to modify or reverse such decision as justice may require.

12.2 Technical Violation. The Franchising Authority agrees that it is not its intention to subject the Franchisee to penalties, fines, forfeitures or revocation of the Franchise for so-called “technical” breach(es) or violation(s) of the Franchise, which shall include, but not be limited, to the following:

12.2.1 in instances or for matters where a violation or a breach of the Franchise by the Franchisee was good faith error that resulted in no or minimal negative impact on the Customers within the Franchise Area; or

12.2.2 where there existed circumstances reasonably beyond the control of the Franchisee and which precipitated a violation by the Franchisee of the Franchise, or which were deemed to have prevented the Franchisee from complying with a term or condition of the Franchise.

12.3 No Removal of System. Franchisee shall not be required to remove its Cable System or to sell, transfer, or forfeit the Cable System, or any portion thereof as a result of revocation, denial of renewal, or any other lawful action to forbid or disallow Franchisee from providing Cable Service, if the Cable System is actively being used to facilitate any other services not governed by the Cable Act, or any portion thereof.

12.4 Bond/Letter of Credit. The Franchisee shall obtain and maintain during the entire term of the Franchise, and any renewal or extensions thereof, a performance bond or letter of credit from a financial institution licensed to do business in Virginia in the amount of fifty thousand dollars ($50,000), to ensure the Franchisee's faithful performance of its obligations hereunder. The Franchising Authority shall give Franchisee twenty (20) business days' notice of its intent to draw from the performance bond or letter of credit. The Franchising Authority may not draw from the performance bond or letter of credit while any action, appeal or other process has been instituted by Franchisee to challenge the amount owed. Since construction of Franchisee's Cable System in the City is complete and no reconstruction is planned, no construction bond shall be required.

SECTION 13 - Competitive Equity

13.1. Non-Exclusive Franchise. The Franchisee acknowledges and agrees that the Franchising Authority reserves the right to grant one (1) or more additional franchises, or other authorizations, to provide wireline video service by providers that have municipal agreements for the occupation of the public rights-of-way within the Franchise Area. If any such additional or competitive franchise, or other authorization, is granted by the Franchising Authority which contains more favorable or less burdensome terms or conditions than this Franchise Agreement when taken as a whole, the Franchising Authority agrees that it shall enter into good faith negotiations to amend this Franchise Agreement to achieve competitive equity of the regulatory and financial burdens, in their entirety, between this Franchise and the competitive authorization. If the Franchising Authority and Franchisee fail to reach agreement in such negotiations, Franchisee may, at its option, elect to shorten the remaining Term of this Franchise to not more than thirty six (36) months and shall be deemed to have

timely invoked the formal renewal rights and procedures set forth in section 626 of the Communications Act, 47 U.S.C. §546.

13.2. Competitive Franchise Application. In the event an application for a cable television franchise, or other authorization, to provide wireline video service by a provider that has a municipal agreement for the occupation of the public rights-of-way is filed with the Franchising Authority proposing to serve the Franchising Area, in whole or in part, the Franchising Authority shall provide, within thirty (30) days, a copy of such application to the Franchisee by registered or certified mail, via nationally recognized overnight courier service to any location in the United States, or by electronic means as specified in the request.

13.3. Nondiscrimination. In the event that a multi-channel video programming distributor ("MVPD") provides video service to the residents of the City under a federal franchise, or other authorization, that is unavailable to the Franchisee, the Franchisee shall have a right to request amendments to this Franchise Agreement that relieve the Franchisee of regulatory burdens that, when taken as a whole, create a competitive disadvantage to the Franchisee. In requesting amendments, the Franchisee shall file a petition seeking to amend the Franchise Agreement. Such petition shall: (1) indicate the presence of a competitor that has a federal franchise, or other authorization; (2) identify the basis for Franchisee's belief that certain provisions of the Franchise Agreement place Franchisee at a competitive disadvantage; and (3) identify the regulatory burdens to be amended or repealed in order to eliminate the competitive disadvantage. If the Franchising Authority denies Franchisee's petition, Franchisee may, at its option, elect to shorten the remaining Term of this Franchise to not more than thirty six (36) months and shall be deemed to have timely invoked the formal renewal rights and procedures set forth in section 626 of the Communications Act, 47 U.S.C. §546.

13.4. Exemption. Video programming services delivered in the Franchise Area upon which the City may not impose similar requirements under state or federal law or that are not subject to the City's franchising authority are exempt from this Section 13.

SECTION 14 - Miscellaneous Provisions

14.1 Force Majeure. The Franchisee shall not be held in default under, or in non-compliance with, the provisions of the Franchise, nor suffer any enforcement or penalty relating to noncompliance or default (including termination, cancellation or revocation of the Franchise), where such non-compliance or alleged defaults occurred or were caused by lightning strike, earthquake, flood, tidal wave, unusually severe rain, ice or snow storm, hurricane, tornado, or other catastrophic act of nature; riot, war, labor disputes, environmental restrictions, failure of utility service or the failure of equipment or

facilities not belonging to Franchisee, denial of access to facilities or rights-of-way essential to serving the Franchise Area necessary to operate the Cable System, governmental, administrative or judicial order or regulation or other event that is reasonably beyond the Franchisee's ability to anticipate or control. This provision also covers work delays caused by waiting for utility providers to service or monitor their own utility poles on which the Franchisee's cable or equipment is attached, as well as unavailability of materials or qualified labor to perform the work necessary.

14.2 Notice. All notices shall be in writing and shall be sufficiently given and served upon the other party by hand delivery, first class mail, electronic mail registered or certified, return receipt requested, postage prepaid, or by reputable overnight courier service and addressed as follows:

To the Franchising Authority:

City of Danville
City Manager
P.O. Box 3300
427 Patton Street
Danville, Virginia 22801

To the Franchisee:

Comcast
5401 Staples Mill Road
Richmond, VA 23228
Attn: Government Affairs Department

With copies to:

Comcast Cable
7850 Walker Drive, 2nd Floor
Greenbelt, MD 20774
Attn.: Government Affairs Department

And to:

Comcast Cable Northeast Division
676 Island Pond Rd.
Manchester, NH 03109
Attention: Government Affairs Department

14.3 Entire Agreement. This Franchise Agreement and any exhibits or addendums hereto constitute the entire agreement between the Franchising Authority and the Franchisee and supersedes all prior or contemporaneous

agreements, ordinances, representations, promises or understandings, whether written or oral, of the parties regarding the subject matter hereof. Any agreements, ordinances, representations, or understandings or parts of such measures that are in conflict with or otherwise impose obligations different from the provisions of this Franchise Agreement are superseded by this Franchise Agreement.

14.4 Severability. If any section, subsection, sentence, clause, phrase, or other portion of this Franchise Agreement is, for any reason, declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent portion. Such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect.

14.5 Governing Law. This Franchise Agreement shall be deemed to be executed in the Commonwealth of Virginia, and shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the Commonwealth of Virginia, as applicable to contracts entered into and performed entirely within the Commonwealth.

14.6 Modification. No provision of this Franchise Agreement shall be amended or otherwise modified, in whole or in part, except by an instrument, in writing, duly executed by the Franchising Authority and the Franchisee, which amendment shall be authorized on behalf of the Franchising Authority through the adoption of an appropriate resolution or order by the Franchising Authority, as required by applicable law.

14.7 No Third-Party Beneficiaries. Nothing in this Franchise Agreement is or was intended to confer third-party beneficiary status on any member of the public to enforce the terms of this Franchise Agreement.

14.8 Captions. Captions to sections throughout this Franchise Agreement are solely to facilitate the reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

14.9 No Waiver of Rights. Nothing in this Franchise Agreement shall be construed as a waiver of any rights, substantive or procedural, which Franchisee may have under federal or state law unless such waiver is expressly stated herein.

14.10 Incorporation by Reference

14.10.1 All presently and hereafter applicable conditions and requirements of federal, State and generally applicable local laws, including but

not limited to the rules and regulations of the FCC and the State where the Franchise Area is located, as they may be amended from time to time, are incorporated herein by reference to the extent not enumerated herein. However, no such general laws, rules, regulations and codes, as amended, may alter the obligations, interpretation and performance of this Renewal Franchise to the extent that any provision of this Renewal Franchise conflicts with or is inconsistent with such laws, rules or regulations.

14.10.2. Should the State, the federal government or the FCC require Franchisee to perform or refrain from performing any act the performance or non-performance of which is inconsistent with any provisions herein, the Franchising Authority and Franchisee will thereupon, if they determine that a material provision herein is affected, modify any of the provisions herein to reflect such government action.

14.11 Calculation of Time. Where the performance or doing of any act, duty, matter, payment, or operation is required hereunder and the period of time or duration for the performance or doing thereof is prescribed and fixed herein, the time shall be computed so as to exclude the first day and include the last day of the prescribed or fixed period or duration of time. When the last day of the period falls on Saturday, Sunday, or a legal holiday, that day shall be omitted from the computation.

14.12 Annexation. Upon ninety (90) days' written notice from the Franchising Authority, any additions of territory to the City, by annexation or other legal means, contiguous to the Franchise Area, the portion of any Cable System of the Franchisee that may be located or operated within said territory shall thereafter be subject to all the terms of this Agreement as though it were an extension made hereunder.

14.13 Binding Acceptance. Each party represents to the other that the person signing on its behalf has the legal right and authority to execute, enter into and bind such party to the commitments and obligations set forth herein.

REMAINDER OF PAGE LEFT BLANK UNTIL SIGNATURE PAGE.

IN WITNESS WHEREOF, this Franchise Agreement has been executed by the duly authorized representatives of the parties as set forth below, as of the last date set forth below:

Franchising Authority: City of Danville, VA

By: _____

Print Name: Ken. F. Larking

Title: City Manager

Date: _____

Franchisee: Connecticut/Georgia/ Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC.

By: _____

Print Name: Mary McLaughlin

Title: Regional Senior Vice President

Date: _____

Council Letter
City of Danville, Virginia

CL-1991 **New Business** **Item #: B.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: Comcast Education and Government Channel Side Agreement

From: Jason Grey, Utilities Director

COUNCIL ACTION

Work Session Meeting: 10/16/2018

SUMMARY

The attached proposed agreement with Comcast details the expectations of changing the existing education and government channels over to high definition television by the third anniversary of the agreement. The agreement also requires Comcast to construct a fiber optic return line from the Municipal Building located at 427 Patton Street, to Comcast's headend located at 320 Coleman Estates Road in Danville, VA. The third requirement of the agreement details the pieces of equipment Comcast will be donating to the City as described in Exhibit A of the agreement.

BACKGROUND

The City and Comcast have negotiated the proposed agreement describing the expectations of each party regarding the educational and government channels for the foreseeable future. The City has a desire to broadcast City Council and other Commission meetings live and in high definition to Comcast customers across their cable system. The items listed in this agreement will assist both parties to provide a premium educational and government access channel to all City residents.

RECOMMENDATION

Staff recommends that City Council approve the mutually negotiated side agreement with Comcast in order to provide educational and government access channels to City residents.

Attachments

Resolution

Agreement

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018-____.____

A RESOLUTION APPROVING AND AUTHORIZING AN AGREEMENT WITH COMCAST OF CONNECTICUT-GEORGIA-MASSACHUSETTS-NEW HAMPSHIRE-NEW YORK-NORTH CAROLINA-VIRGINIA-VERMONT, LLC.

WHEREAS, as part of negotiations with Comcast of Connecticut-Georgia-Massachusetts-New Hampshire-New York-North Carolina-Virginia-Vermont, LLC ("Comcast") regarding cable services in the City, Comcast has offered to convey certain personal property and make available certain services to the City, not as part of the Franchise Agreement, but as a separate Agreement; and

WHEREAS, the City wishes to enter the Agreement attached to this Resolution and made a part hereof and incorporated herein as **Exhibit A** (the "Agreement") in order to obtain the property and services set forth therein, which are not otherwise reasonably available.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that it does hereby approve the Agreement attached hereto and incorporated herein as **Exhibit A** (the "Agreement"); and

BE IT FURTHER RESOLVED that the Council of the City of Danville, Virginia, authorizes the City Manager, Kenneth F. Larking, to execute the Agreement.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

AGREEMENT

This agreement is entered as of this __ day of _____, 2018, by and between COMCAST OF CONNECTICUT/GEORGIA/MASSACHUSETTS/NEW HAMPSHIRE/NEW YORK/NORTH CAROLINA/VIRGINIA/VERMONT, LLC, a Delaware limited liability company duly authorized to transact business in the Commonwealth of Virginia ("Comcast"), and the CITY OF DANVILLE, VIRGINIA, a municipal corporation of the Commonwealth of Virginia (the "City"; collectively, the "Parties"). For their agreement, the Parties state:

WHEREAS, the City is the Franchising Authority for the geographical area within its corporate limits, as defined in the Cable Communications Policy Act of 1984, as amended, 47 U.S.C. §§ 521 *et seq.* (the "Cable Act"); and

WHEREAS, Comcast is a Franchisee, as defined in the Cable Act, for the geographical area within the City's corporate limits; and

WHEREAS, in order better to carry out the purposes of the Parties, the Franchisee wishes to make certain capital improvements to its cable system and the components thereof in order to improve service within the City:

WITNESSETH:

NOW THEREFORE, in consideration of the mutual promises contained herein, together with other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1) *Educational and Governmental (EG) Access Return Line*: Comcast agrees, upon written request from the City, to construct a fiber return line from City Hall, located at 427 Patton Street, Danville, VA 24541, to Comcast's Headend, located at 320 Coleman Estates Road, Danville, VA 24540, within one hundred eighty (180) days of such request. The demarcation point between Comcast's equipment and the City's or EG Access provider's equipment shall be at the input of the encoder or similar device at the EG signal origination site. The City shall be responsible for all costs related to EG signal delivery to the demarcation point and Comcast shall be responsible for all costs related to EG signal delivery beyond the demarcation point. The cost of the fiber return line shall not be offset against the Virginia Communications Tax paid to the City and Comcast agrees not to pass the cost through as a separate line item on customer bills.

2) *Studio Equipment*: Comcast and the City agree that Comcast shall have no further financial or operational responsibility to maintain the PEG Access studio at 560 Patton Street, Danville, VA 24541, or to produce PEG Access programming. Comcast shall convey ownership of all recording and playback equipment, attached hereto on Exhibit A, that has been used in the operation of such studio to the City for use in support of EG operations and programming, by a deed, bill of sale, or other instrument reasonably acceptable to the City Attorney. The City shall take ownership of said equipment within sixty (60) days of such conveyance.

3) *High-Definition (HD) Educational and Governmental (EG) Access*: Following the third anniversary of the Effective Date of this Agreement, upon one hundred twenty (120) days written request of the Franchising Authority, Franchisee shall deliver one (1) EG Access Channel in HD format. The HD Access Channel shall be a rebroadcast of a current Standard Definition

("SD") Access Channel as long as SD Access Channels continue to be provided on the System. The EG Access provider or Franchising Authority shall be responsible for providing the EG Access signal in HD format acceptable to the Franchisee to the origination location demarcation point. The Franchising Authority acknowledges that a HD Access Channel may require Subscribers to buy or lease special equipment, available to all Subscribers, and subscribe to those tiers of Cable Service upon which HD channels are made available. Franchisee is not required to provide free HD equipment to Subscribers or the Franchising Authority.

Prior to the Franchisee being obligated to deliver any EG Access Channel in HD under this section, the Franchising Authority must demonstrate that there is non-repetitive, non-character generated, non-alphanumeric, locally-produced EG Programming available in HD a minimum of six (6) hours-per-day, five (5) days-per-week.

IN WITNESS WHEREOF, the Parties affix hereto their signatures:

COMCAST OF CONNECTICUT/GEORGIA/MASSACHUSETTS/ NEW HAMPSHIRE/NEW YORK/NORTH CAROLINA/VIRGINIA/VERMONT, LLC:

_____

By: _____

Its: _____

CITY OF DANVILLE, VIRGINIA:

_____

Kenneth Larking
City Manager

Approved as to legal form:

_____

W. Clarke Whitfield, Jr.
City Attorney

Exhibit A
PEG Access Studio Recording and Playback Equipment

Item	Model #
Quantafont C.G.	Q6A2
Panasonic Monitor	tr930w
Panasonic Monitor	tr930w
Panasonic Monitor	tr930w
Panasonic Monitor	tr930w
Panasonic Monitor	tr930w
Panasonic Monitor	tr930w
Lenco Frame & PS	PFM-300/302
Lenco sync module	PFM-320
Lenco sync module	PFM-350
Lenco sync module	PFM-310
Crosspoint Latch Swit	6112
Edutron T.B.C.	CCD-2H
JVC CCU	RS-2000
JVC CCU	RS-2000
Sony Monitor	CVM1250
Sony Monitor	CVM1250
Tektronix Waveform	TSM-5
Videotek Color Mont.	VM-12PRO
Videotek Color Mont.	VM-12PRO
	SM-11
	SM-11
	SM-11
Terry Hanely Pwr Pak	
Terry Hanely Pwr Pak	
Terry Hanely Pwr Pak	
Terry Hanely Pwr Pak	
Terry Hanely Pwr Pak	
Telex	2400
Telex	2400
Telex	2400
Telex	2400
Telex	2400
Sony Field Deck *	4800
JVC	TM-41AU
JVC PB1 12VBat. for above	
Lowell tota kit	TI-94-0
Sony Edit Deck	VO-5850
Sony Edit Deck	VO-5850
Sony Cntrl. Cables(2)	RCC-5E
Sony Dub Cable (1)	VDC-5
Hitachi Tuner	SR-2000
JVC	HZ-2100U
JVC Manual Focus	HZ-FM10U
JVC Servo Zoom Ctrl	HZ-ZS10U
JVC Camera Cable 65'	VC-555U
JVC Camera Cable 65'	VC-555U
JVC Cam-VTR Cbl. 14pin	VC-588U
JVC Front Support Handl	PN-SC73032
Sony Portable Recorder	VO-4800
Sony Battery Pack	BP-60
Sony Battery Pack	BP-60
K & H Carry Case for4800	KC-4800
K & H Video Cart	KHG-2
ITE Fluid Head	H-9
ITE Fluid Head	H-9
System Concept C.G.	Q-VIB
ISI Downstream Keyer	666
ISI Main Frame	501
ISI Power Supply	505
Lenco Delay Module	PSD-340
Lenco Video DA	PVA-350
Lenco Video DA	PVA-350
Lenco Video DA	PVA-350
Tiffen Star Filters	VV72mm
Tiffen Star Filters	VV72mm
Pansonic	WV-5311
Panasonic	TR-932
Panasonic	TR-932
Sony deck	VP-5000
Sony deck	VP-5000
Sony deck	VO-5800
Panasonic Recorder	
Videotek	
Panasonic Monitor	
Panasonic Monitor	
Lenco Amplifier	

Convergence Edit Ctrler	ECS905850
Sola Regulator	
Sony Generator	SEG2000
Panasonic Monitor	52038
Sony Deck	VP5000
Sony recorder	VO5850
Sony recorder	VO5850
Sony Battery Pak	BP60
Sony Portable Rec.	VO4800
JVC Battery	BP1U
JVC 5 Port Mon.	JVTM41AU
Teac Audio Mixer	TCTascam3
Scientific Atlanta Modulator	6350-11
Scientific Atlanta Modulator	6350-T7
JVC Viewfinder	JVVF2500BU
JVC Viewfinder	JVVF2500BU
Vert. Int. Swit	MM101
Waveform mon.	VTTSMS
Panasonic Mon.	CT102
JVC Lens	HZ21
JVC Extension	VC5140
JVC Camera	KY1900
JVC Camera	KY1900
Sony Deck	VO5600
Panasonic Video	G2JA833771265
VTS Logger	IGA-450/SP1
Sony Mon. & Rk Mt Kit	PVM-8200MB
Video Unit	
Power Supply	147
Ikegami Camera	ITC-730
TBC	CCD1H
Video Recorder	A2100
Sony Deck	VO5850
Sony Deck	VO5800
Encoder-Color TCE	TM 116/1600
Color SEG	338/VII-B
Color Sync Generator	949/TSG2C
Black Burst Generator	TMV400 134
Audio Mixer	
Cart Deck	3095/300c
Lighting System	
Pattern Card No.1	
Pattern Card No.2	
Pattern Card No.3	
Pattern Card No.4	
Cart Plbk Deck	300C
Cart Plbk Deck	300C
Audio Mixer	CBS4400
Audio Mixer	CBS4000
Demod w/rack	9m911
Switcher-Pre Select	6X2SE
TBC	388
Phase Shifter-C Camera	
Camera/Control Unit	
Camera/Control Unit	
Cable	
3M CG	D5000
JVC	CP5000U
JVC	CP5000U
Otari Reel to Reel(Audio)	MX-5050
Broadcast Electronics Cart Deck	Series 3000
Yamaha EFX Processor	SPX-1000
Yamaha Mixing Console	MC1204
Electro Voice Mic	667A
Winston PA amplifier	WA-45
Music Library	
Speco Speaker	DMS-3TS
Panasonic Monitor	WV763
Sparata Cart Deck	300CP
Shintron Pwr. Supply	374
Sony Betamax Deck	
Telemation Pulse DA	TPA-550
Bencher Copy Stand ^	CopymateII
JVC 3CCD Color Camera^	3CCD KY-F55
JVC AC Adapter for above^	
Ampex Reel to reel^	AG-600
Panasonic VCR VHS^	
Sony Deck 3/4"^	
Spart Cart Deck^	300CP
Furman Audio Mixer^	MM4A
Sony Monitor^	PVM-1351Q
Wacom Digitizing Tablet^	UD-0608-R
Panasonic Monitor 9"^	TR-930
Panasonic Monitor 9"^	TR-930
DFI PC Server ^	M486V-PRO
Inifinity Bookshelf Speakers	
Jesbee Video Control Center	AB-59
Videotek Sync Generator	VSG-201
Sony Deck	VO-9850
Sony Deck	VO-9850
Sony Deck	VO-9850
Sony Deck	VO-9850
Sony Edit Controller	RM-450
Sony Slo/mo Deck	BVU-820
Luxman CD Player	DZ-92
Onkyo Integrated Amp	TX-910
Sony Monitor	PVM-1341
Sony Monitor	PVM-1341
Sony Monitor	PVM-1341
Sony Monitor	PVM-1341

Panasonic VHS	
Panasonic VHS	
3M Graphics Generator	D-6000
Prime Image TBC	
Panasonic Video Switcher	WJ-200R
Videotek Vectorscope	VSM-61
Intergroup Keyer	
Ikegami CCU	CCU735
Ikegami CCU	CCU735
Grass Valley Group Switcher	110
JVC Dual Audio Cass. Deck	KD-W110
Panasonic Monitor	CT-1010M
Panasonic Monitor	CT-1010M
VTS Tone Incoder	420
Ikegami Camera	ITC-735
Ikegami Camera	ITC-735
Ikegami Viewfinder	VFM-572
Ikegami Viewfinder	VFM-572
Ikegami Camera	ITC-730
Shure Wireless Mic	EC4
Kodak A/V Projector	260
Sony Deck	7020
Sony Deck	7020
Sony Condenser Mic	C-48
Sony Battery Charger	8C-1WA

Council Letter
City of Danville, Virginia

CL-2008 **New Business** **Item #: C.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: Approval of Free Bus Service During November Elections

From: Ken F. Larking, City Manager

COUNCIL ACTION

Business Meeting: 10/16/18

SUMMARY

Free bus service will be offered on Election Day, November 6, 2018, to encourage interested persons to vote. Free bus service will be provided to all transit operations (fixed route and reservation based service.) The Transportation Advisory Committee supports offering this free bus service on November 6th and the Virginia Department of Rail and Public Transportation has indicated that a public hearing or public information meeting are not required.

RECOMMENDATION

Staff recommends City Council approve the attached Resolution Approving Free Bus Service in the City of Danville on Election Day, November 6, 2018.

Attachments

Resolution

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018-____.____

A RESOLUTION AUTHORIZING THE DANVILLE TRANSIT SYSTEM TO OFFER FREE BUS SERVICE ON TUESDAY, NOVEMBER 6, 2018.

WHEREAS, transportation access can challenge the public's ability to vote and participation may be improved by removing this barrier; and

WHEREAS, the Danville Transit System offers fixed route service to the majority of polling locations and offers reservation based transportation service and door-to-door service for persons with disabilities throughout the city limits of Danville.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia that it does hereby approve the Danville Transit System to offer free bus services on Tuesday, November 6, 2018 to transit passengers.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to Form and
Legal Sufficiency:

_____
City Attorney

Council Letter
City of Danville, Virginia

CL-1999 **New Business Item #: D.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: FY 2019 and FY 2020 Danville-Pittsylvania Community Services Performance Contract Approval

From: Earl B. Reynolds, Jr., Deputy City Manager

COUNCIL ACTION

Business Meeting: 10/16/2018

SUMMARY

In 1998, the General Assembly Passed HB 428, which required each local governing body to approve the local Community Services Board Performance Contract on an **annual basis**. In 2012, the General Assembly modified the Code which changed the approval process to a **bi- annual** approval of the Performance Contract. This contract is required by the State as a prerequisite to receive funding to support local mental health, developmental, and substance abuse services.

BACKGROUND

The Danville-Pittsylvania County Community Services Board of Directors approved the bi-annual Performance Contract for Fiscal Years 2019 and 2020 on June 27, 2018. Delays in submitting this request to both the City of Danville and Pittsylvania County occurred because of the delay in the General Assembly's passage of the State's bi-annual budget.

RECOMMENDATION

It is recommended that the City Council approve the attached Resolution approving the FY 2019 and FY 2020 Danville-Pittsylvania County Service Board Performance Contract and related documents.

Attachments

Resolution
Performance Contract
Partnership Agreement
Letter To City
State Funding Letter
Administrative Requirements

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018-____.____

A RESOLUTION APPROVING THE FISCAL YEAR 2019 AND THE FISCAL YEAR 2020 PERFORMANCE CONTRACT FOR DANVILLE-PITTSYLVANIA COMMUNITY SERVICES.

WHEREAS, 37.2-508 of the Code of Virginia requires the governing body of each city or county to approve its Community Services Board's Performance Contract through formal vote.

NOW THEREFORE, BE IT RESOLVED by Council of the City of Danville, Virginia, that the Fiscal Year 2019 and Fiscal Year 2020 Performance Contract, a copy of which is attached hereto, be, and it is hereby, authorized and approved; and

BE IT FURTHER RESOLVED that the City Manager, Kenneth F. Larking, be, and he is hereby, authorized to execute such agreement on behalf of the City.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

Performance Contract Table of Contents

Performance Contract Exhibits

1. **Contract Purpose**

   a. Title 37.2 of the Code of Virginia, hereafter referred to as the Code, establishes the Virginia Department of Behavioral Health and Developmental Services, hereafter referred to as the Department, to support delivery of publicly funded community mental health, developmental, and substance abuse, hereafter referred to as substance use disorder, services and supports and authorizes the Department to fund those services.

   b. Sections 37.2-500 through 37.2-512 of the Code require cities and counties to establish community services boards for the purpose of providing local public mental health, developmental, and substance use disorder services; §§ 37.2-600 through 37.2-615 authorize certain cities or counties to establish behavioral health authorities that plan and provide those same local public services. This contract refers to the community services board, local government department with a policy-advisory community services board, or behavioral health authority named in section 10 as the CSB. Section 37.2-500 or 37.2-601 of the Code requires the CSB to function as the single point of entry into publicly funded mental health, developmental, and substance use disorder services. The CSB fulfills this function for any person who is located in the CSB's service area and needs mental health, developmental, or substance use disorder services.

   c. Sections 37.2-508 and 37.2-608 of the Code and State Board Policy 4018, available at the Internet link in Exhibit L, establish this contract as the primary accountability and funding mechanism between the Department and the CSB, and the CSB is applying for the assistance provided under Chapter 5 or 6 of Title 37.2 by submitting this contract to the Department.

   d. The CSB Administrative Requirements document is incorporated into and made a part of this contract by reference; it includes or incorporates by reference ongoing statutory, regulatory, policy, and other requirements that are not contained in this contract. The CSB shall comply with all provisions and requirements in that document. If there is a conflict between provisions in that document and this contract, the language in this contract shall prevail. The document is available at the Internet link in Exhibit L.

   e. The Department and the CSB enter into this contract for the purpose of funding services provided directly or contractually by the CSB in a manner that ensures accountability to the Department and quality of care for individuals receiving services and implements the mission of supporting individuals by promoting recovery, self-determination, and wellness in all aspects of life. The CSB and the Department agree as follows.

2. **Relationship:** The Department functions as the state authority for the public mental health, developmental, and substance use disorder services system, and the CSB functions as the local authority for that system. The relationship between and the roles and responsibilities of the Department and the CSB are described in the Partnership Agreement between the parties, which is incorporated into and made a part of this contract by reference. The Agreement is available at the Internet link in Exhibit L. This contract shall not be construed to establish any employer-employee or principal-agent relationship between employees of the CSB or its board of directors and the Department.

3. **Contract Term:** This contract shall be in effect for a term of two years, commencing on July 1, 2018 and ending on June 30, 2020 if, by mutual agreement and pursuant to the provisions of § 37.2-508 of the Code, both parties agree to renew it for an additional fiscal year with the insertion of revised Exhibits A, E, F, and G for FY 2020.

4. **Scope of Services**

a. **Services:** Exhibit A of this contract includes all mental health, developmental, and substance use disorder services provided or contracted by the CSB that are supported by the resources described in section 5 of this contract. Services and certain terms used in this contract are defined in the current Core Services Taxonomy, which is incorporated into and made a part of this contract by reference and is available at the Internet link in Exhibit L.

1.) The CSB shall notify the Department before it begins providing a new category or subcategory or stops providing an existing category or subcategory of core services if the service is funded with more than 30 percent of state or federal funds or both. The CSB shall provide sufficient information to the Office of Support Services (OSS) in the Department for its review and approval of the change, and the CSB shall receive the Department's approval before implementing the new service or stopping the existing service. Pursuant to 12VAC35-105-60 of the *Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services*, available at the Internet link in Exhibit L, the CSB shall not modify a licensed service without submitting a modification notice to the Office of Licensing in the Department at least 45 days in advance of the proposed modification.

2.) The CSB operating a residential crisis stabilization unit (RCSU) shall not increase or decrease the licensed number of beds in the RCSU or close it temporarily or permanently without informing the Office of Licensing and the OSS and receiving the Department's approval prior to implementing the change.

3.) The CSB shall comply with the requirements in Appendix H for Regional Local Inpatient Purchase of Services (LIPOS) funds.

b. **Expenses for Services:** The CSB shall provide those services funded within the funds and for the costs set forth in Exhibit A and documented in the CSB's financial management system. The CSB shall distribute its administrative and management expenses across the three program areas (mental health, developmental, and substance use disorder services), emergency services, and ancillary services on a basis that is auditable and satisfies Generally Accepted Accounting Principles. CSB administrative and management expenses shall be reasonable and subject to review by the Department.

c. **Continuity of Care:** The CSB shall follow the Continuity of Care Procedures in Appendix A of the CSB Administrative Requirements. The CSB shall comply with regional emergency services protocols.

1.) **Coordination of Developmental Disability Waiver Services:** The CSB shall provide case management, also referred to as support coordination, services directly or through contracts to all individuals who are receiving services under Medicaid Developmental Disability Home and Community-Based Waivers (DD Waivers). In its capacity as the case manager for these individuals and in order to receive payment for services from the Department of Medical Assistance Services (DMAS), the CSB shall coordinate the development of service authorization requests for DD Waiver services and submit them to the Department for authorization, pursuant to the current DMAS/Department Interagency Agreement, under which the Department authorizes waiver services as a delegated function from the DMAS. As part of its specific case management responsibilities for individuals receiving DD Waiver services, the CSB shall coordinate and monitor the delivery of all services to individuals it serves, including monitoring the receipt of services in an individual's individual support plan (ISP) that are delivered by

independent providers who are reimbursed directly by the DMAS, to the extent that the CSB is not prohibited from doing so by such providers (refer to the DMAS policy manuals for the DD Waivers). The CSB shall raise issues regarding its efforts to coordinate and monitor services provided by independent vendors to the applicable funding or licensing authority, such as the Department, DMAS, or Virginia Department of Social Services. In fulfilling this service coordination responsibility, the CSB shall not restrict or seek to influence an individual's choice among qualified service providers. This section does not, nor shall it be construed to, make the CSB legally liable for the actions of independent providers of DD Waiver services.

2.) **Linkages with Health Care:** When it arranges for the care and treatment of individuals in hospitals, inpatient psychiatric facilities, or psychiatric units of hospitals, the CSB shall assure its staff's cooperation with those hospitals, inpatient psychiatric facilities, or psychiatric units of hospitals, especially emergency rooms and emergency room physicians, to promote continuity of care for those individuals. Pursuant to subdivision A.4 of § 37.2-505, the CSB shall provide information using a template provided by the Department about its substance use disorder services for minors to all hospitals in its service area that are licensed pursuant to Article 1 of Chapter 5 of Title 32.1.

3.) **Medical Screening and Medical Assessment:** When it arranges for the treatment of individuals in state hospitals or local inpatient psychiatric facilities or psychiatric units of hospitals, the CSB shall assure that its staff follows the current *Medical Screening and Medical Assessment Guidance Materials*, available at the Internet link in Exhibit L. The CSB staff shall coordinate care with emergency rooms, emergency room physicians, and other health and behavioral health providers to ensure the provision of timely and effective medical screening and medical assessment to promote the health and safety of and continuity of care for individuals receiving services.

4.) **Coordination with Local Psychiatric Hospitals:** When the CSB performed the preadmission screening evaluation for an individual admitted involuntarily and when referral to the CSB is likely upon the discharge, the CSB shall coordinate or, if it pays for the service, approve an individual's admission to and continued stay in a psychiatric unit or psychiatric hospital. The CSB shall collaborate with the unit or hospital to assure appropriate treatment and discharge planning to the least restrictive setting and to avoid the use of these facilities when the service is no longer needed.

5.) **Targeted Case Management Services:** In accordance with the Community Mental Health Rehabilitative Services manual and the policy manuals for the DD Waivers issued by the DMAS, the CSB shall be the only provider of rehabilitative mental health case management services and shall have sole responsibility for targeted DD case management services, whether the CSB provides them directly or subcontracts them from another provider.

6.) **Choice of Case Managers:** Individuals receiving case management services shall be offered a choice of case managers to the extent possible, and this shall be documented by a procedure to address requests for changing a case manager or for receiving case management services at another CSB or from a contracted case management services provider. The CSB shall provide a copy of this procedure to the Department upon request. During its inspections, the Department's Licensing Office may verify this as it reviews services records and examines the procedure.

7.) **Access to Services:** The CSB shall not establish or implement policies that deny or limit access to services funded in part by state or local matching funds or federal block

grant funds only because an individual: a.) is not able to pay for services, b.) is not enrolled in Medicaid, or c.) is involved in the criminal justice system. The CSB shall not require an individual to receive case management services in order to receive other services that it provides, directly or contractually, unless it is permitted to do so by applicable regulations or the person is an adult with a serious mental illness, a child with or at risk of serious emotional disturbance, or an individual with a developmental disability or a substance use disorder, the person is receiving more than one other service from the CSB, or a licensed clinician employed or contracted by the CSB determines that case management services are clinically necessary for that individual. Federal Medicaid targeted case management regulations forbid using case management to restrict access to other services by Medicaid recipients or compelling Medicaid recipients to receive case management if they are receiving another service.

8.) **Virginia Psychiatric Bed Registry**: The CSB shall participate in and utilize the Virginia Psychiatric Bed Registry required by § 37.2-308.1 of the Code to access local or state hospital psychiatric beds or residential crisis stabilization beds whenever necessary to comply with requirements in § 37.2-809 of the Code that govern the temporary detention process. If the CSB operates residential crisis stabilization services, it shall update information about bed availability included in the registry whenever there is a change in bed availability for the facility or, if no change in bed availability has occurred, at least daily.

9.) **Preadmission Screening:** The CSB shall provide preadmission screening services pursuant to § 37.2-505 or § 37.2-606, § 37.2-805, § 37.2-809 through § 37.2-813, § 37.2-814, and § 16.1-335 et seq. of the Code and in accordance with the Continuity of Care Procedures in Appendix A of the CSB Administrative Requirements for any person who is located in the CSB's service area and may need admission for involuntary psychiatric treatment. The CSB shall ensure that persons it designates as preadmission screening clinicians meet the qualifications established by the Department per section 4.h and have received required training provided by the Department.

10.) **Discharge Planning:** The CSB shall provide discharge planning pursuant to § 37.2-505 or § 37.2-606 of the Code and in accordance with State Board Policies 1035 and 1036, the Continuity of Care Procedures, Exhibit K of this contract, and the current *Collaborative Discharge Protocols for Community Services Boards and State Hospitals - Adult & Geriatric or Child & Adolescent* and the *Training Center - Community Services Board Admission and Discharge Protocols for Individuals with Intellectual Disabilities* issued by the Department that are incorporated into and made a part of this contract by reference. The protocols and State Board policies are available at the Internet links in Exhibit I. The CSB shall monitor the state hospital extraordinary barriers to discharge list and strive to achieve community placements for individuals on the list for whom it is the case management CSB as soon as possible.

11.) **Retention in Services:** The CSB shall attempt to contact and re-engage any individual who (i) was admitted to the mental health or substance use disorder services program area, (ii) has not received any mental health or substance use disorder service within 100 days since the last service he or she received, and (iii) has not been discharged. The CSB may attempt to contact and re-engage an individual sooner than 100 days. If it cannot contact or re-engage the individual within 30 days from the end of the 100-day period, the CSB shall discharge the individual and report the discharge using a Community Consumer Submission 3 (CCS 3) type of care record with a through date of

the date of the last service she or he received. The CSB may discharge an individual sooner than this if discharge is clinically or administratively appropriate, for example if the individual moves out of the service area, terminates services, or dies.

d. **Populations Served:** The CSB shall provide needed services to adults with serious mental illnesses, children with or at risk of serious emotional disturbance, individuals with developmental disabilities, or individuals with substance use disorders to the greatest extent possible within the resources available to it for this purpose. The current Core Services Taxonomy defines these populations.

e. **Department of Justice Settlement Agreement Requirements:** The CSB agrees to comply with the following requirements in the Settlement Agreement for Civil Action No: 3:12cv00059-JAG between the U.S. Department of Justice (DOJ) and the Commonwealth of Virginia, entered in the U. S. District Court for the Eastern District of Virginia on August 23, 2012 [section IX.A, p. 36] and available at the Internet link in Exhibit I. Sections identified in text or brackets refer to sections in the Agreement. Requirements apply to the target population in section III.B: individuals with developmental disabilities who currently (i) reside in training centers, (ii) meet criteria for the DD Waiver waiting list, (iii) reside in a nursing home or an intermediate care facility (ICF), or (iv) receive DD Waiver services.

1.) Case management services, defined in section III.C.5.b, shall be provided to all individuals receiving Medicaid Home and Community-Based Waiver services under the Agreement by case managers or support coordinators who are not directly providing or supervising the provision of Waiver services to those individuals [section III.C.5.c, p. 8].

2.) For individuals receiving case management services pursuant to the Agreement, the individual's case manager or support coordinator shall meet with the individual face-to-face on a regular basis and shall conduct regular visits to the individual's residence, as dictated by the individual's needs [section V.F.1, page 26]. At these face-to-face meetings, the case manager or support coordinator shall: observe the individual and the individual's environment to assess for previously unidentified risks, injuries, needs, or other changes in status; assess the status of previously identified risks, injuries, needs, or other changes in status; assess whether the individual's individual support plan (ISP) is being implemented appropriately and remains appropriate for the individual; and ascertain whether supports and services are being implemented consistent with the individual's strengths and preferences and in the most integrated setting appropriate to the individual's needs. The case manager or support coordinator shall document in the ISP the performance of these observations and assessments and any findings, including any changes in status or significant events that have occurred since the last face-to-face meeting. If any of these observations or assessments identifies an unidentified or inadequately addressed risk, injury, need, or change in status, a deficiency in the individual's support plan or its implementation, or a discrepancy between the implementation of supports and services and the individual's strengths and preferences, then the case manager or support coordinator shall document the issue, convene the individual's service planning team to address it, and document its resolution.

3.) Using a process developed jointly by the Department and Virginia Association of Community Services Boards (VACSB) Data Management Committee, the CSB shall report the number, type, and frequency of case manager or support coordinator contacts with individuals receiving case management services [section V.F.4, p. 27].

4.) The CSB shall report key indicators, selected from relevant domains in section V.D.3 on page 24, from the case manager's or support coordinator's face-to-face visits and observations and assessments [section V.F.5, p 27].

5.) The individual's case manager or support coordinator shall meet with the individual face-to-face at least every 30 days, and at least one such visit every two months must be in the individual's place of residence, for any individuals who [section V.F.3, pages 26 and 27]:

a.) Receive services from providers having conditional or provisional licenses;

b.) Have more intensive behavioral or medical needs as defined by the Supports Intensity Scale category representing the highest level of risk to individuals;

c.) Have an interruption of service greater than 30 days;

d.) Encounter the crisis system for a serious crisis or for multiple less serious crises within a three-month period;

e.) Have transitioned from a training center within the previous 12 months; or

f.) Reside in congregate settings of five or more individuals.

Refer to Enhanced Case Management Criteria Instructions and Guidance issued by the Department, available at the Internet link in Exhibit L, for additional information.

6.) Case managers or support coordinators shall give individuals a choice of service providers from which they may receive approved DD Waiver services, present all options of service providers based on the preferences of the individuals, including CSB and non-CSB providers, and document this using the Virginia Informed Choice Form in the waiver management system (WaMS) application. [section III.C.5.c, p. 8].

7.) Case managers or support coordinators shall offer education about integrated community options to any individuals living outside of their own or their families' homes and, if relevant, to their authorized representatives or guardians [sec. III.D.7, p. 14]. Case managers shall offer this education at least annually and at the following times:

a.) at enrollment in a DD Waiver,

b.) when there is a request for a change in Waiver service provider(s),

c.) when an individual is dissatisfied with a current Waiver service provider,

d.) when a new service is requested,

e.) when an individual wants to move to a new location, or

f.) when a regional support team referral is made as required by the Virginia Informed Choice Form.

8.) CSB emergency services shall be available 24 hours per day and seven days per week, staffed with clinical professionals who shall be able to assess crises by phone, assist callers in identifying and connecting with local services, and, where necessary, dispatch at least one mobile crisis team member adequately trained to address the crisis [section III.C.6.b.i.A, p. 9]. This requirement shall be met through the Regional Education Assessment Crisis Services Habilitation (REACH) program that is staffed 24 hours per day and seven days per week by qualified persons able to assess and assist individuals and their families during crisis situations and has mobile crisis teams to address crisis situations and offer services and support on site to individuals and their families within one hour in urban areas and two hours in rural areas as measured by the average annual response time [section III.C.6.b.ii, pages 9 and 10]. Emergency services staff shall receive consistent training from the Department on the REACH crisis response system.

CSB emergency services shall notify the REACH program of any individual suspected of having a developmental disability who is experiencing a crisis and seeking emergency services as soon as possible, preferably at the onset of a preadmission screening evaluation. When possible, this would allow REACH and emergency services to appropriately divert the individual from admission to psychiatric inpatient services when possible. If the CSB has an individual receiving services in the REACH program with no plan for placement and a length of stay that will soon exceed 30 concurrent days, the CSB Executive Director or his or her designee shall provide a weekly update describing efforts to achieve an appropriate disposition for the individual to the Director of Community Support Services in the Department's Division of Developmental Services.

9.) Comply with State Board Policy 1044 (SYS) 12-1 Employment First, available at the Internet link in Exhibit L [section III.C.7.b, p. 11]. This policy supports identifying community-based employment in integrated work settings as the first and priority service option offered by case managers or support coordinators to individuals receiving day support or employment services.

10.) CSB case managers or support coordinators shall liaise with the Department's regional community resource consultants in their regions [section III.E.1, p. 14].

11.) Case managers or support coordinators shall participate in discharge planning with individuals' personal support teams (PSTs) for individuals in training centers for whom the CSB is the case management CSB, pursuant to § 37.2-505 and § 37.2-837 of the Code that requires the CSB to develop discharge plans in collaboration with training centers [section IV.B.6, p. 16].

12.) In developing discharge plans, CSB case managers or support coordinators, in collaboration with PSTs, shall provide to individuals and, where applicable, their authorized representatives, specific options for types of community placements, services, and supports based on the discharge plan and the opportunity to discuss and meaningfully consider these options [section IV.B.9, p. 17].

13.) CSB case managers or support coordinators and PST's shall coordinate with specific types of community providers identified in discharge plans as providing appropriate community-based services for individuals to provide individuals, their families, and, where applicable, their authorized representatives with opportunities to speak with those providers, visit community placements (including, where feasible, for overnight visits) and programs, and facilitate conversations and meetings with individuals currently living in the community and their families before being asked to make choices regarding options [section IV.B.9.b, p. 17].

14.) CSB case managers or support coordinators and PST's shall assist individuals and, where applicable, their authorized representatives in choosing providers after providing the opportunities described in subsection 13 above and ensure that providers are timely identified and engaged in preparing for individuals' transitions [section IV.B.9.c, p.17].

15.) Case managers or support coordinators shall provide information to the Department about barriers to discharge for aggregation and analysis by the Department for ongoing quality improvement, discharge planning, and development of community-based services [IV.B.14, p. 19].

16.) In coordination with the Department's Post Move Monitor, the CSB shall conduct post-move monitoring visits within 30, 60, and 90 days following an individual's movement

from a training center to a community setting [section IV.C.3, p.19]. The CSB shall provide information obtained in these post move monitoring visits to the Department within seven business days after the visit.

17.) If it provides day support or residential services to individuals in the target population, the CSB shall implement risk management and quality improvement processes, including establishment of uniform risk triggers and thresholds that enable it to adequately address harms and risks of harms, including any physical injury, whether caused by abuse, neglect, or accidental causes [section V.C.1, p. 22].

18.) Using the protocol and the real-time, web-based incident reporting system implemented by the Department, the CSB shall report any suspected or alleged incidents of abuse or neglect as defined in § 37.2-100 of the Code, serious injuries as defined in 12 VAC 35-115-30 of the *Rules and Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental Services*, available at the Internet link in Exhibit L, or deaths to the Department within 24 hours of becoming aware of them [section V.C.2, p. 22].

19.) Participate with the Department to collect and analyze reliable data about individuals receiving services under this Agreement from each of the following areas:

a.) safety and freedom from harm,
b.) physical, mental, and behavioral health and well-being,
c.) avoiding crises,
d.) stability,
e.) choice and self-determination,
f.) community inclusion,
g.) access to services,
h.) provider capacity

[section V.D.3, pgs. 24 & 25].

20.) Participate in the regional quality council established by the Department that is responsible for assessing relevant data, identifying trends, and recommending responsive actions in its region [section V.D.5.a, p. 25].

21.) Provide access to and assist the Independent Reviewer to assess compliance with this Agreement. The Independent Reviewer shall exercise his access in a manner that is reasonable and not unduly burdensome to the operation of the CSB and that has minimal impact on programs or services being provided to individuals receiving services under the Agreement [section VI.H, p. 30 and 31].

22.) Participate with the Department and its third party vendors in the implementation of the National Core Indicators (NCI) Surveys and Quality Service Reviews (QSRs) for selected individuals receiving services under the Agreement. This includes informing individuals and authorized representatives about their selection for participation in the NCI individual surveys or QSRs; providing the access and information requested by the vendor, including health records, in a timely manner; assisting with any individual specific follow up activities; and completing NCI surveys [section V.I, p. 28].

23.) The CSB shall notify the community resource consultant (CRC) and regional support team (RST) in the following circumstances to enable the RST to monitor, track, and trend community integration and challenges that require further system development:

a.) within five calendar days of an individual being presented with any of the following residential options: an ICF, a nursing facility, a training center, or a group home with a licensed capacity of five beds or more;

b.) if the CSB is having difficulty finding services within 30 calendar days after the individual's enrollment in the waiver; or

c.) immediately when an individual is displaced from his or her residential placement for a second time

[sections III.D.6 and III.E, p. 14].

24.) Case managers or support coordinators shall collaborate with the CRC to ensure that person-centered planning and placement in the most integrated setting appropriate to the individual's needs and consistent with his or her informed choice occur [section III.E.1-3, p. 14].

The Department encourages the CSB to provide the Independent Reviewer with access to its services and records and to individuals receiving services from the CSB; however, access shall be at the sole discretion of the CSB [section VI.G, p. 31].

f. **Emergency Services Availability:** The CSB shall have at least one local telephone number, and where appropriate one toll-free number, for emergency services telephone calls that is available to the public 24 hours per day and seven days per week throughout its service area. The number(s) shall provide immediate access to a qualified emergency services staff member. Immediate access means as soon as possible and within no more than 15 minutes. If the CSB uses an answering service to fulfill this requirement, the service must be able to contact a qualified CSB emergency services staff immediately to alert the staff member that a crisis call has been received. Using (1) an answering service with no immediate transfer to a qualified CSB emergency services staff, (2) the CSB's main telephone number that routes callers to a voice mail menu, (3) 911, or (4) the local sheriff's or police department's phone number does not satisfy this requirement. The CSB shall disseminate the phone number(s) widely throughout the service area, including local telephone books and appropriate local government and public service web sites, and the CSB shall display the number(s) prominently on the main page of its web site. The CSB shall implement procedures for handling emergency services telephone calls that ensure adequate emergency services staff coverage, particularly after business hours, so that qualified staff responds immediately to calls for emergency services, and the procedures shall include coordination and referral to the REACH program for individuals with developmental disabilities. The CSB shall provide the procedures for handling emergency services calls to the Department upon request.

g. **Preadmission Screening Evaluations**

1.) The purpose of preadmission screening evaluations is to determine whether the person meets the criteria for temporary detention pursuant to Article 16 of Chapter 11 of Title 16.1, Chapters 11 and 11.1 of Title 19.2, and Chapter 8 of Title 37.2 in the Code and to assess the need for hospitalization or treatment. Certified preadmission screening clinicians shall perform the evaluations. Preadmission screening evaluations are highly variable and individualized crisis assessments with clinical requirements that will vary based on the nature of the clinical presentation. However, the CSB shall ensure that all preadmission screening evaluations conducted by its staff include at a minimum:

a.) A review of past clinical and treatment information if available;

b.) Pertinent information from the clinical interview and collateral contacts or documentation of why this information was unavailable at the time of the evaluation;

c.) A documented risk assessment that includes an evaluation of the likelihood that, as a result of mental illness, the person will, in the near future, cause serious physical

harm to himself or others as evidenced by recent behavior causing, attempting, or threatening harm and other relevant information, if any;

d.) Thorough and detailed documentation of the clinical disposition and rationale for it;

e.) Documentation of all hospitals contacted, including state hospitals;

f.) Documentation of contact with the staff's supervisor and CSB leadership about the evaluation when necessary and within 60 minutes once an ECO has expired without locating an appropriate bed; and

g.) Documentation of contact with the REACH program for all individuals presenting with a DD diagnosis or a co-occurring DD diagnosis.

2.) Preadmission screening reports required by § 37.2-816 of the Code shall comply with requirements in that section and shall state:

a.) whether the person has a mental illness, and whether there exists a substantial likelihood that, as a result of mental illness, the person will, in the near future,

(i) cause serious physical harm to himself or others as evidenced by recent behavior causing, attempting, or threatening harm and other relevant information, if any, or

(ii) suffer serious harm due to his lack of capacity to protect himself from harm or provide for his basic human needs;

b.) whether the person is in need of involuntary inpatient treatment;

c.) whether there is no less restrictive alternative to inpatient treatment; and

d.) the recommendations for that person's placement, care, and treatment including, where appropriate, recommendations for mandatory outpatient treatment.

h. Certification of Preadmission Screening Clinicians: The CSB and Department prioritize having emergency custody order or preadmission screening evaluations performed pursuant to Article 16 of Chapter 11 of Title 16.1, Chapters 11 and 11.1 of Title 19.2, and Chapter 8 of Title 37.2 in the Code provided by the most qualified, knowledgeable, and experienced CSB staff. These evaluations are face-to-face clinical evaluations performed by designated CSB staff of persons in crisis who may be in emergency custody or who may need involuntary temporary detention or other emergency treatment. The CSB shall comply with the requirements in the current *Certification of Preadmission Screening Clinicians*, a document developed jointly by the Department and CSB representatives and made a part of this contract by reference, to enhance the qualifications, training, and oversight of CSB preadmission screening clinicians and increase the quality, accountability, and standardization of preadmission screening evaluations. This document is available at the Internet link in Exhibit L.

i. Developmental Case Management Services

1.) Case managers or support coordinators employed or contracted by the CSB shall meet the knowledge, skills, and abilities qualifications in the Case Management Licensing Regulations, 12 VAC 35-105-1250. During its inspections, the Department's Licensing Office may verify compliance as it reviews personnel records.

2.) Reviews of the individual support plan (ISP), including necessary assessment updates, shall be conducted with the individual quarterly or every 90 days and include modifications in the ISP when the individual's status or needs and desires change. During its inspections, the Department's Licensing Office may verify this as it reviews

ISPs including those from a sample identified by the CSB of individuals who discontinued case management services.

3.) Case managers or support coordinators shall ensure that all information about each individual, including the ISP and VIDES, is imported from the CSB's electronic health record (EHR) to the Department within five business days through an electronic exchange mechanism mutually agreed upon by the CSB and the Department into the electronic waiver management system (WaMS) when the individual is entered the first time for services, his or her living situation changes, her or his ISP is reviewed annually, or whenever changes occur, including information about the individual's:

a.) full name,
b.) social security number,
c.) Medicaid number,
d.) CSB unique identifier,
e.) current physical residence address,
f.) living situation (e.g., group home, family home, or own home),
g.) level of care information,
h.) terminations,
i.) transfers,
j.) waiting list information,
k.) diagnosis, and
l.) bed capacity of the group home if that is chosen.

4.) Case managers or support coordinators and other CSB staff shall comply with the SIS® Administration Process, available at the Internet link in Exhibit L, and any changes in the process within 30 calendar days of notification of the changes.

5.) Case managers or support coordinators shall notify the Department's service authorization staff that an individual has been terminated from all DD waiver services within 10 business days of termination.

6.) Case managers or support coordinators shall submit the Request to Retain a Slot form available in WaMS to the appropriate Department staff to hold a slot open within 10 business days of it becoming available.

7.) Case managers or support coordinators shall complete the level of care tool for individuals requesting DD Waiver services within 60 calendar days of application for individuals expected to present for services within one year.

8.) Case managers or support coordinators shall comply with the DD waitlist process and slot assignment process and implement any changes in the processes within 30 calendar days of written notice from the Department.

9.) The CSB shall report quarterly supervisory review data on a sample of records of individuals receiving services under DD Waivers to determine if key objectives are being met according to the waiver assurances submitted to the Centers for Medicare and Medicaid Services. The CSB shall submit the data in the supervisory review survey questionnaire no later than three weeks following the end of the quarter through a reporting method mutually approved by CSBs and the Department. The CSB shall complete its record reviews within the required timeframe for reporting the data for each quarter and shall complete all required samples before July 31st of the next fiscal year.

j. PACT Services: If the CSB receives state or federal funds from the Department for a Program of Assertive Community Treatment (PACT), it shall fulfill these requirements.

1.) Design and implement its PACT in accordance with requirements in 12VAC35-105-1360 through 1410 of the *Rules and Regulations for Licensing Providers by the*

Department of Behavioral Health and Developmental Services available at the Internet link in Exhibit L.

2.) Prioritize admission to its PACT for adults with serious mental illnesses who are currently residing in state hospitals, have histories of frequent use of state or local psychiatric inpatient services, or are homeless.

3.) Achieve and maintain a minimum caseload of 80 individuals receiving services within two years from the date of initial funding by the Department. When fully staffed, PACT teams shall serve at least 80 but no more than 120 individuals per 12VAC35-105-1370. If the caseload of the PACT is not growing at a rate that will achieve this caseload, the CSB shall provide a written explanation to and seek technical assistance from the Office of Adult Community Behavioral Health Services in the Department.

4.) Reduce use of state hospital beds by individuals receiving PACT services by at least eight beds (2,920 bed days) within two years from the date of initial funding by the Department.

5.) Maximize billing and collection of funds from other sources including Medicaid and other fees to enable state funds to expand services in the PACT.

6.) Assist Department staff as requested with any case-level utilization review activities, making records of individuals receiving PACT services available and providing access to individuals receiving PACT services for interviews.

7.) Ensure staff participate in PACT network meetings with other PACT teams as requested by the Department. PACT staff shall participate in technical assistance provided through the Department and shall obtain individual team-level training and technical assistance at least quarterly for the first two years of operation from recognized experts approved by the Department.

8.) Track and report expenditure of restricted PACT state mental health funds separately in the implementation status reports required in subsection 10 below. Include applicable information about individuals receiving PACT services and the services they receive in its information system and CCS 3 monthly extracts.

9.) Reserve any current restricted PACT state mental health funds for the PACT that remain unspent at the end of the fiscal year to be used only for the PACT in subsequent fiscal years as authorized by the Department.

10.) Submit monthly data extracts using the Department-provided database that include information on staffing, events involving individuals receiving services in the PACT, and outcomes. The Department shall provide the data collection and reporting database, submission due dates, and reporting protocols to the CSB in sufficient time to allow it to comply with them.

k. **Crisis Intervention Team (CIT) Services:** If the CSB receives state mental health funds for CIT services that provide triage, assessment, treatment, and referral services to individuals with serious mental illness as alternatives to incarceration, it shall fulfill these requirements.

1.) Work with community stakeholders, agencies, and partners across systems to coordinate the implementation and operation of the CIT Assessment Site and provide related access to appropriate services in accordance with its RFP response approved by the Department.

2.) Submit narrative semi-annual progress reports on these services through the Department's sFTP server and upload them to the Jail Diversion Folder within 45 calendar days of the end of the second quarter and within 60 days of the end of the fiscal year. Reports shall include a brief narrative of program activities for all CIT aspects of the services, implementation progress against milestones identified in the approved RFP response, and specific site-related challenges and successes for the reporting period. Instructions for naming the files are in the Data Reporting Manual provided by the Department to CSBs that received CIT funds.

3.) Include all funds, expenditures, and costs associated with these services provided to individuals residing in the CSB's service area in its Community Automated Reporting System (CARS) reports and applicable data about individuals receiving these services and service units received in its monthly CCS 3 extracts submitted to the Department.

4.) Submit quarterly data files as instructed by the Department using the Excel Data Template provided by the Department to CSBs that received CIT funds. Submit quarterly data reports within 45 calendar days of the end of the first three quarters and within 60 days of the end of the fiscal year. Submit the data files through the Department's sFTP server and upload them to the Jail Diversion Folder. Instructions for naming the files are in the Data Reporting Manual provided by the Department.

5.) Cooperate with the Department in annual site visits and agree to participate in scheduled assessment site meetings.

l. **Permanent Supportive Housing (PSH):** If the CSB receives state mental health funds for PSH for adults with serious mental illness, it shall fulfill these requirements.

1.) Comply with requirements in the PSH Initiative Operating Guidelines and any subsequent additions or revisions to the requirements agreed to by the participating parties. The Guidelines are incorporated into and made a part of this contract by reference and are available at the Internet link in Exhibit L. If the implementation of the program is not meeting its projected implementation schedule, the CSB shall provide a written explanation to and seek technical assistance from the Office of Adult Community Behavioral Health Services in the Department.

2.) Ensure that individuals receiving PSH have access to an array of clinical and rehabilitative services and supports based on the individual's choice, needs, and preferences and that these services and supports are closely coordinated with the housing-related resources and services funded through the PSH initiative.

3.) Maximize billing and collection of funds from other sources including Medicaid and other fees to increase the funds available for individuals receiving services funded through the PSH initiative.

4.) Assist Department staff as requested with any case-level utilization review activities, making records of individuals receiving PSH available and providing access to individuals receiving PSH for interviews.

5.) Track and report the expenditure of restricted state mental health PSH funds separately in the implementation status reports required in subsection 7 below. Based on these reports, the Department may adjust the amount of state funds on a quarterly basis up to the amount of the total allocation to the CSB. The CSB shall include applicable information about individuals receiving PSH services and the services they receive in its information system and CCS 3 monthly extracts.

6.) Reserve any current restricted state mental health funds for PSH that remain unspent at the end of the fiscal year to be used only for PSH activities in subsequent fiscal years as authorized by the Department.

7.) Submit implementation status reports for PSH within 45 days after the end of the quarter for the first three quarters and within 60 days of the end of the fiscal year to the Department. Submit data about individuals following guidance provided by the Office of Adult Community Behavioral Health and using the tools, platforms, and data transmission requirements provided by the Department. Establish mechanisms to ensure the timely and accurate collection and transmission of data. The Department shall provide the data collection and reporting database, submission due dates, and reporting protocols to the CSB in sufficient time to allow it to comply with them.

8.) Participate in PSH training and technical assistance in coordination with the Office of Adult Community Behavioral Health Services and any designated training and technical assistance providers.

m. **Same Day Access (SDA):** SDA means an individual may walk into or contact a CSB to request mental health or substance use disorder services and receive a comprehensive clinical behavioral health assessment, not just a screening, from a licensed or license-eligible clinician the same day. Based on the results of the comprehensive assessment, if the individual is determined to need services, the goal of SDA is that he or she receives an appointment for face-to-face or other direct services in the program offered by the CSB that best meets his or her needs within 10 business days, sooner if indicated by clinical circumstances. SDA emphasizes engagement of the individual, uses concurrent EHR documentation during the delivery of services, implements techniques to reduce appointment no shows, and uses centralized scheduling. If it has received state mental health funds to implement SDA, the CSB shall report SDA outcomes through the CCS 3 outcomes file. The CSB shall report the date of each SDA comprehensive assessment, whether the assessment determined that the individual needed services offered by the CSB, and the date of the first service offered at the CSB for all individuals seeking mental health or substance use disorder services from the CSB. The Department shall measure SDA by comparing the date of the comprehensive assessment that determined the individual needed services and the date of the first CSB face-to-face or other direct service received by the individual.

n. **Family Wellness Initiative:** If the CSB receives federal Substance Abuse Prevention and Treatment Block Grant funds to implement the Family Wellness Initiative, it shall fulfill these requirements.

1.) Use these funds only to implement this initiative as described in the CSB proposal approved by the Department. All Family Wellness Initiative CSBs have two adverse childhood experiences (ACE) interface master trainers in their communities and shall begin incorporating the science of ACE and resiliency into all family wellness initiatives described in the approved proposal.

2.) Include all funds, expenditures, and costs associated with these services provided to individuals residing in the CSB's service area in its CARS reports, and include applicable data monthly about individuals receiving these services and the service units received in its data entry in the Department's designated prevention data system. Report all staff hours of service program activity and participant data in the Department's designated prevention data system on a weekly basis.

3.) Submit quarterly reports in the format developed by the Department's Family Wellness Manager within 45 days after the end of the quarter for the first three quarters and within 60 days of the end of the fiscal year. Reports shall include:

a.) evidence of participant attendance in aspects of the CSB program and activities such as copies of log-in sheets for evidenced-based program and wellness activities;

b.) the status of achieving benchmarks;

c.) reporting on logic models and measures of performance;

d.) evidence of social media transmissions;

e.) strategies to recruit, engage, and retain families;

f.) copies of sign-in sheets and minutes of the Family Wellness Advisory Committee;

g.) wellness materials disseminated;

h.) an updated budget and budget narrative with each quarterly report on all revenues received and total expenditures made;

i.) sustainability efforts; and

j.) how cultural and linguistic competence is implemented.

4.) Maintain a Family Wellness Advisory Committee that includes representative community key stakeholders critical to the integration and sustainability of the initiative.

5.) Deliver at least 12 ACE presentations in the community and report data on those presentations to the Family Wellness Coordinator in the format provided by the Department.

6.) Orient and train all program staff associated with the Family Wellness Initiative. Use only staff trained in the program and ACE to facilitate classes.

5. **Resources:** Exhibit A of this contract includes the following resources: state funds and federal funds appropriated by the General Assembly and allocated by the Department to the CSB; balances of unexpended or unencumbered state and federal funds retained by the CSB and used in this contract to support services; local matching funds required by § 37.2-509 or § 37.2-611 of the Code to receive allocations of state funds; Medicaid Clinic, Targeted Case Management, Rehabilitative Services, GAP, ARTS, and DD Home and Community-Based Waiver payments and any other fees, as required by § 37.2-504 or § 37.2-605 of the Code; and any other funds associated with or generated by the services shown in Exhibit A. The CSB shall maximize billing and collecting Medicaid payments and other fees in all covered services to enable more efficient and effective use of the state and federal funds allocated to it.

a. **Allocations of State General and Federal Funds:** The Department shall inform the CSB of its state and federal fund allocations in a letter of notification. The Department may adjust allocation amounts during the term of this contract. The Department may reduce restricted or earmarked state or federal funds during the contract term if the CSB reduces significantly or stops providing services supported by those funds as documented in CCS 3 or CARS reports. These reductions shall not be subject to provisions in sections 9.c or 9.f of this contract. The Commissioner or his designee shall communicate all adjustments to the CSB in writing. Allocations of state and federal funds shall be based on state and federal statutory and regulatory requirements, provisions of the Appropriation Act, State Board policies, and previous allocation amounts.

b. **Disbursement of State or Federal Funds:** Continued disbursement of semi-monthly payments of restricted or earmarked state or federal funds by the Department to the CSB may be contingent on documentation in the CSB's CCS 3 and CARS reports that it is providing the services supported by these funds.

c. **Conditions on the Use of Resources:** The Department can attach specific conditions or requirements for use of funds, separate from those established by other authorities, only to the state and federal funds that it allocates to the CSB and not more than the 10 percent local matching funds that are required to obtain the CSB's state fund allocations.

6. **CSB Responsibilities**

a. **State Hospital Bed Utilization:** In accordance with § 37.2-508 or § 37.2-608 of the Code, the CSB shall develop jointly with the Department and with input from private providers involved with the public mental health, developmental, and substance use disorder services system mechanisms, such as the Discharge Protocols, Extraordinary Barriers to Discharge lists, and regional utilization management procedures and practices, and employ these mechanisms collaboratively with state hospitals that serve it to manage the utilization of state hospital beds. Utilization will be measured by bed days received by individuals for whom the CSB is the case management CSB.

The CSB shall implement procedures or utilize existing local or regional protocols to ensure appropriate management of each admission to a state hospital under a civil temporary detention order recommended by the CSB's preadmission screening clinicians to identify the cause of the admission and the actions the CSB may take in the future to identify alternative facilities. The CSB shall provide copies of the procedures and analyses to the Department upon request.

b. **Quality of Care**

1.) **Department CSB Performance Measures:** CSB staff shall monitor the CSB's outcome and performance measures in Exhibit B, identify and implement actions to improve its ranking on any measure on which it is below the benchmark, and present reports on the measures and actions at least quarterly during scheduled meetings of the CSB board of directors.

2.) **Quality Improvement and Risk Management:** The CSB shall develop, implement, and maintain a quality improvement plan, itself or in affiliation with other CSBs, to improve services, ensure that services are provided in accordance with current acceptable professional practices, and address areas of risk and perceived risks. The quality improvement plan shall be reviewed annually and updated at least every four years. The CSB shall develop, implement, and maintain, itself or in affiliation with other CSBs, a risk management plan or participate in a local government's risk management plan. The CSB shall work with the Department to identify how the CSB will address quality improvement activities.

The CSB shall implement, in collaboration with other CSBs in its region, the state hospital(s) and training centers serving its region, and private providers involved with the public mental health, developmental, and substance use disorder services system, regional utilization management procedures and practices that reflect the Regional Utilization Management Guidance document that is incorporated into and made a part of this contract by reference and is available at the Internet link in Exhibit L.

3.) **Critical Incidents:** The CSB shall implement procedures to insure that the executive director is informed of any deaths, serious injuries, or allegations of abuse or neglect as defined in the Department's Licensing (12VAC35-105-20) and Human Rights (12VAC35-115-30) Regulations when they are reported to the Department. The CSB shall provide a copy of its procedures to the Department upon request.

4.) **Individual Outcome and CSB Provider Performance Measures**

a.) **Measures:** Pursuant to § 37.2-508 or § 37.2-608 of the Code, the CSB shall report the data for individual outcome and CSB provider performance measures in Exhibit B of this contract to the Department.

b.) **Individual CSB Performance Measures:** The Department may negotiate specific, time-limited measures with the CSB to address identified performance concerns or issues. The measures shall be included as Exhibit D of this contract.

c.) **Individual Satisfaction Survey:** Pursuant to § 37.2-508 or § 37.2-608 of the Code, the CSB shall participate in the Annual Survey of Individuals Receiving MH and SUD Outpatient Services, the Annual Youth Services Survey for Families (i.e., Child MH survey), and the annual QSRs and the NCI Survey for individuals covered by the DOJ Settlement Agreement.

5.) **Prevention Services**

a.) **Strategic Prevention Framework (SPF):** The CSB, in partnership with local community coalitions, shall use the evidenced-based Strategic Prevention Framework (SPF) planning model to: complete a needs assessment using community, regional, and state data; build capacity to successfully implement prevention services; develop logic models and a strategic plan with measurable goals, objectives, and strategies; implement evidenced-based programs, practices, and strategies that are linked to data and target populations; evaluate program management and decision making for enabling the ability to reach outcomes; plan for the sustainability of prevention outcomes; and produce evidence of cultural competence throughout all aspects of the SPF process.

b.) **Logic Models:** The CSB shall use logic models that identify individual (i.e., youth, families, and parents) -, community-, and population-level strategies (e.g., environmental approaches). One logic model shall outline CSB federal substance abuse block grant (SABG) prevention set aside-funded services. The other model(s) shall be the CSB partnership coalition's logic model(s) reflecting the collaborative relationship of the CSB with the coalition in the implementation of community-level and environmental approaches. The CSB shall use the Institute of Medicine model to identify target populations based on levels of risk: universal, selective, and indicated. Substance abuse prevention services may not be delivered to persons who have substance use disorders in an effort to prevent continued substance use. The CSB shall utilize the six federal Center for Substance Abuse Prevention evidenced-based strategies: information dissemination, education and skill building, alternatives, problem identification and referral, community-based process, and environmental approaches. Community-based process and coalitions and environmental approaches that impact the population as a whole are keys to achieving successful outcomes and are Department priorities.

c.) **Program, Practice, and Strategy Selection and Implementation:** The Department prioritizes programs, practices, and strategies that target the prevention of substance use disorders and suicide and promotes mental health wellness across

the lifespan using data to identify specific targets. The current prevention model best practice and a Department priority is environmental strategies complemented by programs that target the highest risk populations: selective and indicated (refer to subsection 5.b). All programs, practices, and strategies must link to a current local needs assessment and align with priorities set forth by the Department. The CSB must select programs, practices, and strategies from the following menu: Office of Juvenile Justice and Delinquency Prevention Effective, Blueprints Model Programs, Blueprints Promising Programs, Suicide Prevention Resource Center Section 1, or Centers for Disease Control and Prevention Evidence-Based Practices, and the CSB must select them based on evidence and effectiveness for the community and target population. All programs, practices, and strategies must be approved by the Department prior to implementation.

d.) **Regional Suicide Prevention Initiatives:** The CSB shall work with the regional suicide prevention team to provide a regionally developed suicide prevention plan using the Strategic Prevention Framework model. The plan developed by the team shall identify suicide prevention policies and strategies using the most current data to target populations with the highest rates of suicide. If selected by the region, the CSB shall act as the fiscal agent for the state funds supporting the suicide prevention services.

e.) **Prevention Services Evaluations:** The CSB shall work with OMNI Institute, the Department's evaluation contractor, to develop an evaluation plan for its SABG prevention set aside-funded prevention services.

f.) **SYNAR Activities and Merchant Education:** In July 1992, Congress enacted P.L. 102-321 section 1926, the SYNAR Amendment, to decrease youth access to tobacco. To stay in compliance with the SABG, states must meet and sustain the merchant retail violation rate (RVR) under 20 percent or face penalties to the entire SABG, including funds for treatment. Merchant education involves educating local merchants about the consequences of selling tobacco products to youth. This strategy has been effective in keeping state RVR rates under the required 20 percent. The CSB shall conduct merchant education activities with all merchants deemed by the Alcoholic Beverage Control Board to be in violation of selling tobacco products to youth in the CSB's service area. Other merchants shall be added if deemed to be at higher risk due to factors such as being in proximity to schools. The CSB, itself or in collaboration with the local coalition, shall continuously update the verified list of tobacco retailers, including all retailers selling vapor products, by conducting store audits. The CSB shall conduct store audits of and merchant education with 100 percent of tobacco retailers in its service area over a two year period. Beginning in FY 2003, the Department allocated $10,000 annually to the CSB to complete SYNAR-related tasks. All store audit and merchant education activities shall be documented in the Counter Tools system and recorded in the prevention data system planned and implemented by the Department in collaboration with the VACSB Data Management Committee (DMC). Tobacco education programs for youth with the goal of reducing prevalence or use are not to be identified as SYNAR activities.

6.) **Case Management Services Training:** The CSB shall ensure that all direct and contract staff that provide case management services have completed the case management curriculum developed by the Department and that all new staff complete it within 30 days of employment. The CSB shall ensure that developmental disability case managers or support coordinators complete the ISP training modules developed by the

Department within 60 days of their availability on the Department's web site or within 30 days of employment for new staff.

7.) **Developmental Case Management Services Organization:** The CSB shall structure its developmental case management or support coordination services so that a case manager or support coordinator does not provide a DD Waiver service other than services facilitation and a case management or support coordination service to the same individual. This will ensure the independence of services from case management or service coordination and avoid perceptions of undue case management or support coordination influence on service choices by an individual.

8.) **Program and Service Reviews:** The Department may conduct or contract for reviews of programs or services provided or contracted by the CSB under this contract to examine their quality or performance at any time as part of its monitoring and review responsibilities or in response to concerns or issues that come to its attention, as permitted under 45 CFR § 164.512 (a), (d), and (k) (6) (ii) and as part of its health oversight functions under § 32.1-127.1:03 (D) (6) and § 37.2-508 or § 37.2-608 of the Code or with a valid authorization by the individual receiving services or his authorized representative that complies with the *Rules and Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental Services*, available at the Internet link in Exhibit L, and the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule. The CSB shall provide ready access to any records or other information necessary for the Department to conduct program or service reviews or investigations of critical incidents.

9.) **Response to Complaints:** Pursuant to § 37.2-504 or § 37.2-605 of the Code, the CSB shall implement procedures to satisfy the requirements for a local dispute resolution mechanism for individuals receiving services and to respond to complaints from individuals receiving services, family members, advocates, or other stakeholders as expeditiously as possible in a manner that seeks to achieve a satisfactory resolution and advises the complainant of any decision and the reason for it. The CSB shall acknowledge complaints that the Department refers to it within five business days of receipt and provide follow up commentary on them to the Department within 10 business days of receipt. The CSB shall post copies of its procedures in its public spaces and on its web site, provide copies to all individuals when they are admitted for services, and provide a copy to the Department upon request.

10.) **Access to Substance Abuse Treatment for Opioid Abuse:** The CSB shall ensure that individuals requesting treatment for opioid drug abuse, including prescription pain medications, regardless of the route of administration, receive rapid access to appropriate treatment services within 14 days of making the request for treatment or 120 days after making the request if the CSB has no capacity to admit the individual on the date of the request and within 48 hours of the request it makes interim services, as defined in 45 CFR § 96.126, available until the individual is admitted.

11.) **Residential Crisis Stabilization Units:** The CSB operating a RCSU shall staff and operate the unit so that it can admit individuals 24 hours per day and seven days per week. The unit shall accept any appropriate individuals under temporary detention orders (TDOs) and establish clinical criteria specifying the types of individuals under TDOs that it will accept. The CSB shall provide a copy of the criteria to the Department upon request for its review and approval. The unit shall implement a

written schedule of clinical programming that covers at least eight hours of services per day and seven days per week that is appropriate for the individuals receiving crisis services and whenever possible incorporates evidence-based and best practices. The RCSU shall provide a mix of individual, group, or family counseling or therapy, case management, psycho-educational, psychosocial, relaxation, physical health, and peer-run group services; access to support groups such as Alcoholics Anonymous or Narcotics Anonymous; access to a clinical assessment that includes ASAM Level of Care and medically monitored highly intensive residential services that have the capacity for medication assisted treatment when a substance use disorder is indicated; and other activities that are appropriate to the needs of each individual receiving services and focuses on his or her recovery. The CSB shall comply with the requirements in the Department's current Residential Crisis Stabilization Unit Expectations document that is incorporated into and made a part of this contract by reference and is available at the Internet link in Exhibit L.

c. Reporting Requirements

1.) **CSB Responsibilities:** For purposes of reporting to the Department, the CSB shall comply with State Board Policy 1030 and shall:

a.) provide monthly Community Consumer Submission 3 (CCS 3) extracts that report individual characteristic and service data to the Department, as required by § 37.2-508 or § 37.2-608 of the Code, the federal Substance Abuse and Mental Health Services Administration, and Part C of Title XIX of the Public Health Services Act - Block Grants, § 1943 (a) (3) and § 1971 and § 1949, as amended by Public Law 106-310, and as permitted under 45 CFR §§ 164.506 (c) (1) and (3) and 164.512 (a) (1) and (d) of the HIPAA regulations and §32.1-127.1:03.D (6) of the Code, and as defined in the current CCS 3 Extract Specifications, including the current Business Rules, that are available at the Internet link in Exhibit L and are incorporated into and made a part of this contract by reference;

b.) follow the current Core Services Taxonomy and CCS 3 Extract Specifications, when responding to reporting requirements established by the Department;

c.) complete the National Survey of Substance Abuse Treatment Services (N-SSATS) annually that is used to compile and update the National Directory of Drug and Alcohol Abuse Treatment Programs and the on-line Substance Abuse Treatment Facility Locator;

d.) follow the user acceptance testing process described in Appendix D of the CSB Administrative Requirements for new CCS 3 releases and participate in the user acceptance testing process when requested to do so by the Department;

e.) report service data on substance abuse prevention and mental health promotion services provided by the CSB that are supported wholly or in part by the SABG set aside for prevention services through the prevention data system planned and implemented by the Department in collaboration with the VACSB DMC, but report funding, expenditure, and cost data on these services through CARS per subsection 2.a.); and report service, funding, expenditure, and cost data on any other mental health prevention services through CCS 3 and CARS;

f.) supply information to the Department's Forensics Information Management System for individuals adjudicated not guilty by reason of insanity (NGRI), as required under § 37.2-508 or § 37.2-608 of the Code and as permitted under 45 CFR §§ 164.506 (c) (1) and (3), 164.512 (d), and 164.512 (k) (6) (ii);

g.) report data and information required by the current Appropriation Act; and

h.) report data identified collaboratively by the Department and the CSB working through the VACSB DMC on the REACH program if the CSB is the fiscal agent for this program.

2.) **Routine Reporting Requirements:** The CSB shall account for all services, funds, expenses, and costs accurately and submit reports to the Department in a timely manner using current CARS, CCS 3, or other software provided by the Department. All reports shall be provided in the form and format prescribed by the Department. The CSB shall provide the following information and meet the following reporting requirements:

a.) types and service capacities of services provided, costs for services provided, and funds received by source and amount and expenses paid by program area and for emergency and ancillary services semi-annually in CARS, and state and federal block grant funds expended by core service with the end-of-the-fiscal year CARS report;

b.) demographic characteristics of individuals receiving services and types and amounts of services provided to each individual monthly through the current CCS 3;

c.) Federal Balance Report (October 15);

d.) PATH reports (mid-year and at the end of the fiscal year);

e.) amounts of state, local, federal, Medicaid, other fees, other funds used to pay for services by core service in each program area and emergency and ancillary services in the end of the fiscal year CARS report; and

f.) other reporting requirements in the current CCS 3 Extract Specifications.

3.) **Subsequent Reporting Requirements:** In accordance with State Board Policy 1030, available at the Internet link in Exhibit L, the CSB shall work with the Department through the VACSB DMC to ensure that current data and reporting requirements are consistent with each other and the current Core Services Taxonomy, the current CCS 3, and the Treatment Episode Data Set (TEDS) and other federal reporting requirements. The CSB also shall work with the Department through the VACSB DMC in planning and developing any additional reporting or documentation requirements beyond those identified in this contract to ensure that the requirements are consistent with the current taxonomy, the current CCS 3, and the TEDS and other federal reporting requirements.

4.) **Data Elements:** The CSB shall work with the Department through the DMC to standardize data definitions, periodically review existing required data elements to eliminate elements that are no longer needed, minimize the addition of new data elements to minimum necessary ones, review CSB business processes so that information is collected in a systematic manner, and support efficient extraction of required data from CSB electronic health record systems whenever this is possible.

5.) **Streamlining Reporting Requirements:** The CSB shall work with the Department through the VACSB DMC to review existing reporting requirements including the current CCS 3 to determine if they are still necessary and, if they are, to streamline and reduce the number of portals through which those reporting requirements are submitted as much as possible; to ensure reporting requirements are consistent with the current CCS 3 Extract Specifications and Core Services Taxonomy; and to maximize the interoperability between Department and CSB data bases to support the electronic exchange of information and comprehensive data analysis.

d. **Data Quality:** The CSB shall review data quality reports from the Department on the completeness and validity of its CCS 3 data to improve data quality and integrity. When requested by the Department, the CSB executive director shall develop and submit a plan of correction to remedy persistent deficiencies in the CSB's CCS 3 submissions and, upon approval of the Department, shall implement the plan of correction.

e. **Providing Information:** The CSB shall provide any information requested by the Department that is related to the services, funds, or expenditures in this contract or the performance of or compliance with this contract in a timely manner, considering the type, amount, and availability of information requested. Provision of information shall comply with applicable laws and regulations governing confidentiality, privacy, and security of information regarding individuals receiving services from the CSB.

f. **Compliance Requirements:** The CSB shall comply with all applicable federal, state, and local laws and regulations, including those contained or referenced in the CSB Administrative Requirements and Exhibits F and J of this contract, as they affect the operation of this contract. Any substantive change in the CSB Administrative Requirements, except changes in statutory, regulatory, policy, or other requirements or in other documents incorporated by reference in it, which changes are made in accordance with processes or procedures associated with those statutes, regulations, policies, or other requirements or documents, shall constitute an amendment of this contract, made in accordance with applicable provisions of the Partnership Agreement, that requires a new contract signature page signed by both parties. If any laws or regulations that become effective after the execution date of this contract substantially change the nature and conditions of this contract, they shall be binding upon the parties, but the parties retain the right to exercise any remedies available to them by law or other provisions of this contract.

The CSB shall comply with the HIPAA and the regulations promulgated thereunder by their compliance dates, except where the HIPAA requirements and applicable state law or regulations are contrary and state statutes or regulations are more stringent, as defined in 45 CFR § 160.202, than the related HIPAA requirements. The CSB shall execute a Business Associate Agreement (BAA) initiated by the Department for any HIPAA- or 42 CFR Part 2-protected health information (PHI), personally identifiable information (PII), and other confidential data that it exchanges with the Department and its state facilities that is not covered by section 6.c.1.) a.) and f.) or 2.)c.) to ensure the privacy and security of sensitive data. The CSB shall ensure sensitive data, including HIPAA-PHI, PII, and other confidential data, exchanged electronically with the Department, its state hospitals and training centers, other CSBs, other providers, or persons meets the requirements in the FIPS 140-2 standard and is encrypted using a method supported by the Department.

The CSB shall follow the procedures and satisfy the requirements in the Performance Contract Process and the Administrative Performance Standards in Exhibits E and I of this contract and shall comply with the applicable provisions in all other Exhibits of this contract. The CSB shall document compliance with § 37.2-501 or § 37.2-602 of the Code in the end-of-the-fiscal year CARS report.

g. **Regional Programs:** The CSB shall manage or participate in the management of, account for, and report on regional programs in accordance with the Regional Program Operating Principles and the Regional Program Procedures in Appendices E and F of the Core Services Taxonomy. The CSB agrees to participate in any utilization review or management activities conducted by the Department involving services provided through a regional

program. Protected health information, personally identifiable information, or other information may be disclosed as permitted under 45 CFR §§ 164.506 (c) (1) and (3) and 164.512 (k) (6) (ii) of the HIPAA regulations and under §32.1-127.1:03.D (6) of the Code.

h. Intensive Care Coordination for the Comprehensive Services Act

1.) As the single point of entry into publicly funded mental health, developmental, and substance use disorder services pursuant to § 37.2-500 of the Code and as the exclusive provider of Medicaid rehabilitative mental health and developmental case management services and with sole responsibility for targeted DD case management services, the CSB is the most appropriate provider of intensive care coordination (ICC) services through the Children's Services Act (CSA), § 2.2-5200 et seq. of the Code. The CSB and the local community policy and management team (CPMT) in its service area shall determine collaboratively the most appropriate and cost-effective provider of ICC services for children who are placed in or are at risk of being placed in residential care through the CSA program in accordance with guidelines developed by the State Executive Council and shall develop a local plan for ICC services that best meets the needs of those children and their families. If there is more than one CPMT in the CSB's service area, the CPMTs and the CSB may work together as a region to develop a plan for ICC services.

2.) If the CSB is identified as the provider of ICC services, it shall work in close collaboration with its CPMT(s) and family assessment and planning team(s) to implement ICC services, to assure adequate support for these services through local CSA funds, and to assure that all children receive appropriate assessment and care planning services. Examples of ICC activities include: efforts at diversion from more restrictive levels of care, discharge planning to expedite return from residential or facility care, and community placement monitoring and care coordination work with family members and other significant stakeholders. If it contracts with another entity to provide ICC services, the CSB shall remain fully responsible for ICC services, including monitoring the services provided under the contract.

i. Electronic Health Record: The CSB shall implement and maintain an electronic health record (EHR) that has been fully certified and is listed by the Office of the National Coordinator for Health Information Technology-Authorized Testing and Certification Body to improve the quality and accessibility of services, streamline and reduce duplicate reporting and documentation requirements, obtain reimbursement for services, and exchange data with the Department and its state hospitals and training centers and other CSBs.

j. Reviews: The CSB shall participate in the periodic, comprehensive administrative and financial review of the CSB conducted by the Department to evaluate the CSB's compliance with requirements in the contract and CSB Administrative Requirements and the CSB's performance. The CSB shall address recommendations in the review report by the dates specified in the report or those recommendations may be incorporated in an Exhibit D.

k. Consideration of Department Comments or Recommendations: The executive director and CSB board members shall consider significant issues or concerns raised by the Commissioner of the Department at any time about the operations or performance of the CSB and shall respond formally to the Department, collaborating with it as appropriate, about these issues or concerns.

7. **Department Responsibilities**

a. **Funding:** The Department shall disburse state funds displayed in Exhibit A prospectively on a semi-monthly basis to the CSB, subject to the CSB's compliance with the provisions of this contract. Payments may be revised to reflect funding adjustments. The Department shall disburse federal grant funds that it receives to the CSB in accordance with the requirements of the applicable federal grant and, wherever possible, prospectively on a semi-monthly basis. The Department shall make these payments in accordance with Exhibit E of this contract.

b. **State Facility Services**

1.) **Availability:** The Department shall make state facility services available, if appropriate, through its state hospitals and training centers when individuals located in the CSB's service area meet the admission criteria for these services.

2.) **Bed Utilization:** The Department shall track, monitor, and report on the CSB's utilization of state hospital and training center beds and provide data to the CSB about individuals receiving services from its service area who are served in state hospitals and training centers as permitted under 45 CFR §§ 164.506 (c) (1), (2), and (4) and 164.512 (k) (6) (ii). The Department shall distribute reports to CSBs on state hospital and training center bed utilization by the CSB for all types of beds (adult, geriatric, child and adolescent, and forensic) and for TDO admissions and bed day utilization.

3.) **Continuity of Care:** The Department shall manage its state hospitals and training centers in accordance with State Board Policy 1035, available at the Internet link in Exhibit L, to support service linkages with the CSB, including adherence to the applicable provisions of the Continuity of Care Procedures, attached to the CSB Administrative Requirements as Appendix A, and the current *Collaborative Discharge Protocols for Community Services Boards and State Hospitals – Adult & Geriatric or Child & Adolescent* and the current *Training Center - Community Services Board Admission and Discharge Protocols for Individuals with Intellectual Disabilities*, available at the Internet links in Exhibit L. The Department shall assure state hospitals and training centers use teleconferencing technology to the greatest extent practicable to facilitate the CSB's participation in treatment planning activities and fulfillment of its discharge planning responsibilities for individuals in state hospitals and training centers for whom it is the case management CSB.

4.) **Medical Screening and Medical Assessment:** When working with CSBs and other facilities to arrange for treatment of individuals in the state hospital, the state hospital shall assure that its staff follows the current *Medical Screening and Medical Assessment Guidance Materials*, available at the Internet link in Exhibit L. The state hospital staff shall coordinate care with emergency rooms, emergency room physicians, and other health and behavioral health providers to ensure the provision of timely and effective medical screening and medical assessment to promote the health and safety of and continuity of care for individuals receiving services.

5.) **Planning:** The Department shall involve the CSB, as applicable and to the greatest extent possible, in collaborative planning activities regarding the future role and structure of state hospitals and training centers.

6.) **Virginia Psychiatric Bed Registry:** The Department shall participate in the Virginia Psychiatric Bed Registry required by § 37.2-308.1 of the Code, and state hospitals

shall update information about bed availability included in the registry whenever there is a change in bed availability for the hospital or, if no change in bed availability has occurred, at least daily.

c. Quality of Care

1.) **Measures:** The Department in collaboration with the VACSB Data Management and Quality Leadership Committees and the VACSB/DBHDS Quality and Outcomes Committee shall identify individual outcome, CSB provider performance, individual satisfaction, individual and family member participation and involvement measures, and quality improvement measures, pursuant to § 37.2-508 or § 37.2-608 of the Code, and shall collect information about these measures and work with the CSB to use them as part of the Continuous Quality Improvement Process described in Appendix E of the CSB Administrative Requirements to improve services.

2.) **Department CSB Performance Measures Data Dashboard:** The Department shall develop a data dashboard to display the CSB Performance Measures in Exhibit B, developed in collaboration with the CSB, and disseminate it to CSBs. The Department shall work with the CSB to identify and implement actions to improve the CSB's ranking on any outcome or performance measure on which it is below the benchmark.

3.) **Utilization Management:** The Department shall work with the CSB, state hospitals and training centers serving it, and private providers involved with the public mental health, developmental, and substance use disorder services system to implement regional utilization management procedures and practices reflected in the Regional Utilization Management Guidance document that is incorporated into and made a part of this contract by reference and is available at the Internet link in Exhibit L.

4.) **Continuity of Care:** In order to fulfill its responsibilities related to discharge planning, the Department shall comply with § 37.2-837 of the Code, State Board Policy 1036, the current *Collaborative Discharge Protocols for Community Services Boards and State Hospitals – Adult & Geriatric or Child & Adolescent* and the current *Training Center - Community Services Board Admission and Discharge Protocols for Individuals with Intellectual Disabilities*, available at the Internet links in Exhibit L, and the Continuity of Care Procedures, included in the CSB Administrative Requirements as Appendix A.

5.) **Human Rights:** The Department shall operate the statewide human rights system described in the current *Rules and Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental* Services, available at the Internet link in Exhibit L, by monitoring compliance with the human rights requirements in those regulations.

6.) **Licensing:** The Department shall license programs and services that meet the requirements in the current *Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services*, available at the Internet link in Exhibit L, and conduct licensing reviews in accordance with the provisions of those regulations. The Department shall respond in a timely manner to issues raised by the CSB regarding its efforts to coordinate and monitor services provided by independent providers licensed by the Department.

d. Reporting Requirements

1.) **Subsequent Reporting Requirements:** In accordance with State Board Policy 1030, the Department shall work with CSBs through the VACSB DMC to ensure that current

data and reporting requirements are consistent with each other and the current Core Services Taxonomy, the current CCS 3, and the Treatment Episode Data Set (TEDS) and other federal reporting requirements. The Department also shall work with CSBs through the DMC in planning and developing any additional reporting or documentation requirements beyond those identified in this contract to ensure that the requirements are consistent with the current taxonomy, current CCS 3, and TEDS and other federal reporting requirements. The Department shall work with the CSB through the DMC to develop and implement any changes in data platforms used, data elements collected, or due dates for existing reporting mechanisms, including CCS 3, CARS, WaMS, FIMS, and the current prevention data system and stand-alone spreadsheet or other program-specific reporting processes.

2.) **Community Consumer Submission:** The Department shall collaborate with CSBs through the DMC in the implementation and modification of the current CCS 3, which reports individual characteristic and service data that is required under § 37.2-508 or § 37.2-608 of the Code, the federal Substance Abuse and Mental Health Services Administration, and Part C of Title XIX of the Public Health Services Act - Block Grants, §1943 (a) (3) and § 1971 and § 1949, as amended by Public Law 106-310, to the Department and is defined in the current CCS 3 Extract Specifications, including the current Business Rules. The Department will receive and use individual characteristic and service data disclosed by the CSB through CCS 3 as permitted under 45 CFR §§ 164.506 (c) (1) and (3) and 164.512 (a) (1) of the HIPAA regulations and § 32.1-127.1:03.D (6) of the Code and shall implement procedures to protect the confidentiality of this information pursuant to § 37.2-504 or § 37.2-605 of the Code and HIPAA. The Department shall follow the user acceptance testing process described in Appendix D of the CSB Administrative Requirements for new CCS 3 releases.

3.) **Data Elements:** The Department shall work with CSBs through the DMC to standardize data definitions, periodically review existing required data elements to eliminate elements that are no longer needed, minimize the addition of new data elements to minimum necessary ones, review CSB business processes so that information is collected in a systematic manner, and support efficient extraction of required data from CSB electronic health record systems whenever this is possible. The Department shall work with the CSB through the DMC to develop, implement, maintain, and revise or update a mutually agreed upon electronic exchange mechanism that will import all information related to the support coordination or case management parts of the ISP (parts I-IV) and VIDES about individuals who are receiving DD Waiver services from CSB EHRs into WaMS. If the CSB does not use or is unable to use the data exchange, it shall enter this data directly into WaMS.

4.) **Surveys:** The Department shall ensure that all surveys and requests for data have been reviewed for cost effectiveness and developed through a joint Department and CSB process. The Department shall comply with the Procedures for Approving CSB Surveys, Questionnaires, and Data Collection Instruments and Establishing Reporting Requirements, reissued by Interim Commissioner Jack Barber on August 16, 2017 and available at the Internet link in Exhibit L.

5.) **Streamlining Reporting Requirements:** The Department shall work with CSBs through the DMC to review existing reporting requirements including the current CCS 3 to determine if they are still necessary and, if they are, to streamline and reduce the number of portals through which those reporting requirements are submitted as much as

possible; to ensure reporting requirements are consistent with the current CCS 3 Extract Specifications and Core Services Taxonomy; and to maximize the interoperability between Department and CSB data bases to support the electronic exchange of information and comprehensive data analysis.

e. **Data Quality:** The Department shall provide data quality reports to the CSB on the completeness and validity of its CCS 3 data to improve data quality and integrity. The Department may require the CSB executive director to develop and implement a plan of correction to remedy persistent deficiencies in the CSB's CCS 3 submissions. Once approved, the Department shall monitor the plan of correction and the CSB's ongoing data quality. The Department may address persistent deficiencies that are not resolved through this process with an Individual CSB Performance Measure in Exhibit D.

f. **Compliance Requirements:** The Department shall comply with all applicable state and federal statutes and regulations, including those contained or referenced in the CSB Administrative Requirements, as they affect the operation of this contract. Any substantive change in the CSB Administrative Requirements, except changes in statutory, regulatory, policy, or other requirements or in other documents incorporated by reference in it, which changes are made in accordance with processes or procedures associated with those statutes, regulations, policies, or other requirements or documents, shall constitute an amendment of this contract, made in accordance with applicable provisions of the Partnership Agreement, that requires a new contract signature page signed by both parties. If any laws or regulations that become effective after the execution date of this contract substantially change the nature and conditions of this contract, they shall be binding upon the parties, but the parties retain the right to exercise any remedies available to them by law or other provisions of this contract.

The Department and its state hospitals and training centers shall comply with HIPAA and the regulations promulgated thereunder by their compliance dates, except where the HIPAA requirements and applicable state law or regulations are contrary and state statutes or regulations are more stringent, as defined in 45 CFR § 160.202, than the related HIPAA requirements. The Department shall initiate a BAA with the CSB for any HIPAA- or 42 CFR Part 2-PHI, PII, and other confidential data that it and its state facilities exchange with the CSB that is not covered by section 6.c.1.) a.) and f.) or 2.)c.) to ensure the privacy and security of sensitive data. The Department shall execute a BAA with FEI, its WaMS contractor, for the exchange of PHI, PII, and other confidential data that it or the CSB exchanges with FEI to ensure the privacy and security of sensitive data. The Department and its state hospitals and training centers shall ensure that any sensitive data, including HIPAA-PHI, PII, and other confidential data, exchanged electronically with CSBs, other providers, or persons meets the requirements in the FIPS 140-2 standard and is encrypted using a method supported by the Department and CSB.

g. **Communication:** The Department shall provide technical assistance and written notification to the CSB regarding changes in funding source requirements, such as regulations, policies, procedures, and interpretations, to the extent that those changes are known to the Department. The Department shall resolve, to the extent practicable, inconsistencies in state agency requirements that affect requirements in this contract. The Department shall provide any information requested by the CSB that is related to performance of or compliance with this contract in a timely manner, considering the type, amount, and availability of the information requested. The Department shall issue new or revised policy, procedure, and guidance documents affecting CSBs via letters, memoranda,

or emails from the Commissioner, Deputy Commissioner, or applicable Assistant Commissioner to CSB executive directors and other applicable CSB staff and post these documents in an easily accessible place on its web site within 10 business days of the date on which the documents are issued via letters, memoranda, or emails.

h. **Regional Programs:** The Department may conduct utilization review or management activities involving services provided by the CSB through a regional program. If such activities involve the disclosure of PHI, PII, or other information, the information may be used and disclosed as permitted under 45 CFR §§ 164.506 (c) (1) and (3) and 164.512 (k) (6) (ii)) of the HIPAA regulations and §32.1-127.1:03.D (6) of the Code. If the CSB's receipt of state funds as the fiscal agent for a regional program, as defined in the Regional Program Principles and the Regional Program Procedures in Appendices E and F of the current Core Services Taxonomy, including regional DAP, acute inpatient care (LIPOS), or state facility reinvestment project funds, causes it to be out of compliance with the 10 percent local matching funds requirement in § 37.2-509 of the Code, the Department shall grant an automatic waiver of that requirement related to the funds for that regional program allocated to the other participating CSBs as authorized by that Code section and State Board Policy 4010, available at the Internet link in Exhibit L.

i. **Peer Review Process:** The Department shall implement a process in collaboration with volunteer CSBs to ensure that at least five percent of community mental health and substance abuse programs receive independent peer reviews annually, per federal requirements and guidelines, to review the quality and appropriateness of services. The Department shall manage this process to ensure that peer reviewers do not monitor their own programs.

j. **Electronic Health Record:** The Department shall implement and maintain an EHR in its central office and state hospitals and training centers that has been fully certified and is listed by the Office of the National Coordinator for Health Information Technology-Authorized Testing and Certification Body to improve the quality and accessibility of services, streamline and reduce duplicate reporting and documentation requirements, obtain reimbursement for services, and exchange data with CSBs.

k. **Reviews:** The Department shall review and take appropriate action on audits submitted by the CSB in accordance with the provisions of this contract and the CSB Administrative Requirements. The Department may conduct a periodic, comprehensive administrative and financial review of the CSB to evaluate the CSB's compliance with requirements in the contract and CSB Administrative Requirements and the CSB's performance. The Department shall present a report of the review to the CSB and monitor the CSB's implementation of any recommendations in the report.

l. **Department Comments or Recommendations on CSB Operations or Performance:** The Commissioner of the Department may communicate significant issues or concerns about the operations or performance of the CSB to the executive director and CSB board members for their consideration, and the Department agrees to collaborate as appropriate with the executive director and CSB board members as they respond formally to the Department about these issues or concerns.

8. **Subcontracting:** The CSB may subcontract any requirements in this contract. The CSB shall remain fully and solely responsible and accountable for meeting all of its obligations and duties under this contract, including all services, terms, and conditions, without regard to its

subcontracting arrangements. Subcontracting shall comply with applicable statutes, regulations, and guidelines, including the Virginia Public Procurement Act, § 2.1-4300 et seq. of the Code. All subcontracted activities shall be formalized in written contracts between the CSB and subcontractors. The CSB agrees to provide copies of contracts or other documents to the Department on request.

A subcontract means a written agreement between the CSB and another party under which the other party performs any of the CSB's obligations. Subcontracts, unless the context or situation supports a different interpretation or meaning, also may include agreements, memoranda of understanding, purchase orders, contracts, or other similar documents for the purchase of services or goods by the CSB from another organization or agency or a person on behalf of an individual. If the CSB hires an individual not as an employee but as a contractor (e.g., a part-time psychiatrist) to work in its programs, this does not constitute subcontracting under this section. CSB payments for rent or room and board in a non-licensed facility (e.g., rent subsidies or a hotel room) do not constitute subcontracting under this section, and the provisions of this section, except for compliance with the Human Rights regulations, do not apply to the purchase of a service for one individual.

a. **Subcontracts:** The written subcontract shall, as applicable and at a minimum, state the activities to be performed, the time schedule and duration, the policies and requirements, including data reporting, applicable to the subcontractor, the maximum amount of money for which the CSB may become obligated, and the manner in which the subcontractor will be compensated, including payment time frames. Subcontracts shall not contain provisions that require a subcontractor to make payments or contributions to the CSB as a condition of doing business with the CSB.

b. **Subcontractor Compliance:** The CSB shall require that its subcontractors comply with the requirements of all applicable federal and state statutes, regulations, policies, and reporting requirements that affect or are applicable to the services included in this contract. The CSB shall require that its subcontractors submit to the CSB all required CCS 3 data on individuals they served and services they delivered in the applicable format so that the CSB can include this data in its CCS 3 submissions to the Department. The CSB shall require that any agency, organization, or person with which it intends to subcontract services that are included in this contract is fully qualified and possesses and maintains current all necessary licenses or certifications from the Department and other applicable regulatory entities before it enters into the subcontract and places individuals in the subcontracted service. The CSB shall require all subcontractors that provide services to individuals and are licensed by the Department to maintain compliance with the Human Rights Regulations adopted by the State Board.

   The CSB shall, to the greatest extent practicable, require all other subcontractors that provide services purchased by the CSB for individuals and are not licensed by the Department to develop and implement policies and procedures that comply with the CSB's human rights policies and procedures or to allow the CSB to handle allegations of human rights violations on behalf of individuals served by the CSB who are receiving services from such subcontractors. When it funds providers such as family members, neighbors, individuals receiving services, or others to serve individuals, the CSB may comply with these requirements on behalf of those providers, if both parties agree.

c. **Subcontractor Dispute Resolution:** The CSB shall include contract dispute resolution procedures in its contracts with subcontractors.

d. **Quality Improvement Activities:** The CSB shall, to the extent practicable, incorporate specific language in its subcontracts regarding the quality improvement activities of subcontractors. Each vendor that subcontracts with the CSB should have its own quality improvement system in place or participate in the CSB's quality improvement program.

9. **Terms and Conditions**

a. **Availability of Funds:** The Department and the CSB shall be bound by the provisions of this contract only to the extent of the funds available or that may hereafter become available for the purposes of the contract.

b. **Compliance:** The Department may utilize a variety of remedies, including requiring a corrective action plan, delaying payments, reducing allocations or payments, and terminating the contract, to assure CSB compliance with this contract. Specific remedies, described in Exhibit I of this contract, may be taken if the CSB fails to satisfy the reporting requirements in this contract.

c. **Disputes:** Resolution of disputes arising from Department contract compliance review and performance management efforts or from actions by the CSB related to this contract may be pursued through the dispute resolution process in section 9.f, which may be used to appeal only the following conditions:

1.) reduction or withdrawal of state general or federal funds, unless funds for this activity are withdrawn by action of the General Assembly or federal government or by adjustment of allocations or payments pursuant to section 5 of this contract;

2.) termination or suspension of the contract, unless funding is no longer available;

3.) refusal to negotiate or execute a contract modification;

4.) disputes arising over interpretation or precedence of terms, conditions, or scope of the contract; or

5.) determination that an expenditure is not allowable under this contract.

d. **Remediation Process:** The Department and the CSB shall use the remediation process mentioned in subsection E of § 37.2-508 or § 37.2-608 of the Code to address a particular situation or condition identified by the Department or the CSB that may, if unresolved, result in termination of all or a portion of the contract in accordance with the provisions of section 9.e. The parties shall develop the details of this remediation process and add them as an Exhibit D of this contract. This exhibit shall:

1.) describe the situation or condition, such as a pattern of failing to achieve a satisfactory level of performance on a significant number of major outcome or performance measures in the contract, that if unresolved could result in termination of all or a portion of the contract;

2.) require implementation of a plan of correction with specific actions and timeframes approved by the Department to address the situation or condition; and

3.) include the performance measures that will document a satisfactory resolution of the situation or condition.

If the CSB does not implement the plan of correction successfully within the approved timeframes, the Department, as a condition of continuing to fund the CSB, may request changes in the management and operation of the CSB's services linked to those actions and

measures in order to obtain acceptable performance. These changes may include realignment or re-distribution of state-controlled resources or restructuring the staffing or operations of those services. The Department shall review and approve any changes before their implementation. Any changes shall include mechanisms to monitor and evaluate their execution and effectiveness.

e. **Termination**

1.) The Department may terminate all or a portion of this contract immediately at any time during the contract period if funds for this activity are withdrawn or not appropriated by the General Assembly or are not provided by the federal government. In this situation, the obligations of the Department and the CSB under this contract shall cease immediately. The CSB and Department shall make all reasonable efforts to ameliorate any negative consequences or effects of contract termination on individuals receiving services and CSB staff.

2.) The CSB may terminate all or a portion of this contract immediately at any time during the contract period if funds for this activity are withdrawn or not appropriated by its local government(s) or other funding sources. In this situation, the obligations of the CSB and the Department under this contract shall cease immediately. The CSB and Department shall make all reasonable efforts to ameliorate any negative consequences or effects of contract termination on individuals receiving services and CSB staff.

3.) In accordance with subsection E of § 37.2-508 or § 37.2-608 of the Code, the Department may terminate all or a portion of this contract, after unsuccessful use of the remediation process described in section 9.d and after affording the CSB an adequate opportunity to use the dispute resolution process described in section 9.f of this contract. The Department shall deliver a written notice specifying the cause to the CSB's board chairperson and executive director at least 75 days prior to the date of actual termination of the contract. In the event of contract termination under these circumstances, only payment for allowable services rendered by the CSB shall be made by the Department.

f. **Dispute Resolution Process:** Disputes arising from any of the conditions in section 9.c of this contract shall be resolved using the following process.

1.) Within 15 calendar days of the CSB's identification or receipt of a disputable action taken by the Department or of the Department's identification or receipt of a disputable action taken by the CSB, the party seeking resolution of the dispute shall submit a written notice to the Department's OSS Director, stating its desire to use the dispute resolution process. The written notice must describe the condition, nature, and details of the dispute and the relief sought by the party.

2.) The OSS Director shall review the written notice and determine if the dispute falls within the conditions listed in section 9.c. If it does not, the OSS Director shall notify the party in writing within seven days of receipt of the written notice that the dispute is not subject to this dispute resolution process. The party may appeal this determination to the Commissioner in writing within seven days of its receipt of the Director's written notification.

3.) If the dispute falls within the conditions listed in section 9.c, the OSS Director shall notify the party within seven days of receipt of the written notice that a panel will be appointed within 15 days to conduct an administrative hearing.

4.) Within 15 days of notification to the party, a panel of three or five disinterested persons shall be appointed to hear the dispute. The CSB shall appoint one or two members; the Commissioner shall appoint one or two members; and the appointed members shall appoint the third or fifth member. Each panel member will be informed of the nature of the dispute and be required to sign a statement indicating that he has no interest in the dispute. Any person with an interest in the dispute shall be relieved of panel responsibilities and another person shall be selected as a panel member.

5.) The OSS Director shall contact the parties by telephone and arrange for a panel hearing at a mutually convenient time, date, and place. The panel hearing shall be scheduled not more than 15 days after the appointment of panel members. Confirmation of the time, date, and place of the hearing will be communicated to all parties at least seven days in advance of the hearing.

6.) The panel members shall elect a chairman and the chairman shall convene the panel. The party requesting the panel hearing shall present evidence first, followed by the presentation of the other party. The burden shall be on the party requesting the panel hearing to establish that the disputed decision or action was incorrect and to present the basis in law, regulation, or policy for its assertion. The panel may hear rebuttal evidence after the initial presentations by the CSB and the Department. The panel may question either party in order to obtain a clear understanding of the facts.

7.) Subject to provisions of the Freedom of Information Act, the panel shall convene in closed session at the end of the hearing and shall issue written recommended findings of fact within seven days of the hearing. The recommended findings of fact shall be submitted to the Commissioner for a final decision.

8.) The findings of fact shall be final and conclusive and shall not be set aside by the Commissioner unless they are (a.) fraudulent, arbitrary, or capricious; (b.) so grossly erroneous as to imply bad faith; (c.) in the case of termination of the contract due to failure to perform, the criteria for performance measurement are found to be erroneous, arbitrary, or capricious; or (d.) not within the CSB's purview.

9.) The final decision shall be sent by certified mail to both parties no later than 60 days after receipt of the written notice from the party invoking the dispute resolution process.

10.) Multiple appeal notices shall be handled independently and sequentially so that an initial appeal will not be delayed by a second appeal.

11.) The CSB or the Department may seek judicial review of the final decision to terminate the contract in the Circuit Court for the City of Richmond within 30 days of receipt of the final decision.

g. **Contract Amendment:** This contract, including all exhibits and incorporated documents, constitutes the entire agreement between the Department and the CSB. The services identified in Exhibit A of this contract may be revised in accordance with the performance contract revision instructions contained in Exhibit E of this contract. Other provisions of this contract may be amended only by mutual agreement of the parties, in writing and signed by the parties hereto.

h. **Liability:** The CSB shall defend or compromise, as appropriate, all claims, suits, actions, or proceedings arising from its performance of this contract. The CSB shall obtain and maintain sufficient liability insurance to cover claims for bodily injury and property damage and suitable administrative or directors and officers liability insurance. The CSB may

discharge these responsibilities by means of a proper and sufficient self-insurance program operated by the state or a city or county government. The CSB shall provide a copy of any policy or program to the Department upon request. This contract is not intended to and does not create by implication or otherwise any basis for any claim or cause of action by a person or entity not a party to this contract arising out of any claimed violation of any provision of this contract, nor does it create any claim or right on behalf of any person to services or benefits from the CSB or the Department.

i. **Constitution of the CSB:** The resolutions or ordinances currently in effect that were enacted by the governing body or bodies of the local government or governments to establish the CSB are consistent with applicable statutory requirements in §§ 37.2-500, 37.2-501, and 37.2-502 or §§ 37.2-601, 37.2-602, and 37.2-603 of the Code and accurately reflect the current purpose, roles and responsibilities, local government membership, number and type of CSB board member appointments from each locality, the CSB's relationship with its local government or governments, and the name of the CSB.

j. **Severability:** Each paragraph and provision of this contract is severable from the entire contract, and the remaining provisions shall nevertheless remain in full force and effect if any provision is declared invalid or unenforceable.

10. **Signatures:** In witness thereof, the Department and the CSB have caused this performance contract to be executed by the following duly authorized officials.

Virginia Department of Behavioral Health and Developmental Services

By: _____

Name: S. Hughes Melton, MD, MBA FAAFP, FABAM

Title: Commissioner

Date: _____

Danville-Pittsylvania Community Services

CSB

By: Robert W. Warren

Name: Robert W. Warren

Title: CSB Chairperson

Date: June 28, 2018

By: James F. Reheau, LPC

Name: James F. Reheau, LPC

Title: CSB Executive Director

Date: June 28, 2018

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

Danville-Pittsylvania Community Services

Consolidated Budget (Pages AF-3 through AF-9)				
Funding Sources	Mental Health (MH) Services	Developmental (DV) Services	Substance Use Disorder (SUD) Services	TOTAL
State Funds	4,902,039	560,440	1,047,155	6,509,634
Local Matching Funds	430,200	365,635	230,911	1,026,746
Total Fees	3,325,966	8,413,273	9,015	11,748,254
Transfer Fees In/(Out)	0	0	0	0
Federal Funds	104,716	0	831,147	935,863
Other Funds	478,157	26,811	332,897	837,865
State Retained Earnings	77,555	0	0	77,555
Federal Retained Earnings	0		0	0
Other Retained Earnings	0	50,000	0	50,000
Subtotal Ongoing Funds	**9,318,633**	**9,416,159**	**2,451,125**	**21,185,917**
State Funds One-Time	0		0	0
Federal Funds One-Time	0		0	0
Subtotal One -Time Funds	**0**	**0**	**0**	**0**
TOTAL ALL FUNDS	**9,318,633**	**9,416,159**	**2,451,125**	**21,185,917**

Cost for MH/DV/SUD Services	8,398,483	9,403,159	1,909,648	19,711,290
			Cost for Emergency Services (AP-4)	1,429,511
			Cost for Ancillary Services (AP-4)	45,116
			Total Cost for Services	21,185,917

Local Match Computation	
Total State Funds	6,509,634
Total Local Matching Funds	1,026,746
Total State and Local Funds	7,536,380
Total Local Match % (Local / Total State + Local)	13.62%

CSB Administrative Percentage	
Administrative Expenses	2,255,223
Total Cost for Services	21,185,917
Admin / Total Expenses	10.64%

Danville-Pittsylvania Community Services

Financial Comments

Comment1	MH Other Federal $20,000 is USDA grant.
Comment2	MH State Retained Earnings $46,851 from previous year CIT
Comment3	assessment site state funds.
Comment4	MH State Retained Earnings-Regional $30,704 from FY18
Comment5	MH State Crisis Stabilization funds.
Comment6	MH in kind $3,500 from Juvenile Detention facility for space at
Comment7	WW Moore for the Juvenile Detention program. MH In kind
Comment8	$107,616; DV in kind $43,345 and SA in kind $6,699 for less than
Comment9	fair market value rent on facility space. Lessor's financial statements
Comment10	include a total of $157,660 in kind. DV in kind $110,821 from the City of
Comment11	Danville Recreation Dept for the Recreation Enrichment program for
Comment12	personnel, transportation and related operating costs of the program.
Comment13	MH First Aid & Suicide Prevention $12,500 used to cover marketing
Comment14	and advertising for Suicide Prevention.
Comment15	DV Other Retained Earnings $50,000 from previous years unspent
Comment16	fees to be used for building renovations to day services program.
Comment17	SUD Other Federal - CSB $109,571 from two grants from the Department
Comment18	of Crimial Justice Services.
Comment19	
Comment20	
Comment21	
Comment22	
Comment23	
Comment24	
Comment25	

FY 2019 Exhibit A: Resources and Services

Mental Health (MH) Services

Danville-Pittsylvania Community Services

Funding Sources	Funds
FEES	
MH Medicaid Fees	2,692,068
MH Fees: Other	633,898
Total MH Fees	3,325,966
MH Transfer Fees In/(Out)	0
MH Net Fees	3,325,966
FEDERAL FUNDS	
MH FBG SED Child & Adolescent (93.958)	59,891
MH FBG Young Adult SMI (93.958)	0
MH FBG SMI (93.958)	24,825
MH FBG SMI PACT (93.958)	0
MH FBG SMI SWVBH Board (93.958)	0
Total MH FBG SMI Funds	24,825
MH FBG Geriatrics (93.958)	0
MH FBG Peer Services (93.958)	0
Total MH FBG Adult Funds	24,825
MH Federal PATH (93.150)	0
MH Federal CABHI (93.243)	
MH Federal Pre-Trial Diversion Initiative (16.745)	0
MH Other Federal - DBHDS	0
MH Other Federal - CSB	20,000
Total MH Federal Funds	104,716
STATE FUNDS	
Regional Funds	
MH Acute Care (Fiscal Agent)	480,000
MH Acute Care Transfer In/(Out)	-167,638
Total MH Net Acute Care - Restricted	312,362
MH Regional DAP (Fiscal Agent)	2,592,640
MH Regional DAP Transfer In/(Out)	-1,806,526
Total MH Net Regional DAP - Restricted	786,114
MH Regional Residential DAP - Restricted	0
MH Crisis Stabilization (Fiscal Agent)	221,384
MH Crisis Stabilization - Transfer In/(Out)	0
Total Net MH Crisis Stabilization - Restricted	221,384
MH Transfers from DBHDS Facilities (Fiscal Agent)	0
MH Transfers from DBHDS Facilities - Transfer In/(Out)	0
Total Net MH Transfers from DBHDS Facilities	0

FY 2019 Exhibit A: Resources and Services

Mental Health (MH) Services

Danville-Pittsylvania Community Services

Funding Sources	Funds
MH Recovery (Fiscal Agent)	244,038
MH Other Merged Regional Funds (Fiscal Agent)	0
MH Total Regional Transfer In/(Out)	-190,428
Total MH Net Unrestricted Regional State Funds	53,610
Total MH Net Regional State Funds	1,373,470
Children State Funds	
MH Child & Adolescent Services Initiative	120,109
MH Children's Outpatient Services	75,000
Total MH Restricted Children's Funds	195,109
MH State Children's Services	25,000
MH Juvenile Detention	111,724
MH Demo Proj-System of Care (Child)	0
Total MH Unrestricted Children's Funds	136,724
MH Crisis Response & Child Psychiatry (Fiscal Agent)	0
MH Crisis Response & Child Psychiatry Transfer In/(Out)	42,324
Total MH Net Restricted Crisis Response & Child Psychiatry	42,324
Total State MH Children's Funds (Restricted for Children)	374,157
Other State Funds	
MH Law Reform	265,194
MH Pharmacy - Medication Supports	235,019
MH Jail Diversion Services	0
MH Assisted Living Facility Support	0
MH Docket Pilot JMHCP Match	0
MH Adult Outpatient Competency Restoration Services	0
MH CIT-Assessment Sites	298,240
MH Expand Telepsychiatry Capacity	0
MH Young Adult SMI	0
MH PACT	845,000
MH PACT - Forensic Enhancement	0
MH Gero-Psychiatric Services	0
MH Permanent Supportive Housing	194,630
MH STEP-VA	0
MH Expanded Community Capacity (Fiscal Agent)	0
MH Expanded Community Capacity Transfer In/(Out)	0
Total MH Net Expanded Community Capacity	0
MH First Aid and Suicide Prevention (Fiscal Agent)	0
MH First Aid and Suicide Prevention Transfer In/(Out)	12,500
Total MH Net First Aid and Suicide Prevention	12,500
Total MH Restricted Other State Funds	1,850,583

FY 2019 Exhibit A: Resources and Services

Mental Health (MH) Services

Danville-Pittsylvania Community Services

Funding Sources	Funds
MH State Funds	1,303,829
MH State Regional Deaf Services	0
MH State NGRI Funds	0
MH Geriatrics Services	0
Total MH Unrestricted Other State Funds	1,303,829
Total MH Other State Funds	3,154,412
TOTAL MH STATE FUNDS	4,902,039
OTHER FUNDS	
MH Other Funds	478,157
MH Federal Retained Earnings	0
MH State Retained Earnings	46,851
MH State Retained Earnings - Regional Programs	30,704
MH Other Retained Earnings	0
Total MH Other Funds	555,712
LOCAL MATCHING FUNDS	
MH Local Government Appropriations	319,084
MH Philanthropic Cash Contributions	0
MH In-Kind Contributions	111,116
MH Local Interest Revenue	0
Total MH Local Matching Funds	430,200
Total MH Funds	**9,318,633**
MH ONE TIME FUNDS	
MH FBG SMI (93.958)	0
MH FBG SED Child & Adolescent (93.958)	0
MH FBG Peer Services (93.958)	0
MH State Funds	0
Total One Time MH Funds	**0**
Total MH All Funds	**9,318,633**

FY 2019 Exhibit A: Resources and Services

Developmental Services (DV)

Danville-Pittsylvania Community Services

Funding Sources	Funds
FEES	
DV Medicaid DD Waiver Fees	1,151,813
DV Other Medicaid Fees	1.980,661
DV Medicaid ICF/IDD Fees	5,242,339
DV Fees: Other	38,460
Total DV Fees	8,413,273
DV Transfer Fees In/(Out)	0
DV NET FEES	8,413,273
FEDERAL FUNDS	
DV Other Federal - DBHDS	0
DV Other Federal - CSB	0
Total DV Federal Funds	0
STATE FUNDS	
DV State Funds	560,440
DV OBRA Funds	0
Total DV Unrestricted State Funds	560,440
DV Rental Subsidies	0
DV Guardianship Funding	0
DV Crisis Stabilization (Fiscal Agent)	0
DV Crisis Stabilization Transfer In(Out)	0
DV Net Crisis Stabilization	0
DV Crisis Stabilization-Children (Fiscal Agent)	0
DV Crisis Stabilization-Children Transfer In(Out)	0
DV Net Crisis Stabilization -Children	0
DV Transfers from DBHDS Facilities (Fiscal Agent)	0
DV Transfers from DBHDS Facilities - Transfer In/(Out)	0
Total Net DV Transfers from DBHDS Facilities	0
Total DV Restricted State Funds	0
Total DV State Funds	560,440
OTHER FUNDS	
DV Workshop Sales	0
DV Other Funds	26,811
DV State Retained Earnings	0
DV State Retained Earnings-Regional Programs	0
DV Other Retained Earnings	50,000
Total DV Other Funds	76,811

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

Developmental Services (DV)

Danville-Pittsylvania Community Services

Funding Sources	Funds
LOCAL MATCHING FUNDS	
DV Local Government Appropriations	211,469
DV Philanthropic Cash Contributions	0
DV In-Kind Contributions	154,166
DV Local Interest Revenue	0
Total DV Local Matching Funds	365,635
Total DV All Funds	**9,416,159**

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

Substance Use Disorder (SUD) Services

Danville-Pittsylvania Community Services

Funding Sources	Funds
FEES	
SUD Medicaid Fees	8,921
SUD Fees: Other	94
Total SUD Fees	9,015
SUD Transfer Fees In/(Out)	0
SUD NET FEES	9,015
FEDERAL FUNDS	
SUD FBG Alcohol/Drug Treatment (93.959)	399,975
SUD FBG SARPOS (93.959)	24,561
SUD FBG Jail Services (93.959)	0
SUD FBG Co-Occurring (93.959)	31,821
SUD FBG New Directions (93.959)	0
SUD FBG Recovery (93.959)	0
SUD FBG MAT - Medically Assisted Treatment (93.959)	0
Tota SUD FBG Alcohol/Drug Treatment Funds	456,357
SUD FBG Women (includes LINK at 6 CSBs) (93.959)	35,088
SUD FBG Prevention-Women (LINK) (93.959)	0
Total SUD FBG Women Funds	35,088
SUD FBG Prevention (93.959)	132,981
SUD FBG Prev-Family Wellness (93.959)	97,150
Total SUD FBG Prevention Funds	230,131
SUD Federal VA Project LINK/PPW (93.243)	0
SUD Federal CABHI (93.243)	0
SUD Federal Strategic Prevention (93.243)	0
SUD Federal YSAT – Implementation (93.243)	0
SUD Federal OPT-R - Prevention (93.788)	0
SUD Federal OPT-R - Treatment (93.788)	0
SUD Federal OPT-R - Recovery (93.788)	0
Total SUD Federal OPT-R Funds (93.788)	0
SUD Other Federal - DBHDS	0
SUD Other Federal - CSB	109,571
TOTAL SUD FEDERAL FUNDS	831,147
STATE FUNDS	
Regional Funds	
SUD Facility Reinvestment (Fiscal Agent)	0
SUD Facility Reinvestment Transfer In/(Out)	0
Total SUD Net Facility Reinvestment	0
SUD Transfers from DBHDS Facilities (Fiscal Agent)	0
SUD Transfers from DBHDS Facilities - Transfer In/(Out)	0
Total Net SUD Transfers from DBHDS Facilities	0

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

Substance Use Disorder (SUD) Services

Danville-Pittsylvania Community Services

Funding Sources	Funds
Other State Funds	
SUD Community Detoxification	0
SUD Women (includes LINK at 4 CSBs) (Restricted)	3,900
SUD Recovery Employment	0
SUD MAT - Medically Assisted Treatment	0
SUD Peer Support Recovery	0
Total SUD Restricted Other State Funds	3,900
SUD State Funds	1,011,443
SUD Region V Residential	0
SUD Jail Services/Juvenile Detention	0
SUD SARPOS	31,812
SUD Recovery	0
SUD HIV/AIDS	0
Total SUD Unrestricted Other State Funds	1,043,255
Total SUD Other State Funds	1,047,155
TOTAL SUD STATE FUNDS	1,047,155
OTHER FUNDS	
SUD Other Funds	332,897
SUD Federal Retained Earnings	0
SUD State Retained Earnings	0
SUD State Retained Earnings-Regional Programs	0
SUD Other Retained Earnings	0
Total SUD Other Funds	332,897
LOCAL MATCHING FUNDS	
SUD Local Government Appropriations	224,212
SUD Philanthropic Cash Contributions	0
SUD In-Kind Contributions	6,699
SUD Local Interest Revenue	0
Total SUD Local Matching Funds	230,911
Total SUD Funds	**2,451,125**
SUD ONE-TIME FUNDS	
SUD FBG Alcohol/Drug Treatment (93.959)	0
SUD FBG Women (includes LINK-6 CSBs) (93.959)	0
SUD FBG Prevention (93.959)	0
SUD State Funds	0
Total SUD One-Time Funds	**0**
Total All SUD Funds	**2,451,125**

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

Local Government Tax Appropriations

Danville-Pittsylvania Community Services

City/County	Tax Appropriation
Pittsylvania County	357,612
Danville City	397,153
Total Local Government Tax Funds:	754,765

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

Supplemental Information

Reconciliation of Projected Resources and Core Services Costs by Program Area

Danville-Pittsylvania Community Services

	MH Services	DV Services	SUD Services	Emergency Services	Ancillary Services	Total
Total All Funds (Page AF-1)	9,318,633	9,416,159	2,451,125			21,185,917
Cost for MH, DV, SUD, Emergency, and Ancillary Services	8,398,483	9,403,159	1,909,648	1,429,511	45,116	21,185,917
Difference	920,150	13,000	541,477	-1,429,511	-45,116	0

Difference results from

Other: 0

Explanation of Other in Table Above:

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

CSB 100 Mental Health Services

Danville-Pittsylvania Community Services

Report for Form 11

Core Services	Projected Service Capacity	Projected Numbers of Individuals Receiving Services	Projected Total Service Costs
250 Acute Psychiatric Inpatient Services	1.25 Beds	120	$312,362
310 Outpatient Services	0.81 FTEs	550	$302,193
312 Medical Services	2.99 FTEs	1450	$1,551,839
350 Assertive Community Treatment	9.6 FTEs	80	$1,318,220
320 Case Management Services	25.32 FTEs	1600	$2,682,033
420 Ambulatory Crisis Stabilization Services	0.1 Slots	120	$252,088
425 Mental Health Rehabilitation	40 Slots	80	$513,997
551 Supervised Residential Services	14 Beds	14	$38,032
581 Supportive Residential Services	4.55 FTEs	120	$1,415,219
610 Prevention Services	0 FTEs		$12,500
Totals		**4,134**	**$8,398,483**

Form 11A: Pharmacy Medication Supports	Number of Consumers
803 Total Pharmacy Medication Supports Consumers	250

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

CSB 200 Developmental Services

Danville-Pittsylvania Community Services

Report for Form 21

Core Services	Projected Service Capacity	Projected Numbers of Individuals Receiving Services	Projected Total Service Costs
320 Case Management Services	19.88 FTEs	750	$1,896,175
425 Developmental Habilitation	61 Slots	165	$1,850,927
501 Highly Intensive Residential Services (Community-Based ICF/ID Services)	25 Beds	25	$5,166,320
521 Intensive Residential Services	4 Beds	4	$400,854
581 Supportive Residential Services	0.67 FTEs	2	$88,883
Totals		**946**	**$9,403,159**

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

CSB 300 Substance Use Disorder Services

Danville-Pittsylvania Community Services

Report for Form 31

Core Services	Projected Service Capacity	Projected Numbers of Individuals Receiving Services	Projected Total Service Costs
310 Outpatient Services	3.46 FTEs	225	$219,634
312 Medical Services	0.84 FTEs	200	$190,571
335 Medication Assisted Treatment Services	0.78 FTEs	30	$150,921
320 Case Management Services	7.56 FTEs	350	$323,313
501 Highly Intensive Residential Services (Medically Managed Withdrawal Services)	0.9 Beds	70	$81,343
610 Prevention Services	6.5 FTEs		$943,866
Totals		**875**	**$1,909,648**

FY 2019 And FY2020 Community Services Performance Contract

FY 2019 Exhibit A: Resources and Services

CSB 400 Emergency and Ancillary Services

Danville-Pittsylvania Community Services

Report for Form 01

Core Services	Projected Service Capacity	Projected Numbers of Individuals Receiving Services	Projected Total Service Costs
100 Emergency Services	13.25 FTEs	1750	$1,429,511
318 Motivational Treatment Services	0.2 FTEs	65	$17,045
390 Consumer Monitoring Services	0.12 FTEs	100	$13,000
720 Assessment and Evaluation Services	0 FTEs	100	$15,071
Totals		**2,015**	**$1,474,627**

Exhibit B: Continuous Quality Improvement (CQI) Process and CSB Performance Measures

The Department shall continue to work with CSBs to achieve a welcoming, recovery-oriented, integrated services system for individuals receiving services and their families in which CSBs, state facilities, programs, and services staff, in collaboration with individuals and their families, are becoming more welcoming, recovery-oriented, and integrated. The process for achieving this goal within limited resources is to build a system-wide CQI process in a partnership among CSBs, the Department, and other stakeholders in which there is a consistent shared vision combined with a measurable and achievable implementation process for each CSB to make progress toward it.

Appendix E in the CSB Administrative Requirements provides further clarification for those implementation activities, so that each CSB can be successful in designing a performance improvement process at the local level. Pursuant to Section 7: Accountability in the Community Services Performance Contract Partnership Agreement, the CSB provides the affirmations in Appendix E of the CSB Administrative Requirements of its compliance with the performance expectations and goals in that appendix. If the CSB cannot provide a particular affirmation, it shall attach an explanation to this exhibit with a plan for complying with the identified expectation or goal, including specific actions and target dates. The Department will review this plan and negotiate any changes with the CSB, whereupon, it will be part of this exhibit.

The CSB and Department agree to implement, monitor, and take appropriate action on the following performance measures.

I. Exhibit B Performance Measures

A. Continuity of Care for Local Psychiatric Inpatient Discharges

1. **Measure:** Percent of individuals for whom the CSB purchased or managed local inpatient psychiatric services from a private psychiatric hospital or psychiatric unit in a public or private hospital who keep a face-to-face (non-emergency) mental health outpatient service appointment within seven calendar days after discharge.
2. **Benchmark: At least 70 percent** of these individuals shall receive a face-to-face (non-emergency) mental health outpatient service from the CSB within seven calendar days after discharge.
3. **Monitoring:** The Department shall monitor this measure through comparing CCS 3 data on individuals receiving local inpatient services funded through LIPOS, otherwise purchased, or managed (e.g., free bed days included in LIPOS contracts) by the CSB and the next date on which those individuals received mental health outpatient services after the end date for the inpatient services and work with the CSB to achieve this benchmark if it did not meet it.

B. Continuity of Care for State Hospital Discharges

1. **Measure:** Percent of individuals for whom the CSB is the identified case management CSB who keep a face-to-face (non-emergency) mental health outpatient service appointment within seven calendar days after discharge from a state hospital.
2. **Benchmark: At least 80 percent** of these individuals shall receive a face-to-face (non-emergency) mental health outpatient service from the CSB within seven calendar days after discharge.
3. **Monitoring:** The Department shall monitor this measure through comparing AVATAR data on individuals discharged from state hospitals to the CSB with CCS 3 data about

their dates of mental health outpatient services after discharge from the state hospital and work with the CSB to achieve this benchmark if it did not meet it.

C. Residential Crisis Stabilization Unit (RCSU) Utilization

1. **Measure:** Percent of all available RCSU bed days for adults and children utilized annually.
2. **Benchmark:** The CSB that operates an RCSU shall ensure that the RCSU, once it is fully operational, achieves an annual average utilization rate of **at least 75 percent** of available bed days.
3. **Monitoring:** The Department shall monitor this measure using data from CCS 3 service records and CARS service capacity reports and work with the CSB to achieve this benchmark if it did not meet it.

D. Regional Discharge Assistance Program (RDAP) Service Provision

1. **Measure:** Percentage of the total annual state RDAP fund allocations to a region obligated and expended by the end of the fiscal year.
2. **Benchmark:** CSBs in a region shall **obligate at least 95 percent and expend at least 90 percent** of the total annual ongoing state RDAP fund allocations on a regional basis by the end of the fiscal year. The benchmark does not include one-time state RDAP allocations provided to support ongoing DAP plans for multiple years.
3. **Monitoring:** The Department shall monitor this measure using reports from regional managers and CARS reports. If CSBs in a region cannot accomplish this measure, the Department may work with the regional management group (RMG) and participating CSBs to transfer state RDAP funds to other regions to reduce extraordinary barriers to discharge lists (EBLs) to the greatest extent possible, unless the CSBs through the regional manager provide acceptable explanations for greater amounts of unexpended or unobligated state RDAP funds. See Exhibit C for additional information.

E. Local Inpatient Purchase of Services (LIPOS) Provision

1. **Measure:** Percentage of the total annual regional state mental health LIPOS fund allocations to a region expended by the end of the fiscal year.
2. **Benchmark:** CSBs in a region shall **expend at least 85 percent** of the total annual regional state mental health LIPOS fund allocations by the end of the fiscal year.
3. **Monitoring:** The Department shall monitor this measure using reports from regional managers and CARS reports. If CSBs in a region cannot accomplish this measure, the Department may work with the regional management group (RMG) and participating CSBs to transfer regional state mental health LIPOS funds to other regions to expand the availability of local inpatient psychiatric hospital services to the greatest extent possible, unless the CSBs through the regional manager provide acceptable explanations for greater amounts of unexpended regional state mental health LIPOS funds. See Exhibit H for additional information.

F. PACT Caseload

1. **Measure:** Average number of individuals receiving services from the PACT team during the preceding quarter.
2. **Benchmark:** The CSB that operates a PACT team shall serve **at least 75 percent** of the number of individuals who could be served by the available staff providing services to

individuals at the ratio of 10 individuals per clinical staff on average (ref. 12VAC35-105-1370 in the Department's licensing regulations) in the preceding quarter.

3. **Monitoring:** The Department shall monitor this measure using data from the CCS 3 consumer and service files and the PACT data system and work with the CSB to achieve this benchmark if it did not meet it.

G. **Provision of Developmental Enhanced Case Management Services**

1. **Measures:** Percentage of individuals receiving DD Waiver services who meet the criteria for receiving enhanced case management (ECM) services who:
   a. Receive at least one face-to-face case management service monthly with no more than 40 days between visits, and
   b. Receive at least one face-to-face case management service visit every other month in the individual's place of residence.
2. **Benchmark:** The CSB shall provide the case management service visits in measures 1.a and b to **at least 90 percent** of the individuals receiving DD Wavier services who meet the criteria for ECM.
3. **Monitoring:** The Department shall use data from CCS 3 consumer, type of care, and service files to monitor these measures and work with the CSB to achieve this benchmark if it did not meet it.

H. The CSB agrees to monitor the percentage of adults (age 18 or older) receiving developmental case management services from the CSB whose case managers discussed integrated, community-based employment with them during their annual case management individual supports plan (ISP) meetings. The Department agrees to monitor this measure through using CCS 3 data and work with the CSB to increase this percentage. Refer to State Board Policy (SYS) 1044 Employment First for additional information and guidance. Integrated, community-based employment does not include sheltered employment.

I. The CSB agrees to monitor the percentage of adults (age 18 or older) receiving developmental case management services from the CSB whose ISPs, developed or updated at the annual ISP meeting, contained employment outcomes, including outcomes that address barriers to employment. The Department agrees to monitor this measure through using CCS 3 data and work with the CSB to increase this percentage. Employment outcomes do not include sheltered employment or prevocational services.

J. The CSB agrees to monitor and report data through CCS 3 about individuals who are receiving case management services from the CSB and are receiving DD Waiver services whose case managers discussed community engagement or community coaching opportunities with them during their most recent annual case management individual support plan (ISP) meeting. Community engagement or community coaching supports and fosters the ability of an individual to acquire, retain, or improve skills necessary to build positive social behavior, interpersonal competence, greater independence, employability, and personal choice necessary to access typical activities and functions of community life such as those chosen by the general population; it does not include community opportunities with more than three individuals with disabilities.

K. The CSB agrees to monitor and report data through CCS 3 about individuals who are receiving case management services from the CSB and are receiving DD Waiver services whose individual support plans (ISPs), developed or updated at the annual ISP meeting, contained community engagement or community coaching goals.

II. CSB Performance Measures: The CSB and Department agree to use the CSB Performance Measures, developed by the Department in collaboration with the VACSB Data Management, Quality Leadership, and VACSB/DBHDS Quality and Outcomes Committees to monitor outcome and performance measures for CSBs and improve the CSB's performance on measures where the CSB falls below the benchmark. These performance measures include:

- intensity of engagement of adults receiving mental health case management services,
- adults who are receiving mental health or substance use disorder outpatient or case management services or mental health medical services and have a new or recurrent diagnosis of major depressive disorder who received suicide risk assessments,
- children ages seven through 17 who are receiving mental health or substance use disorder outpatient or case management services or mental health medical services and have a new or recurrent diagnosis of major depressive disorder who received suicide risk assessments,
- adults with SMI who are receiving mental health case management services who received a complete physical examination in the last 12 months,
- adults who are receiving mental health medical services, had a Body Mass Index (BMI) calculated, and had a BMI outside of the normal range who had follow-up plans documented, and
- initiation, engagement, and retention in substance use disorder services for adults and children who are 13 years old or older with a new episode of substance use disorder services.

The last five measures are defined in Appendix H of CCS 3 Extract Specifications Version 7.4.

III. Access to Substance Abuse Services for Pregnant Women

Source of Requirement	SABG Block Grant
Type of Measure	Aggregate
Data Needed For Measure	Number of Pregnant Women Requesting Service Number of Pregnant Women Receiving Services Within 48 Hours
Reporting Frequency	Annually
Reporting Mechanism	Performance Contract Reports (CARS)

Signature: In witness thereof, the CSB provides the affirmations in Appendix E of the CSB Administrative Requirements and agrees to monitor and collect data and report on the measures in sections I, II, and III, and use data from the Department or other sources to monitor accomplishment of performance measures in this Exhibit and the expectations, goals, and affirmations in Appendix F, as denoted by the signatures of the CSB's Chairperson and Executive Director.

Danville-Pittsylvania Community Services

CSB

By:	[signature]	By:	[signature], LPC
Name:	Robert W. Warren	Name:	James F. Bebeau, LPC
Title:	CSB Chairperson	Title:	CSB Executive Director
Date:	June 28, 2018	Date:	June 28, 2018

Exhibit C: Regional Discharge Assistance Program (RDAP) Requirements

The Department and the CSB agree to implement the following requirements for management and utilization of all current state regional discharge assistance program (RDAP) funds to enhance monitoring of and financial accountability for RDAP funding, decrease the number of individuals on state hospital extraordinary barriers to discharge lists (EBLs), and return the greatest number of individuals with long lengths of state hospital stays to their communities.

1. The Department shall work with the VACSB, representative CSBs, and regional managers to develop clear and consistent criteria for identification of individuals who would be eligible for individualized discharge assistance program plans (IDAPPs) and acceptable uses of state RDAP funds and standard terminology that all CSBs and regions shall use for collecting and reporting data about individuals, services, funds, expenditures, and costs.

2. The CSB shall comply with the current Discharge Assistance Program Manual issued by the Department, which is incorporated into and made a part of this contract by reference and is available at the Internet link in Appendix L. If there are conflicts or inconsistencies between the manual and this contract, applicable provisions of this contract shall control.

3. All state RDAP funds allocated within the region shall be managed by the regional management group (RMG) and the regional utilization management and consultation team (RUMCT) on which the CSB participates in accordance with Appendices E and F of Core Services Taxonomy 7.3.

4. The CSB, through the RMG and RUMCT on which it participates, shall ensure that other funds such as Medicaid payments are used to offset the costs of approved IDAPPs to the greatest extent possible so that state RDAP funds can be used to implement additional IDAPPs to reduce EBLs.

5. On behalf of the CSBs in the region, the regional manager funded by the Department and employed by a participating CSB shall submit mid-year and end of the fiscal year reports to the Department in a format developed by the Department in consultation with regional managers that separately displays the total actual year-to-date expenditures of state RDAP funds for ongoing IDAPPs and for one-time IDAPPs and the amounts of obligated but unspent state RDAP funds.

6. The CSB and state hospital representatives on the RMG on which the CSB participates shall have authority to reallocate state RDAP funds among CSBs from CSBs that cannot use them in a reasonable time to CSBs that need additional state RDAP funds to implement more IDAPPs to reduce EBLs.

7. If CSBs in the region cannot obligate at least 95 percent and expend at least 90 percent of the total annual ongoing state RDAP fund allocations on a regional basis by the end of the fiscal year, the Department may work with the RMG and participating CSBs to transfer state RDAP funds to other regions to reduce EBLs to the greatest extent possible, unless the CSBs through the regional manager provide acceptable explanations for greater amounts of unexpended or unobligated state RDAP funds. This does not include one-time allocations to support ongoing DAP plans for multiple years.

8. On behalf of the CSBs in a region, the regional manager shall continue submitting the quarterly summary of IDAPPs to the Department in a format developed by the Department in consultation with regional managers that displays year-to-date information about ongoing and one-time IDAPPs, including data about each individual receiving DAP services, the amounts of state RDAP funds approved for each IDAPP, the total number of IDAPPs that have been implemented, and the projected total net state RDAP funds obligated for these IDAPPs.

9. The Department, pursuant to sections 6.f and 7.g of this contract, may conduct utilization reviews of the CSB or region at any time to confirm the effective utilization of state RDAP funds and the implementation of all approved ongoing and one-time IDAPPs.

Exhibit D: Individual CSB Performance Measures

Signatures: In witness thereof, the Department and the CSB have caused this performance contract amendment to be executed by the following duly authorized officials.

Virginia Department of Behavioral Health and Developmental Services

By: _____

Name: S. Hughes Melton, MD, MBA FAAFP, FABAM

Title: Commissioner

Date: _____

Danville-Pittsylvania Community Services

CSB

By: _____

Name: Robert W. Warren

Title: CSB Chairperson

Date: June 28, 2018

By: _____

Name: James F. Bebeau, LPC

Title: CSB Executive Director

Date: June 28, 2018

Exhibit E: Performance Contract Process

06-15-18: The Department distributes the FY 2019 and FY 2020 Community Services Performance Contract, hereafter referred to as the FY 2019 Performance Contract, by this date electronically. An Exhibit D may list performance measures that have been negotiated with a CSB to be included in the contract. The Department's Office of Information Services and Technology (OIS&T) distributes the FY 2019 Performance Contract package software in the Community Automated Reporting System (CARS) to CSBs. The Department distributes the FY 2019 Letters of Notification to CSBs by this date electronically with enclosures that show tentative allocations of state and federal block grant funds.

During June and July, CSB Financial Analysts in the Department's Office of Fiscal and Grants Management (OFGM) prepare electronic data interchange (EDI) transfers for the first two semi-monthly payments (July) of state and federal funds for all CSBs and send the transfers to the Department of Accounts.

07-11-18: The OIS&T distributes FY 2018 end of the fiscal year performance contract report software in CARS.

07-31-18: CSBs submit their Community Consumer Submission 3 (CCS 3) consumer, type of care, service, diagnosis, and outcomes extract files for June to the OIS&T in time to be received by this date.

During July and August, CSB Financial Analysts prepare EDI transfers for payments 3 and 4 (August) of state and federal funds and send the transfers to the Department of Accounts.

08-03-18: Exhibit A and other parts of the FY 2019 Performance Contract, submitted electronically in CARS, are due in the OIS&T by this date. Table 2 of the Performance Contract Supplement (also in CARS) shall be submitted with the contract. While a paper copy of the entire contract is not submitted, paper copies of the following completed pages with signatures where required are due in the Office of Support Services (OSS) by this date: signature pages of the contract body and Exhibit B, Exhibit D if applicable, Exhibit F (two pages), and Exhibit G. Contracts shall conform to Letter of Notification allocations of state and federal funds or amounts subsequently revised by or negotiated with the OSS and confirmed in writing and shall contain actual appropriated amounts of local matching funds. If the CSB cannot include the minimum 10 percent local matching funds in the contract, it shall submit a written request for a waiver of the matching funds requirement, pursuant to § 37.2-509 of the Code and State Board Policy 4010, to the OSS with its contract. This requirement also applies to end of the fiscal year performance contract reports if the reports reflect less than the minimum 10 percent local matching funds.

During August and September, CSB Financial Analysts prepare EDI transfers for payments 5 and 6 (September) of state and federal funds for CSBs whose contracts were received by **08-03-18** and determined to be complete by **08-14-18** and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts. Payments shall not be released without complete contracts, as defined in Exhibit E and item 1 of Exhibit I. For a CSB whose contract is received after this date, EDI transfers for these two semi-monthly payments will be processed when the contract is complete and funds will be disbursed with the next scheduled payment.

08-15-18: CSBs submit their complete CCS 3 reports for total (annual) FY 2018 CCS 3 service unit data to the OIS&T in time to be received by this date. This later date for final CCS service unit data allows the inclusion of all units of services delivered in that fiscal year that might not be in local information systems in July.

08-31-18: CSBs send complete FY 2018 end of the fiscal year performance contract reports electronically in CARS to the OIS&T in time to be received by this date.

OIS&T staff places the reports in a temporary data base for OSS and OFGM staff to access them. The OSS Community Contracting Director reviews services sections of the reports for correctness, completeness, consistency, and acceptability; resolves discrepancies with CSBs; and communicates necessary changes to CSBs. OFGM CSB Financial Analysts review financial portions of reports for arithmetic accuracy, completeness, consistency, and conformity with state funding actions; resolve discrepancies with CSBs; and communicate necessary changes to CSBs.

Once they complete their reviews of a CSB's reports, the OSS Community Contracting Director and OFGM CSB Financial Analysts notify the CSB to submit new reports reflecting only those approved changes to OIS&T. CSBs submit new reports to correct errors or inaccuracies no later than **09-14-2018**. The Department will not accept CARS report corrections after this date. Upon receipt, the process described above is repeated to ensure the new reports contain only those changes identified by OFGM and OSS staff. If the reviews document this, OSS and OFGM staff approves the reports, and OIS&T staff processes final report data into the Department's community services database.

Late report submission or submitting a report without correcting errors identified by the CARS error checking program may result in the imposition by the Department of a one-time, one percent reduction not to exceed $15,000 of state funds apportioned for CSB administrative expenses. See Exhibit I for additional information.

08-31-18: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for July to the OIT&S in time to be received by this date.

09-21-18: Department staff complete reviews by this date of contracts received by the due date that are complete and acceptable. Contracts received after the due date shall be processed in the order in which they are received.

1. The OFGM analyzes the revenue information in the contract for conformity to Letter of Notification allocations and advises the CSB to revise and resubmit financial forms in Exhibit A of its contract if necessary.
2. The Offices of Adult Behavioral Health, Child and Family, and Developmental Services review and approve new service proposals and consider program issues related to existing services based on Exhibit A.
3. The OSS assesses contract completeness, examines maintenance of local matching funds, integrates new service information, makes corrections and changes on the service forms in Exhibit A, negotiates changes in Exhibit A, and finalizes the contract for signature by the Commissioner. The OSS Community Contracting Director notifies the CSB when its contract is not complete or has not been approved and advises the CSB to revise and resubmit its contract.

4. The OIS&T receives CARS and CCS 3 submissions from CSBs, maintains the community services database, and processes signed contracts into that database as they are received from the OSS.

09-28-18: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for August to the OIT&S in time to be received by this date.

10-03-18: After the Commissioner signs it, the OSS sends a copy of the approved contract Exhibit A to the CSB with the signature page containing the Commissioner's signature. The CSB shall review this Exhibit A, which reflects all changes negotiated by Department staff; complete the signature page, which documents its acceptance of these changes; and return the completed signature page to the OSS Community Contracting Director.

During September and October, CSB Financial Analysts prepare EDI transfers for payments 7 and 8 (October) and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts. Payment 7 shall not be released without receipt of a CSB's final FY 2018 CCS 3 consumer, type of care, service, diagnosis, and outcomes extract files by the due date. Payment 8 shall not be released without receipt of a CSB's complete, as defined in item 2.a. of Exhibit I, FY 2018 end of the fiscal year CARS reports by the due date and without a contract signed by the Commissioner.

During October and November, CSB Financial Analysts prepare EDI transfers for payments 9 and 10 (November), and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts for CSBs whose complete CCS 3 submissions for the first two months of FY 2019 and the completed contract signature page were received from the CSB.

10-16-18: CSBs submit Federal Balance Reports to the OFGM in time to be received by this date.

10-31-18: CSBs submit CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for September to the OIT&S in time to be received by this date.

During November and December, CSB Financial Analysts prepare EDI transfers for payments 11 and 12 (December), and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts. Payments shall not be released without receipt of September CCS 3 submissions.

11-30-18: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for October to the OIT&S in time to be received by this date.

12-03-18: A. CSBs that are not local government departments or included in local government audits send one copy of the audit report for the preceding fiscal year on all CSB operated programs to the Department's Office of Budget and Financial Reporting (OBFR) by this date. A management letter and plan of correction for deficiencies must be sent with this report. CSBs submit a copy of C.P.A. audit reports for all contract programs for their last full fiscal year, ending on June 30, to the OBFR by this date. For programs with different fiscal years, reports are due three months after the end of the year. Management letters and plans of correction for deficiencies must be included with these reports.

B. Audit reports for CSBs that are local government departments or are included in local government audits are submitted to the Auditor of Public Accounts by the local government. Under a separate cover, the CSB must forward a plan of correction for any audit deficiencies that are related to or affect the CSB to the OBFR by this date. Also, to satisfy federal block grant sub-recipient monitoring requirements imposed on the Department under the Single Audit Act, a CSB that is a local government department or is included in its local government audit shall contract with the same CPA audit firm that audits its locality to perform testing related to the federal Mental Health Services and Substance Abuse Prevention and Treatment Block Grants. Alternately, the local government's internal audit department can work with the CSB and the Department to provide the necessary sub-recipient monitoring information.

If the CSB receives an audit identifying material deficiencies or containing a disclaimer or prepares the plan of correction referenced in the preceding paragraph, the CSB and the Department shall negotiate an Exhibit D that addresses the deficiencies or disclaimer and includes a proposed plan with specific timeframes to address them, and this Exhibit D and the proposed plan shall become part of this contract.

During December CSB Financial Analysts prepare EDI transfers for payment 13 (1st January), and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts for CSBs whose FY 2018 end of the fiscal year performance contract reports have been verified as accurate and internally consistent, per items 2.b. through d. of Exhibit I, and whose CCS 3 monthly extracts for October have been received. Payments shall not be released without verified reports and CCS 3 submissions for October.

12-31-18: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for November to the OIT&S in time to be received by this date.

During January and early February, CSB Financial Analysts prepare EDI transfers for payments 14 through 16 (2nd January, February), and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts for CSBs whose monthly CCS 3 consumer, type of care, and service extract files for November were received by the end of December. Payments shall not be released without receipt of these monthly CCS 3 submissions and receipt of audit reports with related management letters and plans of corrections (A at 12-03-18) or sub-recipient monitoring information and plans of corrections (B at 12-03-18).

01-11-19: The OIS&T distributes FY 2019 mid-year performance contract report software in CARS.

01-31-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for December to the OIS&T in time to be received by this date.

02-15-19: CSBs send complete mid-year performance contract reports and a revised Table 1 in Exhibit H to the OIS&T electronically in CARS within 45 calendar days after the end of the second quarter in time to be received by this date. OIT&S staff places the reports on a shared drive for OSS and OFGM staff to access them. The offices review and act on the reports using the process described for the end of the fiscal year reports. When reports are acceptable, OIS&T staff processes the data into the community services data base.

During late February, CSB Financial Analysts prepare EDI transfers for payment 17 (1st March), and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts for CSBs whose monthly CCS 3 consumer, type of care, service, diagnosis, and outcomes extract files for December were received by the end of January; payments shall not be released without these monthly CCS 3 submissions.

During March, CSB Financial Analysts prepare EDI transfers for payments 18 and 19 (2nd March, 1st April) and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts for CSBs whose complete FY 2019 mid-year performance contract reports were received by the due date. Payments shall not be released without complete reports, as defined in item 2.a. of Exhibit I.

02-28-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for January to the OIS&T in time to be received by this date.

03-29-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for February to the OIS&T in time to be received by this date.

During April and early May, CSB Financial Analysts prepare EDI transfers for payments 20 through 22 (2nd April, May) and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts for CSBs whose mid-year performance contract reports have been verified as accurate and internally consistent, per items 2.b. through d. of Exhibit I, and whose monthly CCS 3 consumer, type of care, service, diagnosis, and outcomes extract files for January and February were received by the end of the month following the month of the extract. Payments shall not be released without verified reports and these monthly CCS 3 submissions.

04-30-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for March to the OIS&T in time to be received by this date.

During late May, CSB Financial Analysts prepare EDI transfers for payment 23 (1st June), and, after the OSS Community Contracting Director authorizes their release, send transfers to the Department of Accounts for CSBs whose monthly CCS 3 consumer, type of care, service, diagnosis, and outcomes extract files for March were received by the end of April. Payments shall not be released without these monthly CCS 3 submissions.

05-31-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for April to the OIS&T in time to be received by this date.

During early June, CSB Financial Analysts prepare EDI transfers for payment 24 (2nd June) and, after the OSS Community Contracting Director authorizes their release, send the transfers to the Department of Accounts, after the Department has made any final adjustments in the CSB's state and federal funds allocations, for CSBs whose monthly CCS 3 consumer, type of care, service, diagnosis, and outcomes extract files for April were received by the end of May. If April CCS 3 extract files are not received by May 31, this may delay or even eliminate payment 24 due to time restrictions on when the Department can send EDI transfers to DOA for payment 24. Payments shall not be released without these monthly CCS 3 submissions.

06-28-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for May to the OIS&T by this date.

07-12-19: The OIS&T distributes FY 2019 end of the fiscal year performance contract report software in CARS to CSBs.

07-31-19: CSBs submit their CCS 3 monthly consumer, type of care, service, diagnosis, and outcomes extract files for June to the OIS&T in time to be received by this date.

08-15-19: CSBs submit their complete CCS 3 reports for total (annual) FY 2019 service units to the OIS&T in time to be received by this date. This later date for final CCS 3 service unit data, allows the inclusion of all units of services delivered in the fiscal year that might not be in local information systems in July.

08-30-19: CSBs send complete FY 2019 end of the fiscal year performance contract reports electronically in CARS to the OIS&T in time to be received by this date. If the CSB cannot include the minimum 10 percent local matching funds in its reports and a waiver has not been granted previously in the fiscal year by the Department, it shall submit a written request for a waiver of the matching funds requirement, pursuant to § 37.2-509 of the Code and State Board Policy 4010, to the OSS with its report.

Performance Contract Revision Instructions

The CSB may revise Exhibit A of its signed contract only in the following circumstances:

1. a new, previously unavailable category or subcategory of core services is implemented;
2. an existing category or subcategory of core services is totally eliminated;
3. a new program offering an existing category or subcategory of core services is implemented;
4. a program offering an existing category or subcategory of core services is eliminated;
5. new restricted or earmarked state or federal funds are received to expand an existing service or establish a new one;
6. state or federal block grant funds are moved among program (mental health, developmental, or substance use disorder) areas or emergency or ancillary services (an exceptional situation);
7. allocations of state, federal, or local funds change; or
8. a major error is discovered in the original contract.

Revisions of Exhibit A shall be submitted using the CARS software and the same procedures used for the original performance contract.

Exhibit F: Federal Compliances

Certification Regarding Salary: Federal Mental Health and Substance Abuse Prevention and Treatment Block Grants

Check One

XX 1. The CSB has no employees being paid totally with Federal Mental Health Block Grant funds or Federal Substance Abuse Block Grant (SABG) funds at a direct annual salary (not including fringe benefits and operating costs) in excess of Level II of the federal Executive Schedule.

_____ 2. The following employees are being paid totally with Federal Mental Health or SABG funds at a direct annual salary (not including fringe benefits and operating costs) in excess of Level II of the federal Executive Schedule.

	Name	*Title*
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____

Assurances Regarding Equal Treatment for Faith-Based Organizations

The CSB assures that it is and will continue to be in full compliance with the applicable provisions of 45 CFR Part 54, Charitable Choice Regulations, and 45 CFR Part 87, Equal Treatment for Faith-Based Organizations Regulations, in its receipt and use of federal Mental Health Services and SABG funds and federal funds for Projects for Assistance in Transitions from Homelessness programs. Both sets of regulations prohibit discrimination against religious organizations, provide for the ability of religious organizations to maintain their religious character, and prohibit religious organizations from using federal funds to finance inherently religious activities.

Exhibit F: Federal Compliances

Assurances Regarding Restrictions on the Use of Federal Block Grant Funds

The CSB assures that it is and will continue to be in full compliance with the applicable provisions of the federal Mental Health Services Block Grant (CFDA 93.958) and the federal Substance Abuse Block Grant (CFDA 93.959), including those contained in Appendix B of the CSB Administrative Requirements and the following requirements. Under no circumstances shall Federal Mental Health Services and Substance Abuse Block Grant (SABG) funds be used to:

1. provide mental health or substance abuse inpatient services[1];
2. make cash payments to intended or actual recipients of services;
3. purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
4. satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds;
5. provide individuals with hypodermic needles or syringes so that such individuals may use illegal drugs;
6. provide financial assistance to any entity other than a public or nonprofit private entity; or
7. provide treatment services in penal or correctional institutions of the state.

Also, no SABG prevention set-aside funds shall be used to prevent continued substance use by anyone diagnosed with a substance use disorder.

[Source: 45 CFR § 96.135]

Signature of CSB Executive Director

June 28, 2018

Date

James F. Bebeau, LPC

[1] However, the CSB may expend SABG funds for inpatient hospital substance abuse services only when all of the following conditions are met:

a. the individual cannot be effectively treated in a community-based, non-hospital residential program;
b. the daily rate of payment provided to the hospital for providing services does not exceed the comparable daily rate provided by a community-based, non-hospital residential program;
c. a physician determines that the following conditions have been met: (1) the physician certifies that the person's primary diagnosis is substance abuse, (2) the person cannot be treated safely in a community-based, non-hospital residential program, (3) the service can reasonably be expected to improve the person's condition or level of functioning, and (4) the hospital-based substance abuse program follows national standards of substance abuse professional practice; and
d. the service is provided only to the extent that it is medically necessary (e.g., only for those days that the person cannot be safely treated in a community-based residential program).

[Source: 45 CFR § 96.135]

Exhibit G: Local Contact for Disbursement of Funds

1. Name of the CSB: Danville-Pittsylvania Community Services

2. City or County designated as the CSB's Fiscal Agent: City of Danville

If the CSB is an operating CSB and has been authorized by the governing body of each city or county that established it to receive state and federal funds directly from the Department and act as its own fiscal agent pursuant to Subsection A.18 of § 37.2-504 of the Code, do not complete items 3 and 4 below.

3. Name of the Fiscal Agent's City Manager or County Administrator or Executive:

   Name: Ken Larking Title: City Manager

4. Name of the Fiscal Agent's County or City Treasurer or Director of Finance:

   Name: Michael L. Adkins Title: Director of Finance

5. Name, title, and address of the Fiscal Agent official or the name and address of the CSB if it acts as its own fiscal agent to whom checks should be electronically transmitted:

   Name: Michael L. Adkins Title: Director of Finance

   Address: City of Danville
   P. O. Box 3300
   Danville, VA 24543

This information should agree with information at the top of the payment document e-mailed to the CSB, for example: Mr. Joe Doe, Treasurer, P.O. Box 200, Winchester, VA 22501.

Exhibit H: Regional Local Inpatient Purchase of Services (LIPOS) Requirements

The Department and the CSB agree to implement the following requirements for management and utilization of all regional state mental health acute care (LIPOS) funds to enhance monitoring of and financial accountability for LIPOS funding, divert individuals from admission to state hospitals when clinically appropriate, and expand the availability of local inpatient psychiatric hospital services.

1. All regional state mental health LIPOS funds allocated within the region shall be managed by the regional management group (RMG) and the regional utilization management and consultation team (RUMCT) on which the CSB participates in accordance with Appendices E and F of Core Services Taxonomy 7.3.

2. The CSB, through the RMG and RUMCT on which it participates, shall ensure that other funds or resources such as pro bono bed days offered by contracting local hospitals and Medicaid or other insurance payments are used to offset the costs of local inpatient psychiatric bed days or beds purchased with state mental health LIPOS funds so that regional state mental health LIPOS funds can be used to obtain additional local inpatient psychiatric bed days or beds.

3. On behalf of the CSBs in the region, the regional manager funded by the Department and employed by a participating CSB shall use the core elements of the LIPOS contract template and submit the standardized LIPOS data collection tool developed by the regional managers and distributed by the Department on March 16, 2016 or subsequent revisions of the template or tool.

4. The CSB and state hospital representatives on the RMG on which the CSB participates shall have authority to reallocate regional state mental health LIPOS funds among CSBs from CSBs that cannot use them in a reasonable time to CSBs that need additional regional state mental health LIPOS funds to meet their local inpatient psychiatric hospital service needs.

5. If CSBs in the region cannot expend at least 85 percent of the total annual regional state mental health LIPOS fund allocations on a regional basis by the end of the fiscal year, the Department may work with the RMG and participating CSBs to transfer regional state mental health LIPOS funds to other regions to expand the availability of local inpatient psychiatric hospital services to the greatest extent possible, unless the CSBs through the regional manager provide acceptable explanations for greater amounts of unexpended regional state mental health LIPOS funds.

6. The Department, pursuant to sections 6.f and 7.g of this contract, may conduct utilization reviews of the CSB or region at any time to confirm the effective utilization of regional state mental health LIPOS funds.

Exhibit 1: Administrative Performance Requirements

The CSB shall meet these administrative performance requirements in submitting its performance contract, contract revisions, and mid-year and end-of-the-fiscal year performance contract reports in the CARS, and monthly CCS 3 extracts to the Department.

1. The performance contract and any revisions submitted by the CSB shall be:
   a. complete, that is all required information is displayed in the correct places and all required Exhibits, including applicable signature pages, are included;
   b. consistent with Letter of Notification allocations or figures subsequently revised by or negotiated with the Department;
   c. prepared in accordance with instructions in the Department-provided CARS software and any subsequent instructional memoranda; and
   d. received by the due dates listed in Exhibit E of this contract.

   If the CSB does not meet these performance contract requirements, the Department may delay future semi-monthly payments of state and federal funds until satisfactory performance is achieved.

2. Mid-year and end-of-the-fiscal year performance contract reports submitted by the CSB shall be:
   a. complete, that is all required information is displayed in the correct places, all required data are included in the electronic CARS application reports, and any required paper forms that gather information not included in CARS are submitted;
   b. consistent with the state and federal block grant funds allocations in the Letter of Notification or figures subsequently revised by or negotiated with the Department;
   c. prepared in accordance with instructions;
   d. (i) internally consistent and arithmetically accurate: all related funding, expense, and cost data are consistent, congruent, and correct within a report, and (ii) submitted only after errors identified by the CARS error checking programs are corrected; and
   e. received by the due dates listed in Exhibit E of this contract.

   If the CSB does not meet these requirements for its mid-year and end-of-the-fiscal year CARS reports, the Department may delay future semi-monthly payments state and federal funds until satisfactory performance is achieved. The Department may impose one-time reductions of state funds apportioned for CSB administrative expenses[1] on a CSB for its failure to meet the following requirements in its end-of-the-fiscal year CARS report:
   - a one percent reduction not to exceed $15,000 for failure to comply with requirement 2.d; and
   - a one percent reduction not to exceed $15,000 for failure to comply with requirement 2.e, unless an extension has been obtained from the Department through the process on the next page.

3. The CSB shall submit monthly consumer, type of care, service, diagnosis, and outcomes files by the end of the month following the month for which the data is extracted in accordance with the CCS 3 Extract Specifications, including the current Business Rules. The submissions shall satisfy the requirements in sections 6.d and 7.e of the contract body and the Data Quality

Performance Expectation Affirmations in Appendix E of the CSB Administrative Requirements. If the CSB fails to meet the extract submission requirements in Exhibit E of this contract, the Department may delay semi-monthly payments until satisfactory performance is achieved, unless the Department has not provided the CCS 3 extract application to the CSB in time for it to transmit its monthly submissions.

4. If the Department negotiates an Exhibit D with a CSB because of unacceptable data quality, and the CSB fails to satisfy the requirements in Exhibit D by the end of the contract term, the Department may impose a one-time one percent reduction not to exceed a total of $15,000 of state funds apportioned for CSB administrative expenses[1] on the CSB.

5. Substance abuse prevention units of service data and quarterly reports shall be submitted to the Department through the prevention data system planned and implemented by the Department in collaboration with the VACSB DMC.

[1] The Department will calculate state funds apportioned for CSB administrative expenses by multiplying the total state funds allocated to the CSB by the CSB's administrative percentage displayed on page AF-1 of the contract.

The CSB shall not allocate or transfer a one-time reduction of state funds apportioned for administrative expenses to direct service or program costs.

Process for Obtaining an Extension of the End-of-the-Fiscal Year CARS Report Due Date

The Department will grant an extension only in very exceptional situations such as a catastrophic information system failure, a key staff person's unanticipated illness or accident, or a local emergency or disaster situation that makes it impossible to meet the due date.

1. It is the responsibility of the CSB to obtain and confirm the Department's approval of an extension of the due date within the time frames specified below. Failure of the CSB to fulfill this responsibility constitutes prima facie acceptance by the CSB of any resulting one-time reduction in state funds apportioned for administrative expenses.

2. As soon as CSB staff becomes aware that it cannot submit the end-of-the-fiscal year CARS report in time to be received in the Department by 5:00 p.m. on the due date, the executive director must inform the Office of Support Services (OSS) Director or Community Contracting Director that it is requesting an extension of this due date. This request should be submitted as soon as possible and it shall be in writing, describe completely the reason(s) and need for the extension, and state the date on which the report will be received by the Department.

3. The written request for an extension must be received in the OSS no later than 5:00 p.m. on the fourth business day before the due date. A facsimile transmission of the request to the OSS fax number (804-371-0092), received by that time and date, is acceptable if receipt of the transmission is confirmed with a return facsimile memo from the OSS no later than 5:00 p.m. on the third business day before the due date. Telephone extension requests are not acceptable and will not be processed.

4. The OSS will act on all requests for due date extensions that are received in accordance with this process and will notify the requesting CSBs by facsimile transmission of the status of their requests by 5:00 p.m. on the second business day before the due date.

Exhibit J: Other CSB Accountability Requirements

These requirements apply to the CSB board of directors or staff and the services included in this contract. Additional requirements are contained in the CSB Administrative Requirements.

I. Compliance with State Requirements

A. General State Requirements: The CSB shall comply with applicable state statutes and regulations, State Board regulations and policies, and Department procedures, including the following requirements.

1. **Conflict of Interests:** Pursuant to § 2.2-3100.1 of the Code, the CSB shall ensure that new board members are furnished with receive a copy of the State and Local Government Conflict of Interests Act by the executive director or his or her designee within two weeks following a member's appointment, and new members shall read and become familiar with provisions of the act. The CSB shall ensure board members and applicable CSB staff receive training on the act. If required by § 2.2-3115 of the Code, CSB board members and staff shall file annual disclosure forms of their personal interests and such other information as is specified on the form set forth in § 2.2-3118 of the Code. Board members and staff shall comply with the Conflict of Interests Act and related policies adopted by the CSB board of directors.
2. **Freedom of Information:** Pursuant to § 2.2-3702 of the Code, the CSB shall ensure that new board members are furnished with a copy of the Virginia Freedom of Information Act by the executive director or his or her designee within two weeks following a member's appointment, and new members shall read and become familiar with provisions of the act. The CSB shall ensure board members and applicable staff receive training on the act. Board members and staff shall comply with the Freedom of Information Act and related policies adopted by the CSB by the CSB board of directors.

B. Protection of Individuals Receiving Services

1. **Human Rights:** The CSB shall comply with the current *Rules and Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental Services*, available at the Internet link in Exhibit L. In the event of a conflict between any of the provisions in this contract and provisions in these regulations, the applicable provisions in the regulations shall apply. The CSB shall cooperate with any Department investigation of allegations or complaints of human rights violations, including providing any information needed for the investigation as required under state law and as permitted under 45 CFR § 164.512 (d) in as expeditious a manner as possible.
2. **Disputes:** The filing of a complaint as outlined in the Human Rights Regulations by an individual or his or her family member or authorized representative shall not adversely affect the quantity, quality, or timeliness of services provided to that individual unless an action that produces such an effect is based on clinical or safety considerations and is documented in the individual's individualized services plan.
3. **Licensing:** The CSB shall comply with the *Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services*, available at the Internet link in Exhibit L. The CSB shall establish a system to ensure ongoing compliance with applicable licensing regulations. CSB staff shall provide copies of the results of licensing reviews, including scheduled reviews, unannounced

visits, and complaint investigations, to all members of the CSB board of directors in a timely manner and shall discuss the results at a regularly scheduled board meeting. The CSB shall adhere to any licensing guidance documents published by the Department.

C. CSB and Board of Directors Organization and Operations

1. **CSB Organization:** The CSB's organization chart shall be consistent with the current board of directors and staff organization. The organization chart shall include the local governing body or bodies that established the CSB and the board's committee structure.
2. **Board Bylaws:** Board of directors (BOD) bylaws shall be consistent with local government resolutions or ordinances establishing the CSB, board policies, and the CSB's organization chart and shall have been reviewed and revised in the last two years.
3. **CSB Name Change:** If the name of an operating CSB changes, the CSB shall attach to this contract copies of the resolutions or ordinances approving the CSB's new name that were adopted by the boards of supervisors or city councils (local governing bodies) that established the CSB. If the number of appointments made to the CSB by its local governing bodies changes, the CSB shall attach to this contract copies of the resolutions or ordinances adopted by the local governing bodies that changed the number of appointments.

   If the name of an administrative policy CSB that is not a local government department or that serves more than one city or county changes, the CSB shall attach to this contract copies of the resolutions or ordinances approving the CSB's new name that were adopted by the boards of supervisors or city councils (local governing bodies) that established the CSB. If the number of appointments made to the CSB by its local governing bodies changes, the CSB shall attach to this contract copies of the resolutions or ordinances adopted by the local governing bodies that changed the number of appointments.
4. **BOD Member Job Description:** The BOD and executive director shall develop a board member position description, including qualifications, duties and responsibilities, and time requirements that the CSB shall provide to its local governing bodies to assist them in board appointments.
5. **BOD Member Training:** The executive director shall provide new board members with training on their legal, fiduciary, regulatory, policy, and programmatic powers and responsibilities and an overview of the performance contract within one month of their appointment. New board members shall receive a board manual before their first board meeting with the information needed to be an effective board member.
6. **BOD Policies:** The BOD shall adopt policies governing its operations, including board-staff relationships and communications, local and state government relationships and communications, committee operations, attendance at board meetings, oversight and monitoring of CSB operations, quality improvement, conflict of interests, freedom of information, board member training, privacy, security, and employment and evaluation of and relationship with the executive director.
7. **FOIA Compliance:** The BOD shall comply with the Virginia Freedom of Information Act (FOIA) in the conduct of its meetings, including provisions governing executive sessions or closed meetings, electronic communications, and notice of meetings.
8. **BOD Meeting Schedule:** The BOD shall adopt an annual meeting schedule to assist board member attendance.

9. **Meeting Frequency:** The BOD shall meet frequently enough (at least six times per year) and receive sufficient information from the staff to discharge its duties and fulfill its responsibilities. This information shall include quarterly reports on service provision, funds and expenditures, and staffing in sufficient detail and performance on the behavioral health and developmental performance measures and other performance measures in Exhibit B. Board members shall receive this information at least one week before a scheduled board meeting.

D. **Reporting Fraud:** Fraud is an intentional wrongful act committed with the purpose of deceiving or causing harm to another party. Upon discovery of circumstances suggesting a reasonable possibility that a fraudulent transaction has occurred, the CSB's executive director shall report this information immediately to any applicable local law enforcement authorities and the Department's Internal Audit Director. All CSB financial transactions that are the result of fraud or mismanagement shall become the sole liability of the CSB, and the CSB shall refund any state or federal funds disbursed by the Department to it that were involved in those financial transactions. The CSB shall ensure that new CSB board members receive training on their fiduciary responsibilities under applicable provisions of the Code and this contract and that all board members receive annual refresher training on their fiduciary responsibilities.

E. **Financial Management:** The CSB shall comply with the following requirements, as applicable.

1. To avoid any appearance of conflict or impropriety, the CSB shall provide complete annual financial statements to its Certified Public Accountant (CPA) for audit. If the CSB does not produce its annual financial statements internally, it should not contract production of the statements to the same CPA that conducts its annual independent audit.
2. Operating CSBs and the BHA shall rebid their CPA audit contracts at least every three years once the current CPA contracts expire. If the Department determines in its review of the CPA audit provided to it or during its financial review of the CSB that the CSB's CPA audit contains material omissions or errors and informs the CSB of this situation, this could be grounds for the CSB to cancel its audit contract with the CPA.
3. A designated staff person shall review all financial reports prepared by the CSB for the reliance of third parties before the reports are presented or submitted and the reviews shall be documented.
4. All checks issued by the CSB that remain outstanding after one year shall be voided.
5. All CSB bank accounts shall be reconciled regularly, and a designated staff person not involved in preparing the reconciliation shall approve it.
6. A contract administrator shall be identified for each contract for the purchase of services entered into by the CSB, and every contract shall be signed by a designated staff person and each other party to the contract, where applicable.
7. A designated staff person shall approve and document each write-off of account receivables for services to individuals. The CSB shall maintain an accounts receivable aging schedule, and debt that is deemed to be uncollectable shall be written off periodically. The CSB shall maintain a system of internal controls including separation of duties to safeguard accounts receivable assets.

8. A designated staff person who does not enter or process the CSB's payroll shall certify each payroll.

9. The CSB shall maintain documentation and reports for all expenditures related to the federal Mental Health Block Grant and federal Substance Abuse Prevention and Treatment Block Grant funds contained in Exhibit A sufficient to substantiate compliance with the restrictions, conditions, and prohibitions related to those funds.

10. The CSB shall maintain an accurate list of fixed assets as defined by the CSB. Assets that are no longer working or repairable or are not retained shall be excluded from the list of assets and written off against accumulated depreciation, and a designated staff person who does not have physical control over the assets shall document their disposition. The current location of or responsibility for each asset shall be indicated on the list of fixed assets.

11. Access to the CSB's information system shall be controlled and properly documented. Access shall be terminated in a timely manner when a staff member is no longer employed by the CSB to ensure security of confidential information about individuals receiving services and compliance with the Health Insurance Portability and Accountability Act of 1996 and associated federal or state regulations.

12. If it is an operating CSB or the BHA, the CSB shall maintain an operating reserve of funds sufficient to cover at least two months of personnel and operating expenses and ensure that the CSB's financial position is sound. An operating reserve consists of available cash, investments, and prepaid assets. At any point during the term of this contract, if it determines that its operating reserve is less than two months, the CSB shall notify the Department within 10 calendar days of the determination and develop and submit a plan to the Department within 30 business days that includes specific actions and timeframes to increase the reserve to at least two months in a reasonable time. Once it approves the plan, the Department shall incorporate it as an Exhibit D of this contract and monitor the CSB's implementation of it. The CSB's annual independent audit, required by section II.A.2.c of the CSB Administrative Requirements, presents the CSB's financial position, the relationship between the CSB's assets and liabilities. If its annual independent audit indicates that the CSB's operating reserve is less than two months, the CSB shall develop a plan that includes specific actions and timeframes to increase the reserve to at least two months in a reasonable time and submit the plan to the Department within 30 calendar days of its receipt of the audit for the Department's review and approval. Once it approves the plan, the Department shall incorporate it as an Exhibit D of this contract and monitor the CSB's implementation of it.

F. Employment of a CSB Executive Director or BHA Chief Executive Officer (CEO)

1. When an operating CSB executive director or behavioral health authority (BHA) chief executive officer (CEO) position becomes vacant, the CSB or BHA board of directors (BOD) shall conduct a broad and thorough public recruitment process that may include internal candidates and acting or interim executive directors. The CSB or BHA shall involve staff in the Department's Office of Support Services (OSS) in its recruitment and selection process in order to implement applicable provisions of § 37.2-504 or § 37.2-605 of the Code and to ensure selection of the most qualified candidate. The CSB or BHA shall provide a current position description and salary and the advertisement for the position to the OSS for review and approval prior to advertising the position. The CSB or BHA BOD shall invite OSS staff to meet with it to review the board's

responsibilities and to review and comment on the board's screening criteria for applicants and its interview and selection procedures before the process begins. The CSB or BHA BOD shall follow the steps outlined in the current CSB Executive Director Recruitment Process Guidance issued by the Department, adapting the steps to reflect its unique operating environment and circumstances where necessary, to have a legally and professionally defensible recruitment and selection process. Department staff shall work with the BOD search committee to help it use the Guidance document in its process. The CSB or BHA BOD shall include an OSS staff as a voting member of its search committee to provide the Department's perspective and feedback directly to the committee.

Prior to employing a new executive director or CEO, the CSB or BHA shall provide a copy of the application and resume of the successful applicant and the proposed salary to the OSS for review and approval for adherence to minimum qualifications and the salary range established by the Department pursuant to § 37.2-504 or § 37.2-605 and contained in the current CSB Executive Director Recruitment Process Guidance. If the CSB or BHA proposes employing the executive director or CEO above the middle of the salary range, the successful applicant shall meet the preferred qualifications in addition to the minimum qualifications in the Guidance. This review does not include Department approval of the selection or employment of a particular candidate for the position. Section 37.2-504 or § 37.2-605 of the Code requires the CSB or BHA to employ its executive director or CEO under an annually renewable contract that contains performance objectives and evaluation criteria. The CSB or BHA shall provide a copy of this employment contract to the OSS for review and approval prior to employment of the new executive director or CEO or before the contract is executed.

2. When an administrative policy CSB executive director position becomes vacant, the CSB may involve staff in the Department's OSS in its recruitment and selection process in order to implement applicable provisions of § 37.2-504 or § 37.2-605 of the Code. The CSB shall provide a current position description and the advertisement for the position to the OSS for review prior to the position being advertised pursuant to § 37.2-504 of the Code. Prior to employing the new executive director, the CSB shall provide a copy of the application and resume of the successful applicant to the OSS for review and approval for adherence to minimum qualifications established by the Department pursuant to § 37.2-504. This review does not include Department approval of the selection or employment of a particular candidate for the position. While § 37.2-504 of the Code does not require an administrative policy CSB to employ its executive director under an annually renewable contract that contains performance objectives and evaluation criteria, the CSB should follow this accepted human resource management practice.

II. Compliance with Federal Requirements

A. General Federal Compliance Requirements: The CSB shall comply with all applicable federal statutes, regulations, policies, and other requirements, including applicable provisions of the federal Project for Assistance in Transition from Homelessness (CFDA 93.150), Mental Health Services Block Grant (CFDA 93.958), Substance Abuse Block Grant (CFDA 93.959), Virginia Road2Home Project (CFDA 93.243), and VA Strategic Prevention Framework Prescription Drug Abuse & Heroin Overdose Prevention (CFDA 93.243) and requirements contained in Appendix C of the CSB Administrative Requirements and the:

1. Federal Immigration Reform and Control Act of 1986; and
2. Confidentiality of Alcohol and Substance Abuse Records, 42 C.F.R. Part 2.

Non-federal entities, including CSBs, expending $750,000 or more in a year of federal awards shall have a single or program-specific audit conducted for that year in accordance with Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal awards – 2 CFR Chapter I, Chapter II, Part 200 et seq.

CSBs shall prohibit the following acts by themselves, their employees, and agents performing services for them:

1. the unlawful or unauthorized manufacture, distribution, dispensation, possession, or use of alcohol or other drugs; and
2. any impairment or incapacitation from the use of alcohol or other drugs, except the use of drugs for legitimate medical purposes.

Identifying information for these federal grants is listed below.

CFDA 93.150
Project for Assistance in Transition from Homelessness (PATH)
Federal Award Identification Number (FAIN): SM016047-16
Federal Award Period 09/01/2018 – 08/31/2019
Federal Awarding Agency: Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Center for Mental Health Services

CFDA 93.958
Community Mental Health Services - Mental Health Block Grant (MHBG)
Federal Award Identification Number (FAIN): SM010053-16
Federal Award Period 10/01/2017 - 09/30/2019
Federal Awarding Agency: Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Center for Mental Health Services

CFDA 93.959
Prevention and Treatment of Substance Abuse - Substance Abuse Block Grant (SABG)
Federal Award Identification Number (FAIN): TI010053-16
Federal Award Period 10/01/2017 - 09/30/2019
Federal Awarding Agency: Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment

CFDA 93.243
Virginia Road2Home Project (CABHI – Cooperative Agreement to Benefit Homeless Individuals)
Federal Award Identification Number (FAIN): TI026051
Federal Award Period 09/30/2018 – 09/29/2019
Federal Awarding Agency: Department of Health and Human Services
Substance Abuse and Mental Health Services Administration
Center for Substance Abuse Treatment

VA SPF PFS Prescription Drug Abuse & Heroin Overdose Prevention
Federal Award Identification Number (FAIN): SP020791
Federal Award Period 09/30/2018 09/29/2019
Federal Awarding Agency: Department of Health and Human Services

B. Disaster Response and Emergency Service Preparedness Requirements: The CSB agrees to comply with section 416 of Public Law 93-288 (the Stafford Act) and § 44-146.13 through § 44-146.28 of the Code regarding disaster response and emergency service preparedness. These Code sections authorize the Virginia Department of Emergency Management, with assistance from the Department, to execute the *Commonwealth of Virginia Emergency Operations Plan*, as promulgated through Executive Order 50 (2012).

Disaster behavioral health assists with mitigation of the emotional, psychological, and physical effects of a natural or man-made disaster affecting survivors and responders. Disaster behavioral health support is most often required by Emergency Support Function No. 6: Mass Care, Emergency Assistance, Temporary Housing, and Human Services; Emergency Support Function No. 8: Health and Medical Services; and Emergency Support Function No. 15: External Affairs. The CSB shall:

1. provide the Department with and keep current 24/7/365 contact information for disaster response points of contact at least three persons deep;
2. report to the Department all disaster behavioral health recovery and response activities related to a disaster;
3. comply with all Department directives coordinating disaster planning, preparedness, response, and recovery to disasters; and
4. coordinate with local emergency managers, local health districts, the Department, and all appropriate stakeholders in developing a Disaster Behavioral Health Annex template for each locality's Emergency Operations Plan.

The Disaster Behavioral Health Annex template shall address: listing behavioral health services and supports, internal to CSB and at other organizations in the community, available to localities during the preparedness, response, and recovery phases of a disaster or emergency event and designating staff to provide disaster behavioral health services and supports during emergency operations.

To implement this plan, the CSB shall:

1. Develop protocols and procedures for providing behavioral health services and supports during emergency operations;
2. Seek to participate in local, regional, and statewide planning, preparedness, response, and recovery training and exercises;
3. Negotiate disaster response agreements with local governments and state facilities; and
4. Coordinate with state facilities and local health departments or other responsible local agencies, departments, or units in preparing all hazards disaster plans.

C. Federal Certification Regarding Lobbying for the Mental Health and Substance Abuse Block Grants: The CSB certifies, to the best of its knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the CSB, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any

cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the CSB shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The CSB shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, or cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 or more than $100,000 for each failure.

III. Compliance with State and Federal Requirements

A. Employment Anti-Discrimination: The CSB shall conform to the applicable provisions of Title VII of the Civil Rights Act of 1964 as amended, the Equal Pay Act of 1963, Sections 503 and 504 of the Rehabilitation Act of 1973, the Vietnam Era Veterans Readjustment Act of 1974, the Age Discrimination in Employment Act of 1967, the Americans With Disabilities Act of 1990, the Virginians With Disabilities Act, the Virginia Fair Employment Contracting Act, the Civil Rights Act of 1991, regulations issued by Federal Granting Agencies, and other applicable statutes and regulations, including § 2.2-4310 of the Code. The CSB agrees as follows.

1. The CSB will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by federal or state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the CSB. The CSB agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. The CSB, in all solicitations or advertisements for employees placed by or on behalf of the CSB, will state that it is an equal opportunity employer.

3. Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting these requirements.

B. Service Delivery Anti-Discrimination: The CSB shall conform to the applicable provisions of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act of 1990, the Virginians With Disabilities Act, the Civil Rights Act of 1991, regulations issued by the U.S. Department of Health and Human Services pursuant thereto, other applicable statutes and regulations, and paragraphs 1 and 2 below.

1. Services operated or funded by the CSB have been and will continue to be operated in such a manner that no person will be excluded from participation in, denied the benefits of, or otherwise subjected to discrimination under such services on the grounds of race, religion, color, national origin, age, gender, or disability.
2. The CSB and its direct and contractual services will include these assurances in their services policies and practices and will post suitable notices of these assurances at each of their facilities in areas accessible to individuals receiving services.
3. The CSB will periodically review its operating procedures and practices to insure continued conformance with applicable statutes, regulations, and orders related to non-discrimination in service delivery.

Exhibit K: State Hospital Census Management Admission and Discharge Requirements

1. **Admission-Related Requirements:** The CSB shall implement and adhere to the following procedures to meet these admission-related requirements and supplement procedures in the current Collaborative Discharge Protocols for Community Services Boards and State Hospitals, available at the Internet link in Exhibit L.

   a. **Notification of Admission:** Emergency services clinicians who perform pre-admission screening evaluations shall notify the CSB discharge planner of every admission to a state hospital within 24 hours of the issuance of the temporary detention order (TDO).

   b. **Documentation of Bed Search:** Emergency services clinicians shall make every effort to gain admission of an individual under a TDO to a private psychiatric hospital or an inpatient psychiatric unit of a general hospital before recommending admission to a state hospital. Emergency services clinicians shall complete the attached form or otherwise gather the information contained in the attached form including use of the same denial codes to document all contacts with private psychiatric hospitals or inpatient units about admission prior to seeking an admission to a bed of last resort in a state hospital. If the emergency services clinician seeks admission to a bed of last resort, the clinician shall transmit the completed form or the information contained in the attached form to the receiving state hospital with the preadmission screening evaluation form.

2. **Discharge-Related Requirements:** The CSB shall implement and adhere to the following procedures to meet these discharge-related requirements and supplement procedures in the current Collaborative Discharge Protocols for Community Services Boards and State Hospitals.

   a. **Notification of Discharge Planning Personnel:** The CSB shall provide a list to the Director of Acute Care Services in the Department with the name of each CSB staff who provides discharge planning services for individuals in state hospitals, his or her role and title, and the FTE equivalency for the hours he or she spends in discharge planning. The CSB shall notify the Director of Acute Care Services whenever it makes changes to this list, including adjustments in the hours spent providing discharge planning.

   b. **List of Available Community Housing Resources:** The CSB, with the other CSBs in its region, shall implement and maintain a process for communicating and updating a list of available CSB and regional housing resources, including willing private providers, funded by the Department for individuals being discharged from state hospitals using a format provided by the Department. The CSB, with the other CSBs in its region, shall review and update this list at each regional discharge planning meeting to ensure that all resource options are explored for individuals who are ready for discharge or on the extraordinary barriers to discharge list.

   c. **Standardized Data Review:** The Department shall provide CSB executive directors and the regional manager with standardized data by the 16th of each month for the preceding month about each CSB and the region that includes the monthly bed use per 100,000 adults (18 - 64 years old) and older adults (65 years old plus). The CSB, with the other CSBs in its region, shall incorporate a review of this data in its regional discharge planning, mental health services council, emergency services council, and executive director meetings. Meeting minutes of each council or group shall reflect this review and any actions taken in response to it.

   d. **Resolution Process for Outstanding Issues:** In order to facilitate solution-oriented communications and establish timely and effective problem solving processes, the CSB,

with the other CSBs in its region, shall implement and maintain a bidirectional process with time frames and clearly defined steps for notification, discussion, and resolution of issues at the CSB, state hospital, regional, or Departmental levels.

3. **Additional Discharge-Related Requirements for CSBs with an Average Daily State Hospital Census of More Than Eight Beds:** The Department shall calculate each CSB's average daily census per 100,000 adults and older adults for individuals with the following admission legal statuses:

- civil temporary detention order (TDO),
- civil commitment,
- court-mandated voluntary,
- voluntary, and
- not guilty by reason of insanity with 48-hour unescorted community visit privileges.

If the CSB's bed use is at or below the established threshold of an average daily census of eight or less beds per 100,000 adults and older adults, the Department shall exempt it from the following additional requirements at the time of the quarterly review. If an exempt CSB's average monthly bed use for the prior quarter is above the established threshold, it will have a grace period of the next three months to reduce its bed use to the exemption threshold. If the exempt CSB is unsuccessful in meeting this threshold over this six-month period, it shall comply with the following additional requirements. During the third week of each quarter, the Department shall review each CSB's use of beds per 100,000 adults and older adults for the prior three months to determine if the CSB meets the exemption threshold for complying with the following requirements. State hospital actions related to these requirements are in *italics*.

a. **Notification of Ready for Discharge (RFD) and Placement on the Extraordinary Barriers to Discharge List (EBL):** All CSB staff involved in discharge planning shall use Cisco encryption to communicate about an individual in a state hospital who is RFD or is on the EBL. No communication about these individuals shall occur by facsimile or U.S. mail. The individual's CSB discharge liaison, the discharge liaison's immediate supervisor, the CSB behavioral health director or equivalent position, and the CSB executive director shall receive notification of the individual being determined to be RFD or on the EBL from the state hospital social worker within the timeframes described below.

   1.) **RFD Notification:** *Every Wednesday, the state hospital social worker will use Cisco-encrypted email to provide notification of every individual who is RFD but will not be discharged within 72 hours of being found to be RFD.*

   2.) **EBL Notification:** *Within one business day of an individual being placed on the EBL, the state hospital social worker will use Cisco-encrypted email to provide notification of the individual's placement on the EBL.*

b. **Transportation Requirement:** When transportation is the only remaining barrier to an individual's discharge, the CSB shall implement and maintain a process with the applicable state hospital for resolving transportation issues so that discharge occurs within 72 hours of the individual being determined to be RFD.

c. **Referral Time Frame Requirements:** The CSB shall implement and maintain a process for meeting the following referral requirements.

   1.) **CSB Mental Health Services and Housing:** *The state hospital treatment team will review the discharge needs for each of the services listed below in the development of an individual's comprehensive treatment plan. If referrals for these services are needed for an individual, the state hospital social worker will refer the individual to the case management CSB for screening of eligibility for these services within two business days of the treatment team identifying and agreeing with the need for the service or resource.*

Once the state hospital social worker makes the referral, the CSB shall complete the assessment with the individual within eight business days of the referral. The CSB shall share the outcome of the assessment and the date(s) when the services will be available with the state hospital treatment team immediately upon completion of the assessment.

a.) Psychosocial rehabilitation services

b.) Case management services

c.) Mental health skill building services

d.) Permanent supportive housing

e.) Assertive community treatment (PACT/ICT)

f.) Other residential services or placements operated by the CSB or in its region

2.) Individuals Adjudicated Not Guilty by Reason of Insanity

a.) *The state hospital will complete and submit a packet requesting an increase in privilege level within 10 business days of the treatment team identifying the individual as being eligible for an increase in privilege level.*

b.) The CSB shall review, edit, sign, and return to the state hospital a risk management plan for the individual within five business days of receipt of the plan so as not to delay progression of the individual through the graduated release process.

c.) The CSB shall develop and transmit to the state hospital a conditional release plan within 10 business days of being notified by the state hospital that it has recommended an individual for conditional release.

3.) Guardianship

a.) *Within two business days of the treatment team determining that an individual needs a guardian, the state hospital social worker will notify the discharge planner at the individual's case management CSB of the need.* Within two business days of this notification, the CSB shall explore potential individuals to serve in that capacity.

b.) If it cannot locate a suitable candidate within 10 business days who agrees to serve as the guardian, the CSB shall initiate steps to secure a guardian from the public guardianship program.

c.) These activities shall start and continue regardless of the individual's discharge readiness level.

4.) Individuals with Developmental Disabilities

a.) Within two business days of admission to a state hospital of an individual with a developmental disability with a moderate, severe, or profound intellectual disability for whom it is the case management CSB, the CSB shall determine and report to the state hospital if the individual:
- is receiving developmental services,
- is receiving Medicaid development disability (DD) waiver services,
- is on a DD waiver waiting list, or
- should be screened for the DD waiver.

b.) Within five business days of admission, the CSB shall complete a REACH referral for anyone with a developmental disability diagnosis if the REACH program is not already following the individual.

c.) When indicated based on the above information, the CSB shall complete the VIDES within 10 business days of the individual's admission to a state hospital.

d.) *When the CSB does not complete requested referrals or assessments within five business days of the request, the state hospital director will contact the CSB executive director to resolve delays in the referral and assessment processes.*

5.) Assisted Living Facilities (ALFs)

a.) *When an individual's ability to live independently is unclear, the state hospital will ensure that an Independent Living Skills (ILS) assessment is made and completed within five working days of referral. Referrals for ILS assessments when indicated should be made when the individual is at Discharge Ready Level 2.*

b.) As soon as a supervised ALF setting is being considered for an individual in a state hospital, the CSB shall obtain releases from the individual or his or her substitute decision maker in order to contact potential ALFs and begin initial contacts regarding bed availability and willingness to consider the individual for placement. The CSB shall start this process prior to the individual being determined to be RFD.

c.) *The state hospital will complete the uniform assessment instrument (UAI) within five business days of the individual being found to be at Discharge Ready Level 2*

d.) The CSB shall send referral packets to potential ALF placements identified above within two business days after the individual is determined to be RFD. The CSB shall send multiple applications simultaneously.

6.) Nursing Homes

a.) As soon as a supervised nursing home setting is being considered for an individual in a state hospital, the CSB shall obtain releases from the individual or his or her substitute decision maker in order to contact potential nursing homes and begin initial contacts regarding bed availability and willingness to consider the individual for placement.

b.) *The state hospital will complete the UAI within five business days of the individual being found to be at Discharge Ready Level 2.*

c.) *Within two business days of being found to be at Discharge Ready Level 1, the state hospital will send the packet to Ascend for Level 2 nursing home screening.*

d.) The CSB shall send applications to potential nursing homes identified above within two business days of the Level 2 response from Ascend.

4. **Regional Protocols:** The CSB, with the other CSBs in its region, shall incorporate the requirements in sections 1 through 3 of this exhibit in applicable regional protocols and submit the revised draft regional protocols to the Department's Director of Acute Care Services for review and approval.

State hospital notified of ECO (time, contact, initials): _____

Bed Search Tracking Form **Client:** **Date:** **CSB Staff:**

Name of Facility	Address/ Phone#/Fax#	Time of contact	Name of contact	Time info faxed/sent	Time of follow up contact	Results of Contacts (List Denial Code for Each Facility)
Private Facilities						**Notes:** Include additional information.
						☐ Denied:
						☐ Denied:
						☐ Denied:
						☐ Denied:
						☐ Denied:
						☐ Denied:
						☐ Denied:
						☐ Denied:
State-funded Contract Facilities						**Notes:**
						☐ Denied:
State Facility						**Notes:**

Denial reason codes/Declined admission codes:

1. Medical complications/clearance
2. No available beds
3. Acuity of client
4. Client illness chronicity
5. Milieu issues/acuity of unit
6. Diagnosis
7. No timely response
8. Other (specify)

Exhibit L: Alphabetical Listing of Documents Referenced in the Performance Contract With Internet Links
FY 2019 and FY 2020 CSB Administrative Requirements http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services under Performance Contract
FY 2019 and FY 2020 Central Office, State Facility, and Community Services Board Partnership Agreement http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services under Performance Contract
Community Consumer Submission 3 (CCS 3) Extract Specifications, Version 7.4 http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services under Performance Contract Resources
Core Services Taxonomy 7.3 http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services under Performance Contract Resources
Procedures for Approving CSB Surveys, Questionnaires, and Data Collection Instruments and Establishing Reporting Requirements http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services under Performance Contract Resources
Discharge Assistance Program Manual This document is not available yet on the Department's web page.
Collaborative Discharge Protocols for Community Services Boards and State Hospitals - Adult & Geriatric or Child & Adolescent This document is not available yet on the Department's web page.
Training Center - Community Services Board Admission and Discharge Protocols for Individuals with Intellectual Disabilities http://23.29.59.140/assets/Developmental-Services/training-centers/ods-admission-discharge-protocol.pdf
Enhanced Case Management Criteria Instructions and Guidance This document is not available yet on the Department's web page.
Rules and Regulations to Assure the Rights of Individuals Receiving Services from Providers Licensed, Funded, or Operated by the Department of Behavioral Health and Developmental Services https://law.lis.virginia.gov/admincode/title12/agency35/chapter115/
Rules and Regulations for Licensing Providers by the Department of Behavioral Health and Developmental Services https://law.lis.virginia.gov/admincode/title12/agency35/chapter105/
Medical Screening and Medical Assessment Guidance Materials This document is not available yet on the Department's web page.
Certification of Preadmission Screening Clinicians This document is not available yet on the Department's web page.
Permanent Supportive Housing Initiative Operating Guidelines This document is not available yet on the Department's web page.
Regional Utilization Management Guidance document http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services under Performance Contract Resources
Residential Crisis Stabilization Unit Expectations This document is not available yet on the Department's web page.

Exhibit L: Alphabetical Listing of Documents Referenced in the Performance Contract With Internet Links
SIS® Administration Process; http://www.dbhds.virginia.gov/library/developmental%20services/dbhds-sis%20standard%20operating%20procedures%20and%20review%20process%2002-21-17%20final.pdf
State Board Policy 1030 (SYS) 90-3 Consistent Collection and Use of Data About Individuals and Services http://www.dbhds.virginia.gov/assets/doc/about/boards/BHDS/1030-(SYS)-9-05-April-2013.pdf
State Board Policy 1035 (SYS) 05-2 Community Services Board Single Point of Entry and Case Management Services http://www.dbhds.virginia.gov/assets/doc/about/boards/BHDS/State-Board-Policy-1035-(SYS)-05-2-final-July-2013.pdf
State Board Policy 1036 (SYS) 05-3 Vision Statement http://www.dbhds.virginia.gov/assets/doc/about/boards/BHDS/1036-(SYS)-05-3-December-2016.pdf
State Board Policy 1044 (SYS) 12-1 Employment First http://www.dbhds.virginia.gov/assets/doc/about/boards/BHDS/1044-(SYS)-12-1.pdf
State Board Policy 4010 (CSB) 83-6 Local Matching Requirements for Community Services Boards and Behavioral Health Authorities http://www.dbhds.virginia.gov/assets/doc/about/boards/BHDS/4010-(CSB)-83-6-10-2016-FINAL.pdf
State Board Policy 4018 (CSB) 86-9 Community Services Performance Contracts http://www.dbhds.virginia.gov/about-dbhds/Boards-Councils/state-board-of-BHDS/bhds-policies
Settlement Agreement for Civil Action No: 3:12cv00059-JAG between the U.S. Department of Justice and the Commonwealth of Virginia http://23.29.59.143/assets/document-library/archive/library/developmental%20services/dds_final%20edva%20order%20and%20settlement%20agreement.pdf

Exhibit L: Listing of Acronyms

Acronym	Name	Acronym	Name
ACE	Adverse Childhood Experiences	NCI	National Core Indicators
BAA	Business Associate Agreement (for HIPAA compliance)	NGRI	Not Guilty by Reason of Insanity
CARS	Community Automated Reporting System	OSS	Office of Support Services (Department)
CCS 3	Community Consumer Submission 3	PACT	Program of Assertive Community Treatment
CFR	Code of Federal Regulations	PATH	Projects for Assistance in Transition from Homelessness
CIT	Crisis Intervention Team	PHI	Protected Health Information
CPMT	Community Policy and Management Team (CSA)	PII	Personally Identifiable Information
CQI	Continuous Quality Improvement	PSH	Permanent Supportive Housing
CRC	Community Resource Consultant (DD Waivers)	QSR	Quality Service Reviews
CSA	Children's Services Act (§ 2.2-5200 et seq. of the Code)	RCSU	Residential Crisis Stabilization Unit
CSB	Community Services Board	RDAP	Regional Discharge Assistance Program
DAP	Discharge Assistance Program	REACH	Regional Education Assessment Crisis Services Habilitation
DBHDS	Department	RFP	Request for Proposal

Exhibit L: Listing of Acronyms			
Acronym	**Name**	**Acronym**	**Name**
DD	Developmental Disabilities	RMG	Regional Management Group
Department	Department of Behavioral Health and Developmental Services	RST	Regional Support Team (DD Waivers)
DMAS	Department of Medical Assistance Services (Medicaid)	RUMCT	Regional Utilization Management and Consultation Team
DOJ	Department of Justice (U.S.)	SABG	Federal Substance Abuse Block Grant
EBL	Extraordinary Barriers to Discharge List	SDA	Same Day Access
EHR	Electronic Health Record	sFTP	Secure File Transfer Protocol
FTE	Full Time Equivalent	SPF	Strategic Prevention Framework
HIPAA	Health Insurance Portability and Accountability Act of 1996	TDO	Temporary Detention Order
ICC	Intensive Care Coordination (CSA)	VACSB	Virginia Association of Community Services Boards
ICF	Intermediate Care Facility	VIDES	Virginia Individual DD Eligibility Survey
IDAPP	Individualized Discharge Assistance Program Plan	WaMS	Waiver Management System (DD Waivers)
LIPOS	Local Inpatient Purchase of Services		

FY 2019 and FY 2020 Community Services Performance Contract: Central Office, State Facility, and Community Services Board Partnership Agreement

Table of Contents

Section 1: Purpose

Collaboration through partnerships is the foundation of Virginia's public system of mental health, developmental, and substance use disorder services. The Central Office of the Department of Behavioral Health and Developmental Services (Department), state hospitals and training centers (state facilities) operated by the Department, and community services boards (CSBs), which are entities of local governments, are the operational partners in Virginia's public system for providing these services. CSBs include operating CSBs, administrative policy CSBs, and policy-advisory CSBs to local government departments and the behavioral health authority that are established pursuant to Chapters 5 and 6, respectively, of Title 37.2 of the Code of Virginia.

Pursuant to State Board Policy 1034, the partners enter into this agreement to implement the vision statement articulated in State Board Policy 1036 and to improve the quality of care provided to individuals receiving services (individuals) and enhance the quality of their lives. The goal of this agreement is to establish a fully collaborative partnership process through which CSBs, the Central Office, and state facilities can reach agreements on operational and policy matters and issues. In areas where it has specific statutory accountability, responsibility, or authority, the Central Office will make decisions or determinations with the fullest possible participation and involvement by the other partners. In all other areas, the partners will make decisions or determinations jointly. The partners also agree to make decisions and resolve problems at the level closest to the issue or situation whenever possible. Nothing in this partnership agreement nullifies, abridges, or otherwise limits or affects the legal responsibilities or authorities of each partner, nor does this agreement create any new rights or benefits on behalf of any third parties.

The partners share a common desire for the system of care to excel in the delivery and seamless continuity of services for individuals and their families and seek similar collaborations or opportunities for partnerships with advocacy groups for individuals and their families and other system stakeholders. We believe that a collaborative strategic planning process helps to identify the needs of individuals and ensures effective resource allocation and operational decisions that contribute to the continuity and effectiveness of care provided across the public mental health, developmental, and substance use disorder services system. We agree to engage in such a collaborative planning process.

The Central Office, state facility, and CSB partnership reflects a common purpose derived from:

1. Codified roles defined in Chapters 3, 4, 5, 6, 7, and 8 of Title 37.2 of the Code of Virginia, hereafter referred to as the Code, as delineated in the community services performance contract;
2. Philosophical agreement on the importance of services and supports that are person-centered and individually focused and other core goals and values contained in this agreement;
3. Operational linkages associated with funding, program planning and assessment, and joint efforts to address challenges to the public system of services; and
4. Quality improvement-focused accountability to individuals receiving services and family members, local and state governments, and the public at large, as described in the accountability section of this partnership agreement.

This partnership agreement also establishes a framework for covering other relationships that may exist among the partners. Examples of these relationships include regional initiatives such as the regional utilization management teams, regional crisis stabilization programs, regional discharge assistance programs, regional local inpatient purchases of services, and REACH programs.

Section 2: Roles and Responsibilities

Although this partnership philosophy helps to ensure positive working relationships, each partner has a unique role in providing public mental health, developmental, and substance use disorder services. These distinct roles promote varying levels of expertise and create opportunities for identifying the most effective mechanisms for planning, delivering, and evaluating services.

Central Office

1. Ensures through distribution of available state and federal funding that an individually focused and community-based system of care, supported by community and state facility resources, exists for the delivery of publicly funded services and supports to individuals with mental health or substance use disorders or developmental disabilities.

2. Promotes at all locations of the public mental health, developmental, and substance use disorder service delivery system (including the Central Office) quality improvement efforts that focus on individual outcome and provider performance measures designed to enhance service quality, accessibility, and availability, and provides assistance to the greatest extent practicable with Department-initiated surveys and data requests.

3. Supports and encourages the maximum involvement and participation of individuals receiving services and family members of individuals receiving services in policy formulation and services planning, delivery, monitoring, and evaluation.

4. Ensures fiscal accountability that is required in applicable provisions of the Code, relevant state and federal regulations, and policies of the State Board.

5. Promotes identification of state-of-the-art, best or promising practice, or evidence-based programming and resources that exist as models for consideration by other partners.

6. Seeks opportunities to affect regulatory, policy, funding, and other decisions made by the Governor, the Secretary of Health and Human Resources, the General Assembly, the Department of Medical Assistance Services and other state agencies, and federal agencies that interact with or affect the other partners.

7. Encourages and facilitates state interagency collaboration and cooperation to meet the service needs of individuals and to identify and address statewide interagency issues that affect or support an effective system of care.

8. Serves as the single point of accountability to the Governor and the General Assembly for the public system of mental health, developmental, and substance use disorder services.

9. Problem solves and collaborates with a CSB and state facility together on a complex or difficult situation involving an individual who is receiving services when the CSB and state facility have not been able to resolve the situation successfully at their level.

Community Services Boards

1. Pursuant to § 37.2-500 of the Code and State Board Policy 1035, serve as the single points of entry into the publicly funded system of individually focused and community-based services and supports for individuals with mental health or substance use disorders or developmental disabilities, including individuals with co-occurring disorders in accordance with State Board Policy 1015.

2. Serve as the local points of accountability for the public mental health, developmental, and substance use disorder service delivery system.

3. To the fullest extent that resources allow, promote the delivery of community-based services that address the specific needs of individuals, particularly those with complex needs, with a focus on service quality, accessibility, integration, and availability and on self-determination, empowerment, and recovery.

4. Support and encourage the maximum involvement and participation of individuals receiving services and family members of individuals receiving services in policy formulation and services planning, delivery, monitoring, and evaluation.

5. Establish services and linkages that promote seamless and efficient transitions of individuals between state facility and community services.

6. Promote sharing of program knowledge and skills with other partners to identify models of service delivery that have demonstrated positive outcomes for individuals receiving services.

7. Problem-solve and collaborate with state facilities on complex or difficult situations involving individuals receiving services.

8. Encourage and facilitate local interagency collaboration and cooperation to meet the other services and supports needs, including employment and stable housing, of individuals receiving services.

State Facilities

1. Provide psychiatric hospitalization and other services to individuals identified by CSBs as meeting statutory requirements for admission in § 37.2-817 of the Code and criteria in the Continuity of Care Procedures in the CSB Administrative Requirements, including the development of specific capabilities to meet the needs of individuals with co-occurring mental health and substance use disorders in accordance with State Board Policy 1015.

2. Within the resources available, provide residential, training, or habilitation services to individuals with developmental disabilities identified by CSBs as needing those services in a training center and who are certified for admission pursuant to § 37.2-806 of the Code.

3. To the fullest extent that resources allow, provide services that address the specific needs of individuals with a focus on service quality, accessibility, and availability and on self-determination, empowerment, and recovery.

4. Support and encourage the involvement and participation of individuals receiving services and family members of individuals receiving services in policy formulation and services planning, delivery, monitoring, and evaluation.

5. Establish services and linkages that promote seamless and efficient transitions of individuals

6. Promote sharing of program knowledge and skills with other partners to identify models of service delivery that have demonstrated positive outcomes for individuals.

7. Problem-solve and collaborate with CSBs on complex or difficult situations involving individuals receiving services.

Recognizing that these unique roles create distinct visions and perceptions of individual and service needs at each point (statewide, communities, and state facilities) of services planning, management, delivery, and evaluation, partners are committed to maintaining effective lines of communication with each other and with other providers involved in the services system through their participation in regional partnerships generally and for addressing particular challenges or concerns. Mechanisms for communication include representation on work groups, task forces, and committees; use of websites and electronic communication; consultation activities; and circulation of drafts for soliciting input from other partners. When the need for a requirement is identified, the partners agree to use a participatory process, similar to the process used by the Central Office to develop departmental instructions for state facilities, to establish the requirement.

These efforts by the partners will help to ensure that individuals have access to a public, individually focused, person-centered, community-based, and integrated system of mental health, developmental, and substance use disorder services that maximizes available resources, adheres to the most effective, evidence-based, best, or promising service delivery practices, utilizes the extensive expertise that is available within the public system of care, and encourages and supports the self-determination, empowerment, and recovery of individuals receiving services, including the provision of services by them.

Section 3: Core Values

The Central Office, state facilities, and CSBs share a common desire for the public system of care to excel in the delivery and seamless continuity of services to individuals receiving services and their families. While they are interdependent, each partner works independently with both shared and distinct points of accountability, such as state, local, or federal governments, other funding sources, individuals receiving services, and families. The partners embrace common core values that guide the Central Office, state facilities, and CSBs in developing and implementing policies, planning services, making decisions, providing services, and measuring the effectiveness of service delivery.

FY 2019 and FY 2020 Community Services Performance Contract: Central Office, State Facility, and Community Services Board Partnership Agreement

Vision Statement

Our core values are based on our vision, articulated in State Board Policy 1036, for the public mental health, developmental, and substance use disorder services system. Our vision is of a system of quality recovery-oriented services and supports that respects the rights and values of individuals with mental illnesses, intellectual disability, other developmental disabilities who are eligible for or are receiving Medicaid developmental disability waiver services, or substance use disorders, is driven by individuals receiving services, and promotes self-determination, empowerment, recovery, resilience, health and overall wellness, and the highest possible level of participation by individuals receiving services in all aspects of community life, including work, school, family, and other meaningful relationships. This vision also includes the principles of inclusion, participation, and partnership.

Core Values

1. The Central Office, state facilities, and CSBs are working in partnership; we hold each other accountable for adhering to our core values.

2. As partners, we will focus on fostering a culture of responsiveness, finding solutions, accepting responsibility, emphasizing flexibility, and striving for continuous quality improvement.

3. As partners, we will make decisions and resolve problems at the level closest to the issue or situation whenever possible.

4. Services should be provided in the least restrictive and most integrated environment possible. Most integrated environment means a setting that enables individuals with disabilities to interact with persons without disabilities to the fullest extent possible.

5. All services should be designed to be welcoming, accessible, and capable of providing interventions properly matched to the needs of individuals with co-occurring disorders.

6. Community and state facility services are integral components of a seamless public, individual-driven, and community-based system of care.

7. The goal of all components of our public system of care is that the individuals we serve recover, realize their fullest potential, or move to independence from our care.

8. The participation of the individual and, when one is appointed or designated, the individual's authorized representative in treatment planning and service evaluation is necessary and valuable and has a positive effect on service quality and outcomes.

9. The individual's responsibility for and active participation in his or her care and treatment are very important and should be supported and encouraged whenever possible.

10. Individuals receiving services have a right to be free from abuse, neglect, or exploitation and to have their human rights assured and protected.

11. Choice is a critically important aspect of participation and dignity for individuals receiving services, and it contributes to their satisfaction and desirable outcomes. Individuals should be provided as much as possible with responsible and realistic opportunities to choose.

12. Family awareness and education about a person's disability or illness and services are valuable whenever the individual with the disability supports these activities.

13. Whenever it is clinically appropriate, children and adolescents should receive services provided in a manner that supports maintenance of their home and family environment. Family includes single parents, grandparents, older siblings, aunts or uncles, and other persons who have accepted the child or adolescent as part of their family.

14. Children and adolescents should be in school and functioning adequately enough that the school can maintain them and provide an education for them.

15. Living in safe, stable, decent, and affordable housing in the community, consistent with State Board Policy 4023 (CSB) 86-24 Housing Supports, with the highest level of independence possible is a desired outcome for adults receiving services.

16. Gaining or maintaining meaningful employment, consistent with State Board Policy 1044 (SYS) 12-1 Employment First, improves the quality of life for adults with mental health or substance use disorders or intellectual disability and is a desired outcome for adults receiving services.

17. Lack of involvement or a reduced level of involvement with the criminal justice system, including court-ordered criminal justice services, improves the quality of life of all individuals.

18. Pursuant to State Board Policy 1038, the public, individually focused, and community-based mental health, developmental, and substance use disorder services system serves as a safety net for individuals, particularly people who are uninsured or under-insured, who do not have access to other service providers or alternatives.

Section 4: Indicators Reflecting Core Values

Nationwide, service providers, funding sources, and regulators have sought instruments and methods to measure system effectiveness. No one system of evaluation is accepted as the method, as perspectives about the system and desired outcomes vary, depending on the unique role (e.g., as an individual receiving services, family member, payer, provider, advocate, or member of the community) that one has within the system.

Simple, cost-effective measures reflecting a limited number of core values or expectations identified by the Central Office, state facilities, and CSBs guide the public system of care in Virginia. Any indicators or measures should reflect the core values listed in the preceding section. The partners agree to identify, prioritize, collect, and utilize these measures as part of the quality assurance systems mentioned in section 6 of this agreement and in the quality improvement plan described in section 6.b of the community services performance contract.

Section 5: Advancing the Vision

The partners agree to engage in activities to advance the achievement of the Vision Statement contained in State Board Policy 1036 and section 3 of this agreement, including these activities.

1. **Recovery:** The partners agree, to the greatest extent possible, to:
   a. provide more opportunities for individuals receiving services to be involved in decision-making,
   b. increase recovery-oriented, peer-provided, and consumer-run services,
   c. educate staff and individuals receiving services about recovery, and

d. assess and increase the recovery orientation of CSBs, the Central Office, and state hospitals.

2. **Integrated Services:** The partners agree to advance the values and principles in the Charter Agreement signed by the CSB and the Central Office and to increase effective screening and assessment of individuals for co-occurring disorders to the greatest extent possible.

3. **Person-Centered Planning:** The partners agree to promote awareness of the principles of person-centered planning, disseminate and share information about person-centered planning, and participate on work groups focused on implementing person-centered planning.

Section 6: Critical Success Factors

The partners agree to engage in activities that will address the following seven critical success factors. These critical success factors are required to transform the current service system's crisis response orientation to one that provides incentives and rewards for implementing the vision of a recovery and resilience-oriented and person-centered system of services and supports. Successful achievement of these critical success factors will require the support and collective ownership of all system stakeholders.

1. Virginia successfully implements a recovery and resilience-oriented and person-centered system of services and supports.

2. Publicly funded services and supports that meet growing mental health, developmental, and substance use disorder services needs are available and accessible across the Commonwealth.

3. Funding incentives and practices support and sustain quality care focused on individuals receiving services and supports, promote innovation, and assure efficiency and cost-effectiveness.

4. State facility and community infrastructure and technology efficiently and appropriately meet the needs of individuals receiving services and supports.

5. A competent and well-trained mental health, developmental, and substance use disorder services system workforce provides needed services and supports.

6. Effective service delivery and utilization management assures that individuals and their families receive services and supports that are appropriate to their needs.

7. Mental health, developmental, and substance use disorder services and supports meet the highest standards of quality and accountability.

Section 7: Accountability

The Central Office, state facilities, and CSBs agree that it is necessary and important to have a system of accountability. The partners also agree that any successful accountability system requires early detection with faithful, accurate, and complete reporting and review of agreed-upon accountability indicators. The partners further agree that early detection of problems and collaborative efforts to seek resolutions improve accountability. To that end, the partners commit themselves to a problem identification process defined by open sharing of performance concerns and a mutually supportive effort toward problem resolution. Technical assistance, provided in a non-punitive manner designed not to "catch" problems but to resolve them, is a key component in an effective system of accountability.

Where possible, joint work groups, representing CSBs, the Central Office, and state facilities, shall review all surveys, measures, or other requirements for relevance, cost benefit, validity, efficiency, and consistency with this statement prior to implementation and on an ongoing basis as requirements change. In areas where it has specific statutory accountability, responsibility, or authority, the Central Office will make decisions or determinations with the fullest possible participation and involvement by the other partners. In all other areas, the partners will make decisions or determinations jointly.

The partners agree that when accreditation or another publicly recognized independent review addresses an accountability issue or requirement, where possible, compliance with this outside review will constitute adherence to the accountability measure or reporting requirement. Where accountability and compliance rely on affirmations, the partners agree to make due diligence efforts to comply fully. The Central Office reserves the powers given to the department to review and audit operations for compliance and veracity and upon cause to take actions necessary to ensure accountability and compliance.

Desirable and Necessary Accountability Areas

1. **Mission of the System.** As part of a mutual process, the partners, with maximum input from stakeholders and individuals receiving services, will define a small number of key missions for the public community and state facility services system and a small number of measures for these missions. State facilities and CSBs will report on these measures at a minimum frequency necessary to determine the level and pattern of performance over several years.

2. **Central Office Accountability.** In addition to internal governmental accountability, the Central Office agrees to support the mission of the public services system by carrying out its functions in accordance with the vision and values articulated in section 3. Accountability for the Central Office will be defined by the fewest necessary measures of key activities that will be reported at a minimum frequency necessary to determine the level and pattern of performance over several years.

3. **State Facility Accountability.** In addition to internal governmental accountability, state facilities agree to support the mission of the public services system by carrying out their functions in accordance with the vision and values articulated in section 3. Accountability for state facilities will be defined by the fewest necessary measures of key activities that will be reported at a minimum frequency necessary to determine the level and pattern of performance over several years.

4. **CSB Accountability.** In addition to internal governmental accountability, CSBs agree to support the mission of the public services system by carrying out their functions in accordance with the vision and values articulated in section 3. Accountability for CSBs will be defined by the fewest necessary measures of key activities that will be reported at a minimum frequency necessary to determine the level and pattern of performance over several years.

5. **Legislative Accountability.** Additional reporting or responses may be required of CSBs, the Central Office, or state facilities by the General Assembly or for a legislative request or study.

6. **Quality Improvement.** CSBs, state facilities, and the Central Office will manage internal quality improvement, quality assurance, and corporate compliance systems to monitor activities, detect and address problems, and minimize risk. These activities require no standardized reporting outside of that contained in law, regulation, or policy. The partners

agree to identify and, wherever possible, implement evidence-based best practices and programs to improve the quality of care that they provide. In the critically important area of service integration for individuals with co-occurring disorders, the partners agree to

a. engage in periodic organizational self-assessment using identified tools,

b. develop a work plan that prioritizes quality improvement opportunities in this area,

c. monitor progress in these areas on a regular basis, and

d. adjust the work plan as appropriate.

7. **Fiscal.** Funds awarded or transferred by one partner to another for a specific identified purpose should have sufficient means of accountability to ensure that expenditures of funds were for the purposes identified. The main indicators for this accountability include an annual CPA audit by an independent auditing firm or an audit by the Auditor of Public Accounts and reports from the recipient of the funds that display the amounts of expenditures and revenues, the purposes for which the expenditures were made and, where necessary, the types and amounts of services provided. The frequency and detail of this reporting shall reflect the minimum necessary.

8. **Compliance with Departmental Regulatory Requirements for Service Delivery.** In general, regulations ensure that entities operate within the scope of acceptable practice. The system of department licensing, in which a licensed entity demonstrates compliance by policy, procedure, or practice with regulatory requirements for service delivery, is a key accountability mechanism. Where a service is not subject to state licensing, the partners may define minimum standards of acceptable practice. Where CSBs obtain nationally recognized accreditation covering services for which the department requires a license, the department, to the degree practical and with the fullest possible participation and involvement by the other partners, will consider substituting the accreditation in whole or in part for the application of specific licensing standards.

9. **Compliance with Federal and Non-Department Standards and Requirements.** In areas where it has specific statutory accountability, responsibility, or authority, the Central Office will make decisions or determinations with the fullest possible participation and involvement by the other partners. In all other areas, the partners will make decisions or determinations jointly. The Central Office agrees to identify the minimum documentation needed from the other partners to indicate their compliance with applicable federal and non-departmental standards and requirements. Where possible, this documentation shall include affirmations by CSBs or state facilities in lieu of direct documentation. The partners shall define jointly the least intrusive and least costly compliance strategies, as necessary.

10. **Compliance with Department-Determined Requirements.** In areas where it has specific statutory accountability, responsibility, or authority, the Central Office will make decisions or determinations with the fullest possible participation and involvement by the other partners. In all other areas, the partners will make decisions or determinations jointly. The Central Office agrees to define the minimum compliance system necessary to ensure that CSBs and state facilities perform due diligence in regard to requirements established by the Central Office and that this definition will include only the minimum necessary to meet the intent of the state law or State Board policy for which the requirement is created. Where equivalent local government standards are in place, compliance with the local standards shall be acceptable.

11. **Medicaid Requirements.** The Central Office agrees to work proactively with the Department of Medical Assistance Services (DMAS) to create an effective system of accountability that will ensure services paid for by the DMAS meet minimum standards for quality care and for the defined benefit. The Central Office, and CSBs to the fullest extent possible, will endeavor to assist the DMAS in regulatory and compliance simplification in order to focus accountability on the key and most important elements.

12. **Maximizing State and Federal Funding Resources.** The partners agree to collect and utilize available revenues from all appropriate sources to pay for services in order to extend the use of state and federal funds as much as possible to serve the greatest number of individuals in need of services. Sources include Medicaid cost-based, fee-for service, Targeted Case Management, Rehabilitation (State Plan Option), and ID Waiver payments; other third party payers; auxiliary grants; food stamps; SSI, SSDI, and direct payments from individuals; payments or contributions of other resources from other agencies such as local social services or health departments; and other state or local funding sources.

13. **Information for Decision-Making.** The partners agree to work collaboratively to

    a. improve the accuracy, timeliness, and usefulness of data provided to funding sources and stakeholders;

    b. enhance infrastructure and support for information technology systems and staffing; and

    c. use this information in their decision-making about resources, services, policies, and procedures and to communicate more effectively with funding sources and stakeholders about the activities of the public services system and its impact on individuals receiving services and their families.

Section 8: Involvement and Participation of Individuals Receiving Services and Their Family Members

1. **Involvement and Participation of Individuals Receiving Services and Their Family Members:** CSBs, state facilities, and the Central Office agree to take all necessary and appropriate actions in accordance with State Board Policy 1040 to actively involve and support the maximum participation of individuals receiving services and their family members in policy formulation and services planning, delivery, monitoring, and evaluation.

2. **Involvement in Individualized Services Planning and Delivery by Individuals Receiving Services and Their Family Members:** CSBs and state facilities agree to involve individuals receiving services and, with the consent of individuals where applicable, family members, authorized representatives, and significant others in their care, including the maximum degree of participation in individualized services planning and treatment decisions and activities, unless their involvement is not clinically appropriate.

3. **Language:** CSBs and state facilities agree that they will endeavor to deliver services in a manner that is understood by individuals receiving services. This involves communicating orally and in writing in the preferred languages of individuals, including Braille and American Sign Language when applicable, and at appropriate reading comprehension levels.

4. **Culturally Competent Services:** CSBs and state facilities agree that in delivering services they will endeavor to address to a reasonable extent the cultural and linguistic characteristics of the geographic areas and populations that they serve.

Section 9: Communication. CSBs, state facilities, and the Central Office agree to communicate fully with each other to the greatest extent possible. Each partner agrees to respond in a timely manner to requests for information from other partners, considering the type, amount, and availability of the information requested.

Section 10: Quality Improvement. On an ongoing basis, the partners agree to work together to identify and resolve barriers and policy and procedural issues that interfere with the most effective and efficient delivery of public mental health, developmental, and substance use disorder services.

Section 11: Reviews, Consultation, and Technical Assistance. CSBs, state facilities, and the Central Office agree, within the constraints of available resources, to participate in review, consultation, and technical assistance activities to improve the quality of services provided to individuals and to enhance the effectiveness and efficiency of their operations.

Section 12: Revision. This is a long-term agreement that should not need to be revised or amended annually. However, the partners agree that this agreement may be revised at any time with the mutual consent of the parties. When revisions become necessary, they will be developed and coordinated through the System Leadership Council. Finally, either party may terminate this agreement with six months written notice to the other party and to the System Leadership Council.

Section 13: Relationship to the Community Services Performance Contract. This partnership agreement by agreement of the parties is hereby incorporated into and made a part of the current community services performance contract by reference.

Danville-Pittsylvania Community Services

"Unlocking Potential With Each Sunrise"

Executive Director
James F. Bebeau, LPC
434-799-0456

Services
Prevention Services
434-797-3981
Behavioral Health Services
434-793-4931
Developmental Services
434-799-0456

Operations
Finance Division
434-799-0459
Human Resources Division
434-799-0456
Compliance & Information Systems
434-799-0456

September 5, 2018

Earl Reynolds, Deputy City Manager
City of Danville
P. O. Box 3300
Danville, VA 24543

RE: FY2019-FY2020 Performance Contract

Dear Mr. Reynolds:

Attached is the Danville-Pittsylvania Community Services (DPCS) Fiscal Year 2019-2020 Performance Contract with the *Virginia Department of Behavioral Health and Developmental Services* (DBHDS), as approved June 28, 2018, by our Board of Directors. In accordance with *Virginia Code §37.2-508*, the Contract must be presented to the DPCS Board of Directors and then to our local governments for approval.

The Performance Contract incorporates changes as negotiated with the Performance Contract Committee established by DBHDS and the *Virginia Association of Community Services Boards*. The attached June 8, 2018, memo (Attachment 1) from Paul Gilding, Director of the Office of Support Services with DBHDS, outlines the scope of changes.

The Performance Contract (Attachment 2) is our service plan and associated costs, as well as our performance expectation. In the second year of the Contract, only the statistical and financial data is updated. The Contract has the following components:

- Exhibits include all mental health, developmental, and substance abuse services provided or contracted by DPCS that are supported by the resources described in the Contract.

- Administrative Requirements (Attachment 3) are identical for all Community Services Boards in Virginia and contain externally imposed requirements and long-term DBHDS requirements that Community Services Boards and DBHDS must meet.

- Partnership Agreement (Attachment 4) is identical for all Community Services Boards in Virginia and describes the values, roles, and responsibilities of the three operational partners in the public services system—Community Services Boards, State Facilities operated by DBHDS, and Central Office of DBHDS.

As a reference point for the impact of this Performance Contract in the community, in Fiscal Year 2017, DPCS directly served 17,316 residents of the City of Danville and Pittsylvania County through 187,195 distinct units of service.

Should you or City Council need additional information about our Performance Contract, please do not hesitate to contact me. I will be present at the Tuesday, October 16, 2018, City Council Meeting to answer questions.

On behalf of the DPCS Board of Directors and the individuals who depend upon our services, I respectfully request that our Fiscal Year 2019-2020 Performance Contract be approved.

Sincerely,

James F. Bebeau, LPC
Executive Director

JFB:ctc

Attachments (4)

COMMONWEALTH of VIRGINIA
DEPARTMENT OF
BEHAVIORAL HEALTH AND DEVELOPMENTAL SERVICES
S. HUGHES MELTON, MD, MBA
FAAFP, FABAM
COMMISSIONER
Post Office Box 1797
Richmond, VA 23218-1797
Telephone (804) 786-3921
Fax (804) 371-6638
www.dbhds.virginia.gov

TO: Community Services Board or Local Government Department Executive Directors and the Behavioral Health Authority Chief Executive Officer

FROM: Paul R. Gilding
Office of Support Services Director

SUBJECT: **FY 2019 and FY 2020 Community Services Performance Contract**

DATE: June 8, 2018

The FY 2019 and FY 2020 Community Services Performance Contract is available for your information and use at http://www.dbhds.virginia.gov/behavioral-health/office-of-support-services. The FY 2019 and FY 2020 CSB Administrative Requirements and the Partnership Agreement, separate documents incorporated into the contract by reference, are also available there. The Department will distribute Letters of Notification and the Community Automated Reporting System (CARS) software electronically by June 15. The letters contain initial allocations of state and federal funds to community services boards, the behavioral health authority, and the two local government departments with policy-advisory CSBs, referred to as CSBs in contract documents and this memo. The Department delayed distributing the performance contract and Letters of Notification because of the late adoption of the 2018-2020 biennium budget on May 31. As a result, the Department adjust due dates for and processing of the performance contract.

The contract documents incorporate changes in the FY 2018 Community Services Performance Contract Renewal negotiated last month with the Performance Contract Committee established by the Department and the Virginia Association of Community Services Boards. The following pages summarize major substantive changes from the FY 2018 Performance Contract Renewal.

Performance Contract Changes

1. New section 4.c.11.) on page 5 requires CSBs to attempt to contact and re-engage any individuals who were admitted to services who have not received any services within 100 days.

2. Section 4.i.3.) on page 12 requires support coordinators to ensure that all information about each individual, including the ISP and VIDES, is imported from the CSB's EHR to the Department within five business days through an electronic exchange mechanism mutually agreed upon by the CSB and the Department into the electronic waiver management system (WaMS).

3. New section 4.j on pages 12 and 13 incorporates requirements about PACT services in the contract body and eliminates separate Exhibits D in the contract.

4. New section 4.k on pages 13 and 14 incorporates requirements about Crisis Intervention Team (CIT) services in the contract body and eliminates separate Exhibits D.

5. New section 4.l on pages 14 and 15 incorporates requirements about Permanent Supportive Housing (PSH) in the contract body and eliminates separate Exhibits D.

6. New section 4.m on page 15 adds requirements about Same Day Access (SDA).

7. New section 4.n on pages 15 and 16 incorporates requirements about the Family Wellness Initiative in the contract body and eliminates separate Exhibits D.

8. Section 6.b.7.) on page 20 clarifies the organization of CSB developmental case management services and reflects current interpretations of the CMS Final Rule.

9. Eliminates requirements in former sections 6.c.2.) c.) and d.) for CSBs to submit community waiting list information for the Comprehensive State Plan and State Facility Discharge Waiting List Data Base reports.

10. New sections 6.d and 7.e on pages 23 and 28 address improving CSB data quality.

11. Section 7.d.1.) on pages 26 and 27 requires the Department to work with CSBs through the VACSB Data Management Committee (DMC) to develop and implement any changes in data platforms used, data elements collected, or due dates for existing reporting mechanisms, including CCS, CARS, WaMS, FIMS, and the current prevention data system and stand-alone spreadsheet or other program-specific reporting processes.

12. Section 7.d.3.) on page 27 requires the Department to work with CSBs through the DMC to develop, implement, maintain, and revise or update a mutually agreed upon electronic exchange mechanism that will import all information related to the support coordination or case management parts of the ISP (parts I-IV) and VIDES about individuals who are receiving DD Waiver services from CSB EHRs into WaMS.

13. Section 9.d on pages 31 and 32 substantially revises the remediation process for more structure and follow-up.

14. Section I on pages 50-52 of Exhibit B adds seven performance measures with definitions, benchmarks, and monitoring language:
    - Continuity of care for local psychiatric inpatient discharges,
    - Continuity of care for state hospital discharges,
    - Residential crisis stabilization unit utilization,
    - Regional discharge assistance program (RDAP) service provision,
    - Local inpatient purchase of services (LIPOS) provision,
    - PACT caseload, and
    - Provision of developmental enhanced case management services.

15. Section II of Exhibit B on page 53 deletes seven outdated performance measures.

16. Paragraph 12 on page 71 of Section E in Exhibit J adds a requirement for CSBs to maintain an operating reserve of funds sufficient to cover at least two months of personnel and operating costs.

17. A new Exhibit K on pages 77-81 establishes state hospital census management admission and discharge requirements that CSBs must satisfy, including eight additional requirements for CSBs that use more than eight beds per 100,000 adults

18. Eliminates the CSB Board Membership List, the CSB Board Membership Characteristics, and the CSB FTE data. This information is in the end-of-the-fiscal year CARS reports.

CSB Administrative Requirements Changes

19. Section II.A.6.on pages 8 and 9 deletes requirements about CSB hardware and software procurement.

20. Section II.A.6.c on page 9 states the Department shall collaborate with the VACSB DMC in prescribing the format for fiscal, service, and individual data output.

21. Section III.A.1 on page 12 requires the Department to ensure any software application it issues to CSBs for reporting purposes has been field tested in accordance with the user acceptable testing (UAT) process in Appendix D and shall collaborate with the VACSB DMC in the implementation of any new data management or data warehousing systems to ensure appropriate interoperability and workflow management.

22. Appendix D on page 36 adds WaMS to the UAT process and states major changes in complex systems such as CCS or WaMS shall occur only once per year at the start of the fiscal year and in accordance with the UAT process.

Contract Process

Once the Department distributes the CARS software and Letters of Notification, CSBs will submit all of the contract's Exhibit A and table 2 of the Performance Contract Supplement electronically using CARS software. To be accepted for processing by the Department, a contract must satisfy the requirements in Exhibits E and I of the contract.

1. Exhibit A must be submitted to the Department's Office of Information Services and Technology using the CARS software and must be complete and accurate.

2. Since the contract is being distributed electronically, the parts of the contract that are submitted on paper should be printed, signed where necessary, and mailed to the Office of Support Services when Exhibit A is submitted. See Exhibit E in the contract for more information. These parts are:
   - signature page of the contract body (page 34)
   - signature page of Exhibit B,
   - Exhibit D (if applicable),
   - Exhibit F (two pages), and
   - Exhibit G.

   The Department must receive all parts of the contract submitted on paper before a contract submission will be considered complete.

3. Exhibit A must conform to allocations of state and federal funds in the Letter of Notification, unless amounts have been revised by or changes negotiated with the Department and confirmed by the Department in writing. Total funds in each program area (pages AF-1 through AF-8) must equal total costs shown on Forms 11, 21, 31, and 01 or differences must be explained on the Financial Comments form.

4. Contracts must contain actual appropriated amounts of local matching funds. If a CSB cannot include the minimum 10 percent local matching funds in its contract, it must submit a written request for a waiver of the local matching funds requirement, pursuant to § 37.2-509 of the Code of Virginia and State Board Policy 4010, to the Office of Support Services with its contract. More information about the waiver request process is attached to this memo.

The FY 2019 and FY 2020 Performance Contract materials described above are due in the Department's Office of Support Services by August 3, 2017, except for Exhibit A that is submitted to the Office of Information Services and Technology by the same date. This is a significant change from the normal process due to the delay in adopting the 2018-2020 biennium budget. Section 37.2-508 or 37.2-608 of the Code of Virginia authorizes the Department to provide semi-monthly payments of state and federal funds to allow sufficient time to complete local government approval and Department negotiation and approval of the contract. Exhibit E of the contract automatically provides the first four semi-monthly payments (July and August), whether or not a contract has been submitted. The process conditions the next four semi-monthly payments (September and October) on the Department's receipt of a complete performance contract since the Department may not complete processing contracts until September.

Once a contract is received in the Department, the Community Contracting Director will review it and notify the CSB within five working days that it is or is not accepted for review by the Department. Unacceptable contracts will need to be revised before the Department will process them. If you have any questions about this memo or the contract documents, please e-mail or call Joel Rothenberg, the Community Contracting Director, at joel.rothenberg@dbhds.virginia.gov or (804) 786-6089 or me at paul.gilding@dbhds.virginia.gov or (804) 786-4982. Thank you.

Enclosures (4)

pc:
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Jae H. Benz
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Marshall Wilson
Mike Zohab
Allyson K. Tysinger, J.D.
Jennifer M. Faison

Minimum Ten Percent Local Matching Funds Waiver Request Attachment

A CSB should maintain its local matching funds at least at the same level as that shown in its FY 2016 performance contract. The 2019 Appropriation Act prohibits using state funds appropriated in item 312 to supplant the funding effort provided by localities for services existing as of June 30, 2016. Section 37.2-509 of the Code of Virginia states that allocations of state funds to any CSB for operating expenses, including salaries and other costs, shall not exceed 90 percent of the total amount of state and local matching funds provided for these expenses. This section effectively defines the 10 percent minimum amount of local matching funds as 10 percent of the total amount of state and local matching funds. State Board Policy 4010 defines acceptable local matching funds as local government appropriations, philanthropic cash contributions from organizations and people, in-kind contributions of space, equipment, or professional services for which the CSB would otherwise have to pay, and, in certain circumstances, interest revenue. All other funds, including fees, federal grants, other funds, and uncompensated volunteer services, are not acceptable. If a CSB is not able to meet the minimum 10 percent local matching funds requirement, the Code section and State Board Policy authorize the Department to waive the requirement.

If a CSB is not able to include the required minimum 10 percent local matching funds in its performance contract or end-of-the-fiscal-year CARS performance contract report, it must submit a written request for a waiver of that requirement, pursuant to that Code section and policy, to the Office of Support Services with the contract or report. The waiver request must contain the documentation in items 1 through 3 below.

Section 7.g of the performance contract authorizes the Department to grant an automatic waiver if a CSB's receipt of state funds as the fiscal agent for a regional program, including RDAP, LIPOS, or state facility reinvestment project funds, causes it to be out of compliance with the 10 percent local matching funds requirement. The waiver excludes the state funds for a regional program allocated to the other CSBs participating in the regional program from the matching funds requirement. The other participating CSBs are responsible for matching those allocated state funds. The amount of state funds the CSB uses for its own participation in the regional program is not eligible for this automatic waiver. The CSB must submit a written request for this automatic waiver, identifying the specific amounts and types of those funds that cause it to be out of compliance with the local matching funds requirement, but without the documentation required below in items 1 through 3, and the Department will approve the waiver in a letter to the CSB.

1. The written waiver request must include an explanation of each local government's inability to provide sufficient local matching funds at this time. This written explanation should include, among other circumstances, the following factors:
   a. an unusually high unemployment rate compared with the statewide or regional average rate,
   b. a decreasing tax base or declining tax revenues,
   c. the existence of local government budget deficits, or
   d. major unanticipated local government expenditures (e.g., for flood damage).

2. The waiver request must include information and documentation about the CSB's efforts to obtain sufficient local matching funds. Examples of these efforts should include newspaper articles, letters or resolutions from and presentations by CSB board members to local governing bodies outlining the statutory matching funds requirement and requests to meet the requirement.

3. Finally, the waiver request must include a copy of its budget request for local matching funds that the CSB submitted to each local government and a copy or description of the local government's response to it.

FY 2019 and FY 2020 CSB Administrative Requirements

Table of Contents

I. Purpose: The CSB Administrative Requirements include or incorporate by reference ongoing statutory, regulatory, policy, and other requirements that are not expected to change frequently. This document is incorporated into and made a part of the current Community Services Performance Contract (performance contract) by reference. Any substantive change in this document, except changes in statutory, regulatory, policy, or other requirements or in other documents incorporated by reference in it, which changes are made in accordance with processes or procedures associated with those statutes, regulations, policies, or other requirements or documents, shall be made in accordance with applicable provisions of the Partnership Agreement and shall be considered to be a performance contract amendment that requires a new contract signature page, signed by both parties. In this document, a CSB, the local government department with a policy-advisory CSB, or the behavioral health authority will be referred to as the CSB.

II. CSB Requirements

A. State Requirements

1. General State Requirements: The CSB shall comply with applicable state statutes and regulations, State Board of Behavioral Health and Developmental Services (State Board) regulations and policies, and Department procedures including:

a. Community Services Boards, § 37.2-500 through § 37.2-512 or Behavioral Health Authorities, § 37.2-600 through § 37.2-615 of the Code of Virginia;

b. State and Local Government Conflict of Interests Act, § 2.2-3100 through § 2.2-3131 of the Code;

c. Virginia Freedom of Information Act, § 2.2-3700 through § 2.2 -3714 of the Code, including its notice of meeting and public meeting provisions;

d. Government Data Collection and Dissemination Practices Act, § 2.2-3800 through § 2.2-3809 of the Code;

e. Virginia Public Procurement Act, § 2.2-4300 through § 2.2-4377 of the Code;

f. Chapter 8 (Admissions and Dispositions) and other applicable provisions of Title 37.2 and other titles of the Code; and

g. Applicable provisions of the current Appropriation Act.

2. Financial Management Requirements, Policies, and Procedures

a. **Generally Accepted Accounting Principles:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government financial management requirements, policies, and procedures, the CSB's financial management and accounting system shall operate and produce financial statements and reports in accordance with Generally Accepted Accounting Principles. It shall include necessary personnel and financial records and a fixed assets system. It shall provide for the practice of fund accounting and adhere to cost accounting guidelines issued by the Department.

If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government financial management requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, the CSB shall comply with local government financial management requirements, policies, and procedures.

If the Department receives any complaints about the CSB's financial management operations, the Department will forward these complaints to the local government and any other appropriate authorities. In response to those complaints, the Department may conduct a review of that CSB's financial management activities.

b. Accounting: CSBs shall account for all service and administrative expenses accurately and submit timely reports to the Department to document these expenses.

c. Annual Independent Audit: If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government financial management requirements, policies, and procedures, the CSB shall obtain an independent annual audit conducted by certified public accountants. Audited financial statements shall be prepared in accordance with generally accepted accounting principles (GAAP). The appropriate GAAP basis financial reporting model is the Enterprise Fund in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement Number 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. GASB 34 replaces the previous financial reporting model *Health Care Organizations Guide*, produced by the American Institute of Certified Public Accountants. Copies of the audit and the accompanying management letter shall be provided to the Office of Budget and

Financial Reporting in the Department and to each local government that established the CSB. CSBs shall, to the extent practicable, obtain unqualified audit opinions. Deficiencies and exceptions noted in an audit or management letter shall be resolved or corrected within a reasonable period of time, mutually agreed upon by the CSB and the Department.

If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government financial management requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, the CSB shall be included in the annual audit of its local government. Copies of the applicable portions of the accompanying management letter shall be provided to the Office of Budget and Financial Reporting in the Department. Deficiencies and exceptions noted in a management letter shall be resolved or corrected within a reasonable period of time, mutually agreed upon by the CSB, its local government(s), and the Department.

If an administrative policy CSB that is a city or county department or agency or is required to adhere to local government financial management requirements, policies, and procedures or the local government department with a policy-advisory CSB obtains a separate independent annual audit conducted by certified public accountants, audited financial statements shall be prepared in accordance with generally accepted accounting principles. The appropriate GAAP basis financial reporting model is the Enterprise Fund in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement Number 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. The local government will determine the appropriate fund classification in consultation with its certified public accountant. Copies of the audit and the accompanying management letter shall be provided to the Office of Budget and Financial Reporting and to each local government that established the CSB. CSBs shall, to the extent practicable, obtain unqualified audit opinions. Deficiencies and exceptions noted in an audit or management letter shall be resolved or corrected within a reasonable period of time, mutually agreed upon by the CSB and the Department.

d. Federal Audit Requirements: When the Department subgrants federal grants to a CSB, the CSB shall satisfy all federal government audit requirements.

e. Subcontractor Audits: Every CSB shall obtain, review, and take any necessary actions on audits of any subcontractors that provide services that are procured under the Virginia Public Procurement Act and included in a CSB's performance contract. The CSB shall provide copies of these audits to the Office of Budget and Financial Reporting in the Department.

f. Bonding: If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government financial management requirements, policies, and procedures, CSB employees with financial responsibilities shall be bonded in accordance with local financial management policies.

g. Fiscal Policies and Procedures: If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government financial management

requirements, policies, and procedures, a CSB's written fiscal policies and procedures shall conform to applicable State Board policies and Departmental policies and procedures.

h. Financial Management Manual: If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government financial management requirements, policies, and procedures, a CSB shall be in material compliance with the requirements in the current Financial Management Standards for Community Services Boards issued by the Department.

i. Local Government Approval: CSBs shall submit their performance contracts to the local governments in their service areas for review and approval, pursuant to § 37.2-508 or § 37.2-608 of the Code of Virginia, which requires approval of the contracts by September 30. CSBs shall submit their contracts to the local governing bodies of the cities and counties that established them in accordance with the schedules determined by those governing bodies or at least 15 days before meetings at which the governing bodies are scheduled to consider approval of their contracts. Unless prohibited from doing so by its local government(s), a CSB may submit its contract to the Department before it is approved by its local government(s).

j. Department Review: If a CSB is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government financial management requirements, policies, and procedures, the Department may conduct a review of the CSB's financial management activities at any time. While it does not conduct routine reviews of the CSB's financial management activities, the Department may conduct a review in response to significant deficiencies, irregularities, or problems identified in the CSB's independent annual audit or management letter or in response to complaints or information that it receives. CSBs shall submit formal plans of correction to the Office of Budget and Financial Reporting in the Department within 45 days of receipt of official reports of reviews. Minor compliance issues shall be corrected within 45 days of submitting a plan. Action to correct major compliance issues shall be initiated within 45 days and completed within 180 days of submitting a plan, unless the Department grants an extension.

If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government financial management requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, the Department may conduct a review of a CSB's financial management activities at any time in order to fulfill its responsibilities for federal sub-recipient (CSB) monitoring requirements under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200.331. While it does not conduct routine reviews of the CSB's financial management activities, the Department may conduct a review in response to significant deficiencies, irregularities, or problems identified in the CSB's audit or management letter or in response to complaints or information that it receives. Such reviews shall be limited to sub-recipient monitoring responsibilities in 2 CFR Part 200.331 associated with receipt of federal funds by the CSB. CSBs shall submit formal plans of correction to the Office of Budget and Financial Reporting in the Department within 45 days of receipt of official reports of reviews. Minor

compliance issues shall be corrected within 45 days of submitting a plan. Action to correct major compliance issues shall be initiated within 45 days and completed within 180 days of submitting a plan, unless the Department grants an extension.

k. **Balances of Unspent Funds:** In calculating amounts of unspent state funds, the Department shall prorate balances of unexpended unrestricted funds after the close of the fiscal year among unrestricted state funds, local matching funds, and fees, based on the relative proportions of those funds received by the CSB. This normally will produce identified balances of unrestricted state funds, local matching funds, and fees, rather than just balances of unrestricted state funds. Restricted state funds shall be accounted for separately, given their restricted status, and the Department shall identify balances of unexpended restricted state funds separately. CSBs shall adhere to the Unspent Balances Principles and Procedures in Appendix C.

3. **Procurement Requirements, Policies, and Procedures**

a. **Procurement Policies and Procedures:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government procurement requirements, policies, and procedures, a CSB shall have written procurement policies and procedures in effect that address internal procurement responsibilities, small purchases and dollar thresholds, ethics, and disposal of surplus property. Written procurement policies and procedures relating to vendors shall be in effect that address how to sell to the CSB, procurement, default, and protests and appeals. All written policies and procedures shall conform to the Virginia Public Procurement Act.

If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government procurement requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, a CSB shall comply with its local government's procurement requirements, policies, and procedures, which shall conform to the Virginia Public Procurement Act. If the Department receives any complaints about the CSB's procurement operations, the Department will forward these complaints to the local government and any other appropriate authorities. In response to those complaints, the Department may conduct a review of that CSB's procurement activities.

b. **Department Review:** If a CSB is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government procurement requirements, policies, and procedures, the Department may conduct a review of the CSB's procurement activities at any time. While it does not conduct routine reviews of the CSB's procurement activities, the Department may conduct a review in response to significant deficiencies, irregularities, or problems identified in the CSB's independent annual audit or management letter or in response to complaints or information that it receives. The review will include a sampling of CSB subcontracts. CSBs shall submit formal plans of correction to the Office of Administrative Services in the Department within 45 days of receipt of official reports of reviews. Minor compliance issues shall be corrected within 45 days of submitting a plan. Action to correct major compliance issues shall be initiated within 45 days and completed within 180 days of submitting a plan, unless the Department grants an extension.

4. **Reimbursement Requirements, Policies, and Procedures**

   a. **Reimbursement System:** Each CSB's reimbursement system shall comply with § 37.2-504 and § 37.2-511 or § 37.2-605 and § 37.2-612 and with § 20-61 of the Code of Virginia and State Board Policy 6002 (FIN) 86-14. Its operation shall be described in organizational charts identifying all staff members, flow charts, and specific job descriptions for all personnel involved in the reimbursement system.

   b. **Policies and Procedures:** Written fee collection policies and procedures shall be adequate to maximize fees from individuals and responsible third party payors.

   c. **Schedule of Charges:** A schedule of charges shall exist for all services that are included in the CSB's performance contract, shall be related reasonably to the cost of the services, and shall be applicable to all recipients of the services.

   d. **Ability to Pay:** A method, approved by a CSB's board of directors that complies with applicable state and federal regulations shall be used to evaluate the ability of each individual to pay fees for the services he or she receives.

   e. **Department Review:** While it does not conduct routine reviews of the CSB's reimbursement activities, the Department may conduct a review at any time in response to significant deficiencies, irregularities, or problems identified in the CSB's independent annual audit or management letter or in response to complaints or information that it receives. CSBs shall submit formal plans of correction to the Office of Cost Accounting and Reimbursement in the Department within 45 days of receipt of official reports of reviews. Minor compliance issues shall be corrected within 45 days of submitting a plan. Action to correct major compliance issues shall be initiated within 45 days and completed within 180 days of submitting a plan, unless the Department grants an extension.

   f. **Medicaid and Medicare Regulations:** CSBs shall comply with applicable federal and state Medicaid and Medicare regulations, policies, procedures, and provider agreements. Medicaid non-compliance issues identified by Department staff will be communicated to the Department of Medical Assistance Services.

5. **Human Resource Management Requirements, Policies, and Procedures**

   a. **Statutory Requirements:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government human resource management requirements, policies, and procedures, a CSB shall operate a human resource management program that complies with state and federal statutes, regulations, and policies. If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government human resource management requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, a CSB shall be part of a human resource management program that complies with state and federal statutes, regulations, and policies.

   b. **Policies and Procedures:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government human resource management requirements, policies, and procedures, a CSB's written human resource management policies and procedures shall include a classification plan and uniform employee pay plan and, at a minimum, shall address:

1.) nature of employment;
2.) equal employment opportunity;
3.) recruitment and selection;
4.) criminal background and reference check requirements;
5.) classification and compensation, including a uniform employee pay plan;
6.) employment medical examinations (e.g., TB);
7.) nepotism (employment of relatives);
8.) probationary period;
9.) initial employee orientation;
10.) transfer and promotion;
11.) termination, layoff, and resignation;
12.) benefits, including types and amounts of leave, holidays, and health, disability, and other insurances;
13.) hours of work;
14.) outside employment;
15.) professional conduct;
16.) employee ethics;
17.) compliance with state Human Rights Regulations and the CSB's local human rights policies and procedures;
18.) HIPAA compliance and privacy protection;
19.) compliance with the Americans with Disabilities Act;
20.) compliance with Immigration Reform and Control Act of 1986;
21.) conflicts of interests and compliance with the Conflict of Interests Act;
22.) compliance with Fair Labor Standards Act, including exempt status, overtime, and compensatory leave;
23.) drug-free workplace and drug testing;
24.) maintenance of a positive and respectful workplace environment;
25.) prevention of sexual harassment;
26.) prevention of workplace violence;
27.) whistleblower protections;
28.) smoking;
29.) computer, internet, email, and other electronic equipment usage;
30.) progressive discipline (standards of conduct);
31.) employee performance evaluation;
32.) employee grievances;
33.) travel reimbursement and on-the-job expenses;
34.) employee to executive director and board of directors contact protocol; and
35.) communication with stakeholders, media, and government officials.

If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government human resource management requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, a CSB shall adhere to its local government's human resource management policies and procedures.

c. **Job Descriptions:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government human resource management requirements, policies, and procedures, a CSB shall have written, up-to-date job descriptions for all positions. Job descriptions shall include identified essential functions, explicit responsibilities, and qualification statements, expressed in terms of knowledges, skills, and abilities as well as business necessity and bona fide occupational qualifications or requirements.

d. **Grievance Procedure:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government human resource management, policies, procedures, and requirements, a CSB's grievance procedure shall satisfy § 15.2-1507 of the Code of Virginia.

e. **Uniform Pay Plan:** If it is an operating CSB, a behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government human resource management requirements, policies, and procedures, a CSB shall adopt a uniform pay plan in accordance with § 15.2-1506 of the Code of Virginia and the Equal Pay Act of 1963.

f. **Department Review:** If it is an operating CSB, the behavioral health authority, or an administrative policy CSB that is not a city or county department or agency or is not required to adhere to local government human resource management requirements, policies, and procedures, employee complaints regarding a CSB's human resource management practices will be referred back to the CSB for appropriate local remedies. The Department may conduct a human resource management review to ascertain a CSB's compliance with performance contract requirements and assurances, based on complaints or other information received about a CSB's human resource management practices. If a review is done and deficiencies are identified, a CSB shall submit a formal plan of correction to the Office of Human Resource Management and Development in the Department within 45 days of receipt of an official report of a review. Minor compliance issues shall be corrected within 45 days of submitting the plan. Action to correct major compliance issues shall be initiated within 45 days and completed within 180 days of submitting the plan, unless the Department grants an extension.

   If it is an administrative policy CSB that is a city or county department or agency or is required to adhere to local government human resource management requirements, policies, and procedures or it is the local government department with a policy-advisory CSB, employee complaints regarding a CSB's human resource management practices will be referred back to the local government for appropriate local remedies. In response to complaints that it receives, the Department may conduct a review of the local government's human resource management practices at any time.

6. **Information Technology Capabilities and Requirements:** CSB shall meet the following requirements.

   a. **Operating Systems:** A CSB's computer network or system shall be capable of supporting and running the current versions of the Department's Community Automated Reporting System (CARS) software and Community Consumer

Submission (CCS) extract software and should be capable of processing and reporting standardized aggregate and discrete data about individuals receiving services, services, and outcomes, provider performance measures, and funds, expenditures, and costs based on documents and requirements listed in the performance contract.

b. Electronic Communication: CSBs shall ensure that their information systems communicate with those used by the Department and that this communication conforms to the security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

c. Data Access: CSBs shall develop and implement or access automated systems that allow for output of fiscal, service, and individual data, taking into consideration the need for appropriate security and confidentiality. Output shall be in a format prescribed by the Department in collaboration with the Virginia Association of Community Services Boards (VACSB) Data Management Committee (DMC). In addition to regular reports, such data may be used to prepare ad hoc reports on individuals and services and to update Department files using this information. CSBs shall ensure that their information systems meet all applicable state and federal confidentiality, privacy, and security requirements, particularly concerning the distribution of identifying information, diagnosis, service history, and service use and that their information systems are compliant with HIPAA. Each CSB shall provide to the Office of Support Services in the Department the names of staff for whom it has rescinded permission to access the SFTP server. Each CSB also shall provide to the Office of Support Services the name, email address, telephone number, and applications that additional staff have been given permission to access; this includes changing the applications for any staff previously granted access to the SFTP server. Each CSB shall keep the list of its staff with permission to access the SFTP server it provided to the Office of Support Services current at all times.

7. Planning

a. General Planning: The CSB shall participate in collaborative local and regional service and management information systems planning with state facilities, other CSBs, other public and private human services agencies, and the Department, as appropriate. In accordance with § 37.2-504 or § 37.2-605 of the Code of Virginia, the CSB shall provide input into long-range planning activities that are conducted by the Department.

b. Participation in State Facility Planning Activities: The CSB shall participate in collaborative planning activities with the Department to the greatest extent possible regarding the future role and structure of the state facilities.

8. Forensic Services

a. Upon receipt of a court order pursuant to § 19.2-169.2 of the Code of Virginia, the CSB shall provide or arrange for the provision of services to restore the individual to competency to stand trial. These services shall be delivered in the local or regional jail, juvenile detention center (when a juvenile is being tried as an adult), other location in the community where the individual is currently located, or in another location suitable for the delivery of the restoration services when determined to be appropriate. These services shall include treatment and restoration services, emergency services, assessment services, the provision of medications and medication

management services, and other services that may be needed by the individual in order to restore him to competency and to prevent his admission to a state hospital for these services.

b. Upon written notification from a state facility that an individual hospitalized for restoration to competency pursuant to § 19.2-169.2 of the Code of Virginia has been restored to competency and is being discharged back to the community, the CSB shall to the greatest extent possible provide or arrange for the provision of services in the local or regional jail, juvenile detention center (when a juvenile is being tried as an adult), other location in the community where the individual is located, or in another location suitable for the delivery of these services to that individual to ensure the maintenance of his psychiatric stability and competency to stand trial. Services shall include treatment and restoration services, emergency services, assessment services, the provision of medications and medication management services, and other services which may be needed by the individual in order prevent his readmission to a state hospital for these services.

c. Upon receipt of a court order pursuant to § 16.1-356 of the Code of Virginia, the CSB shall provide or arrange for the provision of a juvenile competency evaluation. Upon receipt of a court order pursuant to § 16.1-357, the CSB shall provide or arrange for the provision of services to restore a juvenile to competency to stand trial through the Department's statewide contract.

d. Upon receipt of a court order, the CSB shall provide or arrange for the provision of forensic evaluations required by local courts in the community in accordance with State Board Policy 1041.

e. Forensic evaluations and treatment shall be performed on an outpatient basis unless the results of an outpatient evaluation indicate that hospitalization is necessary. The CSB shall consult with local courts in placement decisions for hospitalization of individuals with a forensic status based upon evaluation of the individual's clinical condition, need for a secure environment, and other relevant factors. The CSB's staff shall conduct an assessment of risk to provide information to the Commissioner for the determination of whether an individual with a forensic status in need of hospitalization requires placement in a civil facility or a secure facility. The CSB's staff will contact and collaborate with the Forensic Coordinator of the state hospital that serves the CSB or outside of regular business hours any other personnel designated by the state hospital to manage emergency admissions in making this determination. The CSB's assessment shall include those items required prior to admission to a state hospital, per the Continuity of Care Procedures in Appendix A of the CSB Administrative Requirements.

f. The CSB shall designate a Forensic Admissions Coordinator, a Forensic Evaluation Coordinator, and an NGRI Coordinator to collaborate with the local courts, the forensic staff of state facilities, and the Department. The CSB shall notify the Department's Director of Forensic Services of the name, title, and contact information of these designees and shall inform the Director of any changes in these designations. The CSB shall ensure that designated staff completes the forensic training designated by the Commissioner of the Department as meeting the requirements for completion of forensic evaluations authorized under § 19.2-169.1, § 19.2-169.5, § 19.2-182.2, and § 19.2-182.5 of the Code of Virginia.

g. The CSB shall provide discharge planning for persons found not guilty by reason of insanity. Pursuant to § 19.2-182.2 through § 19.2 -182.7, and § 19.2-182.11 of the Code of Virginia, the CSB shall provide discharge planning, collaborate with the state facility staff in preparing conditional release plans, implement the court's conditional release orders, and submit written reports to the court on the person's progress and adjustment in the community no less frequently than every six months for acquittees who have been conditionally released to a locality served by the CSB. The CSB should provide to the Department's Director of Forensic Services written monthly reports on the person's progress and adjustment in the community for their first 12 continuous months in the community for acquittees who have been conditionally released to a locality served by the CSB and copies of court orders regarding acquittees on conditional release.

h. If an individual with a forensic status does not meet the criteria for admission to a state hospital, his psychiatric needs should be addressed in the local jail, prison, detention center, or other correctional facility in collaboration with local treatment providers.

9. **Access to Services for Individuals who are Deaf, Hard of Hearing, Late Deafened, or Deafblind:** The CSB should identify and develop a working relationship with the Regional Deaf Services Program and the Regional Deaf Services Coordinator that serve the CSB's service area and collaborate with them on the provision of appropriate and linguistically and culturally competent services, consultation, and referral for individuals who are deaf, hard of hearing, late deafened, or deafblind.

10. **Interagency Relationships**

a. Pursuant to the case management requirements of § 37.2-500 or § 37.2-601 of the Code of Virginia, the CSB shall, to the extent practicable, develop and maintain linkages with other community and state agencies and facilities that are needed to assure that individuals it serves are able to access treatment, training, rehabilitative, and habilitative mental health, developmental, or substance abuse services and supports identified in their individualized services plans. The CSB shall comply with § 37.2-504 or § 37.2-605 of the Code of Virginia regarding interagency agreements.

b. The CSB also shall develop and maintain, in conjunction with the courts having jurisdiction in the cities or counties served by the CSB, cooperative linkages that are needed to carry out the provisions of § 37.2-805 through § 37.2-821 and related sections of the Code of Virginia pertaining to the involuntary admission process.

c. The CSB shall develop and maintain the necessary linkages, protocols, and interagency agreements to effect the provisions of the Comprehensive Services Act for At-Risk Youth and Families (§ 2.2-5200 through § 2.2-5214 of the Code of Virginia) that relate to services that it provides. Nothing in this provision shall be construed as requiring the CSB to provide services related to this act in the absence of sufficient funds and interagency agreements.

III. Department Requirements

A. State Requirements

1. **Information Technology:** The Department shall operate and provide technical assistance and support, to the extent practicable, to the CSB about the Community Automated Reporting System (CARS), the Community Consumer Submission (CCS) software, the FIMS, and the prevention data system referenced in the performance contract and comply with State Board Policies 1030 and 1037. Pursuant to § 37.2-504 and § 37.2-605 of the Code of Virginia, the Department shall implement procedures to protect the confidentiality of data accessed or received in accordance with the performance contract. The Department shall ensure that any software application that it issues to the CSB for reporting purposes associated with the performance contract has been field tested in accordance with Appendix D by a reasonable number of CSBs to assure compatibility and functionality with the major IT systems used by CSBs, is operational, and is provided to the CSB sufficiently in advance of reporting deadlines to allow the it to install and run the software application. The Department shall collaborate with the VACSB DMC in the implementation of any new data management or data warehousing systems to ensure appropriate interoperability and workflow management.
2. **Planning:** The Department shall conduct long-range planning activities related to state facility and community services, including the preparation and dissemination of the Comprehensive State Plan required by § 37.2-315 of the Code of Virginia.

Appendix A: Continuity of Care Procedures

Overarching Responsibility: Sections 37.2-500 and 37.2-601 of the Code of Virginia and State Board Policy 1035 establish CSBs as the single points of entry into publicly funded mental health, developmental, and substance abuse services. Related to this principle and as required by § 37.2-505 of the Code of Virginia, it is the responsibility of CSBs to assure that individuals receive:

- preadmission screening that confirms the appropriateness of admission to a state hospital or training center (state facilities) or other (non-state) hospital or unit or another intervention and
- discharge planning services, beginning at the time of admission to the state facility, that enable timely discharge from the state facility and appropriate post-discharge, community-based services.

Throughout this Appendix, the term CSB is used to refer to an operating CSB, an administrative policy CSB, the local government department with a policy-advisory CSB, or the behavioral health authority. State hospital is defined in § 37.2-100 of the Code of Virginia as a hospital, psychiatric institute, or other institution operated by the Department that provides care and treatment for persons with mental illness. Non-state hospital is defined in § 37.2-100 as a licensed hospital that provides care and treatment for persons with mental illness. Training center is defined in § 37.2-100 as a facility operated by the Department that provides training, habilitation, or other individually focused supports to persons with intellectual disability.

These Continuity of Care Procedures must be read and implemented in conjunction with the *Collaborative Discharge Protocols for Community Services Boards and State Hospitals – Adult & Geriatric* or *Child & Adolescent*, incorporated by reference as part of this document and the *Admission and Discharge Protocols for Individuals with Intellectual Disabilities*, incorporated by reference as part of this document. Applicable provisions in those protocols have replaced most treatment team, discharge, and post-discharge activities that were described in earlier versions of these procedures; however a few remain in the procedures. In the event of a conflict between any Continuity of Care Procedures and the protocols, provisions in the protocols shall apply. In the event of a conflict between any Continuity of Care Procedures and provisions in Exhibit K of the current Community Services Performance Contract, provisions in Exhibit K shall prevail.

I. State Facility Admission Criteria

A. State Hospitals

1. An individual must meet the following criteria for admission to a state hospital.
   a. **Adults:** The individual meets one of the criteria in section A. 1.) below or one or more of the other criteria listed in section A and the criterion in section B:

      Section A:

      1.) the person has a mental illness and there is a substantial likelihood that, as a result of mental illness, the person will, in the near future,

         a.) cause serious physical harm to himself or others as evidenced by recent behavior causing, attempting, or threatening harm and other relevant information, if any, or
         b.) suffer serious harm due to his lack of capacity to protect himself from harm or to provide for his basic human needs[1]; or

[1] Criteria for involuntary admission for inpatient treatment to a facility pursuant to § 37.2-817.C of the Code of Virginia.

2.) the person has a condition that requires intensive monitoring of newly prescribed drugs with a high rate of complications or adverse reactions; or

3.) the person has a condition that requires intensive monitoring and intervention for toxic effects from therapeutic psychotropic medication and short term community stabilization is not deemed to be appropriate; and

Section B:

4.) all available less restrictive treatment alternatives to involuntary inpatient treatment that would offer an opportunity for the improvement of the person's condition have been investigated and determined to be inappropriate (§37.2-817.C of the Code of Virginia).

b. **Children and Adolescents:** Due to a mental illness, the child or adolescent meets one or more of the criteria in section A and both criteria in section B:

Section A:

1.) presents a serious danger to self or others such that severe or irremediable injury is likely to result, as evidenced by recent acts or threats [2]; or

2.) is experiencing a serious deterioration of his ability to care for himself in a developmentally age-appropriate manner, as evidenced by delusional thinking or significant impairment of functioning in hydration, nutrition, self-protection, or self control [2]; or

[2] Criteria for parental or involuntary admission to a state hospital.

3.) requires monitoring of newly prescribed drugs with a high rate of complications or adverse reactions or monitoring for toxic effects from therapeutic psychotropic medication; and

Section B:

4.) is in need of inpatient treatment for a mental illness and is likely to benefit from the proposed treatment; and

5.) all treatment modalities have been reviewed and inpatient treatment at a state hospital is the least restrictive alternative that meets the minor's needs (§ 16.1-338, §16.1-339, and § 16.1-344 of the Code of Virginia).

The determination of least restrictive alternative should be a joint decision of the case management CSB and the receiving state hospital~~,~~ with input from the individual receiving services and family members. The CSB must document specific community alternatives considered or attempted and the specific reasons why state hospital placement is the least restrictive setting for the individual at this time.

2. Admission to state hospitals is not appropriate for:

a. individuals who have behaviors that are due to medical disorders, neurological disorders (including head injury), or intellectual disability and who do not have a qualifying psychiatric diagnosis or serious emotional disturbance;

b. individuals with unstable medical conditions that require detoxification services or other extensive medical services;

c. individuals with a diagnosis of dementia, as defined in the Diagnostic and Statistical Manual, unless they also have significant behavioral problems, as determined by qualified state hospital staff;

d. individuals with primary diagnoses of adjustment disorder, anti-social personality disorder, or conduct disorder; and

e. individuals with a primary diagnosis of substance use disorder unless it is a co-occurring disorder with a qualifying psychiatric diagnosis or serious emotional disturbance.

3. In most cases, individuals with severe or profound levels of intellectual disability are not appropriate for admission to a state hospital. However, individuals with a mental illness who are also diagnosed with mild or moderate intellectual disability but are exhibiting signs of acute mental illness may be admitted to a state hospital if they meet the preceding criteria for admission due to their mental illness and have a primary need for mental health services. Once these psychiatric symptoms subside, the person must be reassessed according to AAIDD criteria and must be discharged to an appropriate setting.

4. Individuals with a mental health disorder who are also diagnosed with a co-occurring substance use disorder may be admitted to a state hospital if they meet the preceding criteria for admission.

5. For a forensic admission to a state hospital, an individual must meet the criteria for admission to a state hospital.

B. Training Centers

1. Admission to a training center for a person with intellectual disability will occur only when all of the following circumstances exist.

a. The training center is the least restrictive and most appropriate available placement to meet the individual's treatment and training needs.

b. Programs in the community cannot provide the necessary adequate supports and services required by an individual as determined by the CSB, pursuant to § 37.2-505 or § 37.2-606 of the Code of Virginia.

c. It has been documented in the person's plan of care that the individual and his or her parents or authorized representative have selected ICF/ID services after being offered a choice between ICF/ID and community ID waiver services and that they agree with placement at a training center.

d. The training center director approves the admission to the training center, with the decision of the director being in compliance with State Board regulations that establish the procedure and standards for issuance of such approval, pursuant to § 37.2-806 of the Code of Virginia.

e. Documentation is present that the individual meets the AAIDD definition of intellectual disability and level 6 or 7 of the ICF/ID Level of Care.

f. The individual demonstrates a need for extensive or pervasive supports and training to perform activities of daily living (ICF/ID Level of Care 6 or 7).

g. The individual demonstrates one or more of the following conditions:

- exhibits challenging behaviors (e.g., behavior patterns that may be manifested in self-injurious behavior, aggression toward others, or behaviors that pose public safety risks),
- does not have a mental health diagnosis without also having an intellectual disability diagnosis, or
- is medically fragile (e.g., has a chronic medical condition or requires specialized technological health care procedures or ongoing support to prevent adverse physical consequences).

2. After the training center director approves the admission, the CSB shall initiate the judicial certification process, pursuant to § 37.2-806 of the Code of Virginia.
3. Admission to a training center is not appropriate for obtaining:
   a. extensive medical services required to treat an unstable medical condition,
   b. evaluation and program development services, or
   c. treatment of medical or behavioral problems that can be addressed in the community system of care.
4. Special Circumstances for Respite Care or Emergency Admissions
   a. Requests for respite care admissions to training centers must meet the criteria for admission to a training center and the regulations adopted by the State Board. The admission must be based on the need for a temporary placement and will not exceed statutory time limits (21 consecutive days or a maximum of 75 days in a calendar year) set forth in § 37.2-807 of the Code of Virginia.
   b. Emergency admissions to training centers must meet the criteria for admission to a training center and must:
      - be based on specific, current circumstances that threaten the individual's health or safety (e.g., unexpected absence or loss of the person's caretaker),
      - require that alternate care arrangements be made immediately to protect the individual, and
      - not exceed statutory time limits (21 consecutive days or a maximum of 75 days in a calendar year) set forth in § 37.2-807 of the Code of Virginia.
   c. No person shall be admitted to a training center for a respite admission or an emergency admission unless the CSB responsible for the person's care, normally the case management CSB, has agreed in writing to begin serving the person on the day he or she is discharged from the training center, if that is less than 21 days after his or her admission, or no later than 21 days after his or her admission.

II. Preadmission Screening Services and Assessments Required Prior to State Facility Admission

A. CSB Preadmission Screening Requirements

1. CSBs will perform preadmission screening assessments on all individuals for whom admission, or readmission if the person is already in the hospital, to a state hospital is sought. A qualified CSB employee or designee shall conduct a comprehensive face-to-face evaluation of each individual who is being screened for admission to a state hospital. All CSB preadmission screeners for admission to state hospitals shall meet the

qualifications for preadmission screeners as required in § 37.2-809 of the Code of Virginia. The preadmission screener shall forward a completed DBHDS MH Preadmission Screening Form to the receiving state hospital before the individual's arrival.

2. CSBs should ensure that employees or designees who perform preadmission screenings to a state hospital have expertise in the diagnosis and treatment of mental illnesses and consult, as appropriate, with professionals who have expertise in working with and evaluating persons with intellectual disability or substance use disorders or children and adolescents with serious emotional disturbance.
3. CSBs should ensure that employees or designees who perform preadmission screenings for admission to a training center have expertise in the diagnosis and treatment of persons with intellectual disability and consult, as appropriate, with professionals who have expertise in working with and evaluating individuals with mental health or substance use disorders.
4. Medical Screening and Medical Assessment: When it arranges for the treatment of individuals in state hospitals or local inpatient psychiatric facilities or psychiatric units of hospitals, the CSB shall assure that its staff follows the current *Medical Screening and Medical Assessment Guidance*. CSB staff shall coordinate care with emergency rooms, emergency room physicians, and other health and behavioral health providers to facilitate the provision of timely and effective medical screening and medical assessment to promote the health and safety of and continuity of care for individuals receiving services.
5. Results of the CSB's comprehensive face-to-face evaluation of each individual who is being screened for admission to a state facility should be forwarded to the receiving state facility for its review before the person's arrival at the facility. This evaluation should include the CSB assessments listed in the following section.
6. When an individual who has not been screened for admission by a CSB arrives at a state facility, he should be screened in accordance with procedures negotiated by the state facility and the CSBs that it serves. State facility staff will not perform preadmission screening assessments.
7. Preadmission screening CSBs shall notify the state hospital immediately in cases in which the CSB preadmission screener did not recommend admission but the individual has been judicially admitted to the state hospital.
8. The case management CSB or its designee shall conduct preadmission screening assessments for the readmission of any individuals it serves in a state hospital.

B. Assessments Required Prior to Admission to a State Hospital: Section 37.2-815 of the Code of Virginia requires an examination, which consists of items 1 and 2 below and is conducted by an independent examiner, of the person who is the subject of a civil commitment hearing. The same Code section permits CSB staff, with certain limitations, to perform these examinations. The same items are required for a voluntary admission, but they do not have to be performed by an examiner referenced in § 37.2-815.

1. If there is reason to suspect the presence of a substance use disorder and available information is not adequate to make a determination of its existence, a substance use disorder screening, including completion of:
   a. a comprehensive drug screen including blood alcohol concentration (BAC), with the individual's consent, and

b. the Substance Abuse Subtle Screening Inventory (SASSI) or Simple Screening Instrument (SSI) for adults or the adolescent version of SASSI for adolescents age 12 and older. The SASSI will not be required for youth under age 12.

2. A clinical assessment that includes:

a. a face-to-face interview or one conducted via two-way electronic video and audio communication system, including arrangements for translation or interpreter services for individuals when necessary;

b. clinical assessment information, as available, including documentation of:

- a mental status examination, including the presence of a mental illness and a differential diagnosis of an intellectual disability,
- determination of current use of psychotropic and other medications, including dosing requirements,
- a medical and psychiatric history,
- a substance use, dependence, or abuse determination, and
- a determination of the likelihood that, as a result of mental illness, the person will, in the near future, suffer serious harm due to his lack of capacity to protect himself from harm or to provide for his basic human needs;

c. a risk assessment that includes an evaluation of the likelihood that, as a result of mental illness, the person will, in the near future, cause serious physical harm to himself of others as evidenced by recent behavior causing, attempting, or threatening harm and other relevant information, if any;

d. an assessment of the person's capacity to consent to treatment, including his ability to:

- maintain and communicate choice,
- understand relevant information, and
- comprehend the situation and its consequences;

e. a review of the temporary detention facility's records for the person, including the treating physician's evaluation, any collateral information, reports of any laboratory or toxicology tests conducted, and all admission forms and nurses' notes ;

f. a discussion of treatment preferences expressed by the person or contained in a document provided by the person in support of recovery;

g. an assessment of alternatives to involuntary inpatient treatment; and

h. recommendations for the placement, care, and treatment of the person.

3. To the extent practicable, a medical assessment performed by an available medical professional (i.e., an M.D. or a nurse practitioner) at, for example, the CSB or an emergency room. Elements of a medical assessment include a physical examination and a medical screening of:

a. known medical diseases or other disabilities;

b. previous psychiatric and medical hospitalizations;

c. medications;

d. current use of alcohol and illicit drugs, using blood alcohol concentrations and the results of the comprehensive drug screen; and

e. physical symptoms that may suggest a medical problem.

4. If there is reason to suspect the presence of intellectual disability, to the extent practicable, a psychological assessment that reflects the person's current level of functioning based on the current AAIDD criteria should be performed if a recent psychological assessment is not already available to the preadmission screener.

5. When a state hospital accepts a direct admission, the Medical Officer on Duty should be contacted prior to admission to determine which of these assessments are needed. The state hospital shall communicate the results its decision in writing to the CSB within one hour.

C. CSB Assessments Required Prior to Admission to a Training Center

1. For certified admission to a training center, a completed preadmission screening report that shall include the following information:

   a. A completed preadmission screening report, which shall include at a minimum:

      i. an application for services;

      ii. a medical history indicating the presence of any current medical problems as well as the presence of any known communicable disease. In all cases, the application shall include any currently prescribed medications as well as any known medication allergies;

      iii. a social history and current housing or living arrangements; and

      iv. a psychological evaluation that reflects the individual's current functioning.

   b. The preadmission screening report shall include the following information, as appropriate:

      i. a current individualized education plan for school-aged individuals,

      ii. a vocational assessment for adults,

      iii. a completed discharge plan outlining the services to be provided upon discharge and anticipated data of discharge, and

      iv. a statement from the individual, family member, or authorized representative requesting services in the training center.

   c. If there is reason to suspect the presence of a substance use disorder (e.g., current or past substance dependence or addiction) and available information is not adequate to make a determination of its existence, a substance use disorder screening, including completion of:

      i. a comprehensive drug screen including blood alcohol concentration (BAC), with the individual's consent, and

      ii. the Substance Abuse Subtle Screening Inventory (SASSI) or Simple Screening Instrument (SSI) for adults or the adolescent version of SASSI for adolescents age 12 and older. The SASSI will not be required for youth under age 12.

   d. When indicated, an assessment of the individual's mental status to determine the presence of a co-occurring mental illness. This mental status assessment should include:

i. a face-to-face interview, including arrangements for translation or interpreter services for individuals;

ii. clinical assessment information, as available, including documentation of the following:

- a mental status examination,
- current psychotropic and other medications, including dosing requirements,
- medical and psychiatric history,
- substance use or abuse,
- information and recommendations of other current service providers (e.g., treating physicians) and appropriate significant persons (e.g., spouse, parents), and
- ability to care for self; and

iii. assessment of capacity to consent to treatment, including an evaluation of such processes as the ability to:

- maintain and communicate choice,
- understand relevant information, and
- understand the situation and its consequences.

2. For respite admissions to a training center, information requirements for the admission package are limited, but must include:

a. an application for services;

b. a medical history indicating the presence of any current medical problems as well as the presence of any known communicable disease. In all cases, the application shall include any currently prescribed medications as well as any known medication allergies;

c. a social history and current status;

d. a psychological evaluation that reflects the individual's current functioning.

e. a current individualized education plan for school-aged individuals unless the training center director or designee determines that sufficient information as to the individual's abilities and needs is included in other reports received;

f. a vocational assessment for adults unless the training center director or designee determines that sufficient information as to the individual's abilities and needs is included in other reports received;

g. a statement from the CSB that respite care is not available in the community for the individual;

h. a statement from the CSB that the appropriate arrangements are being made to return the individual to the CSB within the time frame required under the regulations for respite admissions to training centers; and

i. a statement from the individual, family member, or authorized representative specifically requesting services in the training center.

3. For emergency admissions to a training center, information required for a respite admission is required; however, if the information is not available, this requirement may be

waived temporarily only if arrangements have been made for receipt of the required information within 48 hours of the emergency admission.

D. Disposition of Individuals with Acute or Unstable Medical Conditions

1. Individuals who are experiencing acute or unstable medical conditions will not receive medical clearance for admission to a state hospital or training center. Examples of these conditions include: untreated acute medical conditions requiring surgery or other immediate treatment, acute pneumonia, respiratory distress, acute renal failure or chronic renal failure requiring dialysis, unstable diabetes, symptoms of alcohol or drug toxicity, and erratic consciousness of unknown origin.
2. CSBs should have procedures in place to divert individuals who do not meet state facility admission criteria due to medical conditions to appropriate medical facilities.

E. Procedures for Dealing with Inappropriate Judicial Admissions to State Facilities

1. The individual's case management CSB shall immediately formulate and implement a discharge plan, as required by § 37.2-505 or § 37.2-606 of the Code of Virginia, if a state hospital determines that an individual who has been judicially admitted to the hospital is inappropriate for admission (e.g., the person does not meet the admission criteria listed in these procedures).
2. CSBs will be notified of the numbers of their admissions that state hospitals have determined do not meet the admission criteria in these procedures. State hospitals will report this information to the Department and the affected CSBs at least quarterly in a format prescribed by the Department. This information will be discussed during the bi-monthly utilization review and utilization management process developed and implemented by CSBs and state hospitals, which is described in the next section. This will include inappropriate jail transfers for evaluation and treatment.

III. CSB Participation on Interdisciplinary Treatment Teams and Coordination with State Facility in Service Planning

Refer to the current applicable *Discharge Protocols* for other CSB requirements related to participation in treatment planning while the individual is in the state facility.

A. Staff of the case management CSBs shall participate in readmission hearings at state hospitals by attending the hearings or participating in teleconferences or video conferences. State hospital staff will not represent CSBs at readmission hearings.

B. CSBs and state facilities shall develop and implement a monthly utilization review and utilization management process to discuss and address issues related to the CSB's utilization of state facility services. This includes reviewing the status and lengths of stay of individuals served by the CSB and developing and implementing actions to address census management issues.

IV. CSB Discharge Planning Responsibilities

Refer to the current applicable *Discharge Protocols* for other CSB requirements related to discharge planning responsibilities.

A. State facilities and CSBs shall collaborate to provide or arrange transportation for individuals for discharge-related activities. Transportation includes travel from state

facilities to community settings for trial visits and back to state facilities after such visits. The case management CSB shall provide or arrange transportation, to the extent practicable, for an individual whose admission to a state facility has been determined to be inappropriate, resulting in the person's discharge in accordance with § 37.2-837, § 37.2-505, § 37.2-606, or § 16.1-346.B of the Code of Virginia, and shall provide or arrange transportation for individuals when they are discharged from state facilities.

V. Discharge Criteria and Resolution of Disagreements about an Individual's Readiness for Discharge

A. Each state facility and the CSBs that it serves will use the following discharge criteria.

1. ***State Hospitals***

a. **Adults:** An adult will be discharged from a state hospital when hospitalization is no longer clinically appropriate. The interdisciplinary treatment team will use all of the following criteria to determine an individual's readiness for discharge:

1.) the individual has a mental illness but there is not a substantial likelihood that, as a result of mental illness, the person will, in the near future,

a.) cause serious physical harm to himself or others as evidenced by recent behavior causing, attempting, or threatening harm and other relevant information, if any, or

b.) suffer serious harm due to his lack of capacity to protect himself from harm or to provide for his basic human needs; and

2.) inpatient treatment goals, as documented in the person's individualized treatment plan, have been addressed sufficiently, and

3.) the individual is free from serious adverse reactions to or complications from medications and is medically stable.

b. **Children and Adolescents:** A child or an adolescent will be discharged from a state hospital when he or she no longer meets the criteria for inpatient care. The interdisciplinary treatment team will use the following criteria to determine an individual's readiness for discharge:

1.) the minor no longer presents a serious danger to self or others, and

2.) the minor is able to care for himself in a developmentally appropriate manner; and, in addition,

3.) the minor, if he is on psychotropic medication, is free from serious adverse effects or complications from the medications and is medically stable;

OR when any of the following apply:

4.) the minor is unlikely to benefit from further acute inpatient psychiatric treatment;

5.) the minor has stabilized to the extent that inpatient psychiatric treatment in a state hospital is no longer the least restrictive treatment intervention; or

6.) if the minor is a voluntary admission, the legal guardian or the minor, if he is age 14 or older, has withdrawn consent to admission (§ 16.1-338.D of the Code of Virginia), unless continued hospitalization is authorized under § 16.1-339, § 16.1-340, or § 16.1-345 of the Code of Virginia within 48 hours of the withdrawal of consent to admission.

2. ***Training Centers*:** Any individual is ready for discharge from a training center when the supports that are necessary to meet his or her needs are available in the community of his or her choice.

B. The state facility shall provide assessment information that is equivalent to the information specified in sections II.B. or II.C. (except for items B.3.a. and g. and C.3.a. and h.) of these procedures to the CSB when an individual is being considered for discharge to the community.

C. The CSB shall be notified when the state facility interdisciplinary treatment team determines that an individual admitted to a state facility does not meet the admission criteria in these procedures and needs to be discharged in accordance with § 37.2-837 and § 37.2-505 or § 37.2-606 of the Code of Virginia.

D. A disagreement as to whether an individual is ready for discharge from a state facility is solely a clinically-based disagreement between the state facility treatment team and the CSB that is responsible for the individual's care in the community. A dispute may occur when either:

1. the treatment team determines that the individual is clinically ready for discharge and the CSB disagrees; or
2. the CSB determines that an individual is clinically ready for discharge and the treatment team disagrees.

See the applicable Discharge Protocols for further guidance about resolving such disagreements.

VI. CSB Post-discharge Services

Refer to the current applicable *Discharge Protocols* for other CSB requirements related to post-discharge services responsibilities.

A. Individuals discharged from a training center who have missed their first appointment with a CSB case manager or in a day support program shall be contacted by the case management CSB within 14 calendar days.

B. To reduce readmissions to training centers, CSBs shall, to the extent practicable, establish a developmental crisis stabilization/behavior management capability to work with individuals who have been discharged from a training center who are having difficulty adjusting to their new environments.

Appendix B: Federal Substance Abuse Prevention and Treatment Block Grant Requirements

Certification Regarding Environmental Tobacco Smoke: Substance Abuse Prevention and Treatment (SAPT) Block Grant and Community Mental Health Services Block Grant

Public Law 103-227, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; CSBs whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where WIC coupons are redeemed. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to $1,000 for each violation and/or the imposition of an administrative compliance order on the responsible entity.

By signing a performance contract, a CSB certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services to children as defined by the Act.

A CSB agrees that it will require that the language of this certification be included in any subawards that contain provisions for children's services and that all subrecipients shall certify accordingly.

Special Federal Substance Abuse Prevention and Treatment Block Grant (CFDA 93.959) Compliance Requirements

Treatment services provided with federal Substance Abuse Prevention and Treatment Block Grant (SAPT) funds must satisfy federally mandated requirements. SAPT funds must be treated as the payer of last resort only for providing services to pregnant women and women with dependent children and TB and HIV services [Source: 45 CFR § 96.137]. Relevant requirements of the Substance Abuse Prevention and Treatment Block Grants; Interim Final Rule (45 CFR Part 96) are summarized below. As subgrantees of the Department, the CSB and its subcontractors under this performance contract are responsible for compliance with these requirements. Failure to address these requirements may jeopardize all SAPT block grant funds awarded to the CSB.

1. **Meet Set-Aside Requirements:** Federal law requires that the state expend its allocation to address established minimum set-asides. In order to address these set-asides, the Department shall designate its awards to the CSB in specified categories, which may include:

   a. primary prevention,

   b. treatment services for substance use disorders, and

   c. services to pregnant women and women with dependent children.

   The CSB must utilize these funds for the purposes for which they are indicated in the performance contract and the letter of notification. The CSB must provide documentation in its semi-annual (2nd quarter) and annual (4th quarter) performance contract reports of expenditures of the set-asides to the Office of Substance Abuse Services and the Division of Finance and Administration in the Department to ensure that the state meets its set-aside requirements.

   [Sources: 45 CFR § 96.124 and 45 CFR § 96.128]

2. **Primary Prevention Services:** Federal law requires that funds designated for primary prevention services be directed at individuals not identified to be in need of treatment. These prevention set-aside funds cannot be used to support services, such as case management, outpatient, day support, early intervention, or assessment and evaluation services for individuals identified as needing screening or treatment services. This requirement should be stated in the CSB Prevention System Operational Guidelines document. Federal law also requires that a variety of strategies be utilized, to include the following strategies.

   a. *Information Dissemination*: This strategy provides awareness and knowledge of the nature and extent of alcohol, tobacco, and drug use, abuse, and addiction and their effects on individuals, families, and communities. It also provides knowledge and awareness of available prevention programs and services. Information dissemination is characterized by one-way communication from the source to the audience, with limited contact between the two. Examples of activities conducted and methods used for this strategy include:

      1) clearinghouse and information resource center(s),
      2) resource directories,
      3) media campaigns,
      4) brochures,
      5) radio and TV public service announcements,
      6) speaking engagements,
      7) health fairs and health promotion, and
      8) information lines.

   b. *Education*: This strategy involves two-way communication and is distinguished from the information dissemination strategy by the fact that interaction between the educator or facilitator and the participants is the basis of its activities. Activities under this strategy aim to affect critical life and social skills, including decision-making, refusal skills, critical analysis (e.g. of media messages), and systematic judgment abilities. Examples of activities conducted and methods used for this strategy include:

      1) classroom and small group sessions (all ages),
      2) parenting and family management classes,
      3) peer leader and helper programs,
      4) education programs for youth groups, and
      5) children of substance abusers groups.

   c. *Alternatives*: This strategy provides for the participation of target populations in activities that exclude alcohol, tobacco, and other drug use. The assumption is that constructive and healthy activities offset the attraction to, or otherwise meet the needs usually filled by, alcohol, tobacco, and other drugs and would, therefore, minimize or obviate resort to the latter. Examples of activities conducted and methods used for this strategy include:

      1) drug free dances and parties,
      2) youth and adult leadership activities,
      3) community drop-in centers, and
      4) community-service activities.

   d. *Problem Identification and Referral*: This strategy aims at identification of those who have indulged in illegal or age-inappropriate use of tobacco or alcohol and those persons who have indulged in the first use of illicit drugs in order to assess if their behavior can be reversed through education. It should be noted, however, that this strategy does not include any activity designed to determine if a person is in need of treatment. Examples of activities conducted and methods used for this strategy include:

1) employee assistance programs,
2) student assistance programs, and
3) driving while under the influence and driving while intoxicated programs.

e. *Community-Based Process*: This strategy aims to enhance the ability of the community to provide prevention and treatment services for alcohol, tobacco, and drug abuse disorders more effectively. Activities in this strategy include organizing, planning, enhancing efficiency and effectiveness of services implementation, inter-agency collaboration, coalition building, and networking. Examples of activities conducted and methods used for this strategy include:

1) community and volunteer training, e.g., neighborhood action training, training of key people in the system, staff and officials training;
2) systemic planning;
3) multi-agency coordination and collaboration;
4) accessing services and funding; and
5) community team-building.

f. *Environmental*: This strategy establishes or changes written and unwritten community standards, codes, and attitudes, thereby influencing the incidence and prevalence of the abuse of alcohol, tobacco, and other drugs used in the general population. This strategy is divided into two subcategories to permit distinction between activities that center on legal and regulatory initiatives and those that relate to the service and action-oriented initiatives. Examples of activities conducted and methods used for this strategy include:

1) promoting the establishment and review of alcohol, tobacco, and drug use policies in schools;
2) technical assistance to communities to maximize local enforcement procedures affecting the availability and distribution of alcohol, tobacco, and other drugs;
3) modifying alcohol and tobacco advertising practices; and
3) product pricing strategies.

[Source: 45 CFR § 96.125]

3. **Services to Pregnant Women and Women with Dependent Children, Including Women who are Attempting to Regain Custody of their Children, Except in Cases where Parental Rights have been Terminated:** Federal law requires that funds allocated to the CSB under this set-aside must support, at a minimum, the following services, either directly or by a written memorandum of understanding:

a. primary medical care for women, including referral for prenatal care, and child care while such women are receiving this care;

b. primary pediatric care, including immunization for their children;

c. gender-specific substance abuse treatment and other therapeutic interventions for women that may address issues of relationships, sexual and physical abuse, and parenting and child care while the women are receiving these services;

d. therapeutic interventions for children in custody of women in treatment that may, among other things, address their developmental needs and their issues of sexual and physical abuse and neglect; and

e. sufficient case management and transportation to ensure that women and their children have access to services provided by paragraphs 2.a-d.

In addition to complying with the requirements described above, the CSB shall:

a. treat the family as a unit and, therefore, admit both women and their children into treatment services, if appropriate [Source: 45 CFR § 96.124(e)];

b. report to the Department when it has insufficient capacity to provide treatment to the woman and make available interim services, including a referral for prenatal care, within 48 hours of the time the woman initially seeks services [Source: 45 CFR § 96.131]; and

c. publicize the availability and priority of treatment for pregnant women [Source: 45 CFR § 96.131].

4. **Preference in Admission:** The CSB must give preference in admission to pregnant women who seek or are referred for and would benefit from SAPT Block Grant-funded treatment services. The CSB must give admission preference to individuals in the following order:

a. pregnant injecting drug users,

b. other pregnant substance abusers,

c. other injecting drug users, and

d. all other individuals.

[Source: 45 CFR § 96.128]

5. **Services for persons at risk of HIV/AIDS:** Virginia is no longer considered a designated state under these regulations and is no longer required to spend five percent of the federal SAPT Block Grant on HIV Early Intervention Services (EIS). Further, Virginia is prohibited from spending federal funds on HIV EIS. Consequently, neither the Department nor the CSB may spend federal SAPT Block Grant funds for these services. However, if the CSB has an HIV rate of 10 percent or more and wishes to continue its HIV EIS during the term of this contract, it may use state general or local funds that are available to it for this purpose. If the CSB uses state general funds for HIV EIS, those funds will become restricted for that purpose, and the CSB must meet the same requirements as the federal criteria for HIV EIS activities. In any event, the CSB should determine if individuals are engaging in high risk behaviors for HIV infection and encourage them to contact their local health departments for HIV testing and preventative supplies.

6. **Interim Services:** Federal law requires that the CSB, if it receives any Federal Block Grant funds for operating a program of treatment for substance addiction or abuse, either directly or through arrangements with other public or private non-profit organizations, routinely make available services for persons who have sought admission to a substance abuse treatment program yet, due to lack of capacity in the program, have not been admitted to the program. While awaiting admission to the program, these individuals must be provided, at a minimum, with certain interim services, including counseling and education about HIV and tuberculosis (TB). Interim services means services that are provided until an individual is admitted to a substance abuse treatment program. The purposes of such interim services are to reduce the adverse health effects of substance abuse, promote the health of the individual, and reduce the risk of transmission of disease.

a. For pregnant women, interim services also include counseling about the effects of alcohol and drug abuse on the fetus and referral for prenatal care. [Source: 45 CFR § 96.121, Definitions]

b. At a minimum, interim services must include the following:

1) counseling and education about HIV and tuberculosis (TB),
2) the risks of needle sharing, the risks of transmission to sexual partners and infants, and
3) the steps that can be taken to ensure the HIV and TB transmission does not occur and include referral for HIV or TB treatment services, if necessary.

[Source: 45 CFR §§ 96.121 and 96.126]

7. Services for Individuals with Intravenous Drug Use: If the CSB offers a program that treats individuals for intravenous drug abuse, it must:

a. provide notice to the Department within seven days when the program reaches 90 percent of capacity;

b. admit each individual who requests and is in need of treatment for intravenous drug abuse not later than:
   1) 14 days after making the request, or
   2) 120 days after making the request if the program
      - has no capacity to admit the person on the date of the request, and
      - within 48 hours of the request makes interim services as defined in 45 CFR § 96.126 available until the individual is admitted to the program;

c. maintain an active waiting list that includes a unique identifier for each injecting drug abuser seeking treatment, including individuals receiving interim services while awaiting admission;

d. have a mechanism in place that enables the program to:
   1) maintain contact with individuals awaiting admission, and
   2) admit or transfer individuals on the waiting list at the earliest possible time to an appropriate treatment program within a reasonable geographic area;

e. take individuals awaiting treatment off the waiting list only when one of the following conditions exists:
   1) such persons cannot be located for admission, or
   2) such persons refuse treatment; and

f. encourage individuals in need of treatment for intravenous drug use to undergo such treatment, using outreach methods that are scientifically sound and that can reasonably be expected to be effective; such outreach methods include:
   1) selecting, training, and supervising outreach workers;
   2) contacting, communicating, and following-up with high risk substance abusers, their associates, and neighborhood residents, within the constraints of federal and state confidentiality requirements, including 42 CFR Part 2;
   3) promoting awareness among injecting drug users about the relationship between injecting drug abuse and communicable diseases, such as HIV;
   4) recommending steps that can be taken to ensure that HIV transmission does not occur; and
   5) encouraging entry into treatment.

[Sources: 45 CFR §§ 96.121 and 96.126]

8. Tuberculosis (TB) Services:

a. Federal law requires that the CSB, if it receives any Federal Block Grant funds for operating a program of treatment for substance addiction or abuse, either directly or through

arrangements with other public or private non-profit organizations, routinely make available the following tuberculosis services to each individual receiving treatment for substance abuse [45 CFR § 96.121 (Definitions)]:

1) counseling individuals with respect to tuberculosis,
2) testing to determine whether the individual has been infected with mycobacteria tuberculosis to identify the appropriate form of treatment for the person, and
3) providing for or referring the individuals infected with mycobacteria tuberculosis for appropriate medical evaluation and treatment.

b. The CSB must follow the protocols established by the Department and the Department of Health and distributed by the Department of Health for screening for, detecting, and providing access to treatment for tuberculosis.

c. All individuals with active TB shall be reported to the appropriate state official (the Virginia Department of Health, Division of TB Control), as required by state law and in accordance with federal and state confidentiality requirements, including 42 CFR Part 2.

d. The CSB shall:
   1) establish mechanisms to ensure that individuals receive such services, and
   2) refer individuals who are denied admission due to lack of service capacity to other providers of TB services.

[Source: 45 CFR § 96.127]

9. Other Requirements

a. The CSB shall make available continuing education about treatment services and prevention activities to employees in SAPT Block Grant-funded treatment and prevention programs, practices, and strategies. The CSB shall ensure that the prevention director or manager and full time prevention staff are trained in the current version of the Substance Abuse Prevention Skills Training (SAPST) to develop core knowledge and competencies for the implementation of the Strategic Prevention Framework. The CSB shall ensure that part-time staff is trained in the online version of the Strategic Prevention Framework at https://captonline.edc.org. The CSB shall ensure that any other staff supervising prevention staff has completed the current version of the SAPST so that he or she has the capacity to understand fully the requirements for implementation of the Strategic Prevention Framework (SPF). The CSB shall report staff time in the Social Solutions Efforts to Outcomes (ETO) Prevention Data System for any staff supported in full or in part by SAPT Block Grant Prevention set-aside funds.

b. The CSB shall develop and implement a Prevention System Operating Guidance Document that contains the key elements outlined in the Department's Prevention System Operating Guidance Document template available at http://www.virginiapreventionworks.org.

c. The CSB shall implement and maintain a system to protect individual services records maintained by SAPT Block Grant-funded services from inappropriate disclosures. This system shall comply with applicable federal and state laws and regulations, including 42 CFR, and provide for employee education about the confidentiality requirements and the fact that disciplinary action may be taken for inappropriate disclosures. [Source: 45 CFR § 96.132]

10. Faith-Based Service Providers: In awarding contracts for substance abuse treatment, prevention, or support services, the CSB shall consider bids from faith-based organizations on the same competitive basis as bids from other non-profit organizations. Any contract with a

faith-based organization shall stipulate compliance with the provisions of 42 CFR Parts 54 and 54a and 45 CFR Parts 96, 260, and 1050. Funding awarded through such contracts shall not be used for inherently religious activities, such as worship, religious instruction, or proselytizing. Such organizations are exempt from the requirements of Title VII of the Civil Rights Act regarding employment discrimination based on religion. However, such organizations are not exempt from other provisions of Title VII or from other statutory or regulatory prohibitions against employment discrimination based on disability or age. These organizations are subject to the same licensing and human rights regulations as other providers of substance abuse services. The CSB shall be responsible for assuring that the faith-based organization complies with the provisions described in these sections. The CSB shall provide individuals referred to services provided by a faith-based organization with notice of their right to services from an alternative provider. The CSB shall notify the Office of Substance Abuse Services in the Department each time such a referral is required.

11. **Prevention Services Addressing Youth Tobacco Use, Retail Tobacco Access, and Underage Drinking:** The CSB shall select and implement evidence-based programs, practices, and strategies that target youth tobacco use, retail access, and underage drinking based on prevalence rates of youth tobacco and alcohol use that are above the state average; youth retail access rates above the state average, and age of first use for tobacco and alcohol use that fall below state rates based on the CSB's service area. All activities shall be placed into the Social Solutions Efforts to Outcomes (ETO) Prevention Data System.

    [Sources: 42 USC 300x-26 and 45 CFR § 96.130]

Appendix C: Unspent Balances Principles and Procedures

Unspent balances means amounts of unrestricted and restricted state general funds, hereafter referred to as state funds unless clarity requires more specificity, disbursed to CSBs pursuant to item 790 Grants to Localities in the current Appropriation Act that remain unexpended after the end of the fiscal year in which they were disbursed to the CSB by the Department.

Unspent Balances Principles and Procedures

1. **Applicability:** These principles and procedures apply equally to all CSBs. Implementation of some details of these principles and procedures may need to vary by type of CSB, but the overall framework should apply consistently. For example, given the administrative and financial relationships between some administrative policy or policy-advisory CSBs and their local governments, there may be a need to modify the application of some principles or procedures to accommodate those relationships. These principles and procedures shall apply to all unspent balances of state funds present in a CSB's accounts and reflected in its financial management system and independent C.P.A. audit.

2. **CSB Allocations of State Funds not Affected by Amounts of Unspent Balances:** Given provisions in State Board Policy 6005 and § 37.2-509 or § 37.2-611 of the Code of Virginia, the Department shall allocate funds in Grants to Localities in the Appropriation Act without applying estimated year-end balances of unspent state funds to the next year's awards to CSBs.

3. **Calculation of Balances:** In order to identify the correct amounts of unspent state fund balances, the Department shall continue to calculate unspent balances for all types of funds sources, except for federal grants. The Department shall calculate balances for restricted and unrestricted state funds, local matching funds, and fees~~,~~ based on the end of the fiscal year Community Automated Reporting System (CARS) reports submitted by all CSBs no later than the deadline in Exhibit E of the performance contract for the preceding state fiscal year. The Department shall continue to communicate information about individual balances to each CSB.

4. **Reserve Funds:** A CSB shall place all unspent balances of unrestricted and restricted state funds that it has accumulated from previous fiscal years in a separate reserve fund. CSBs shall identify and account separately for unspent balances of each type of restricted state funds from previous fiscal years in the reserve fund. However, this identification shall not limit the use of these funds to only the restricted purpose. The CSB shall use this reserve fund only for mental health, developmental, and substance use disorder services purposes and as specified in these principles and procedures.

   In the case of a CSB reporting under the Governmental Health Care Enterprise accounting standards, unspent balances of unrestricted or restricted state funds would be deferred to the following fiscal year and not reported as income in the year from which the income was deferred. These deferrals would be reported as balances in CARS reports submitted by the CSB. Deferred state funds would continue to be deferred until spent for services in the performance contract. When these balances are spent, they would be reflected as state retained earnings in the end of the fiscal year CARS reports. However, balances of unexpended state funds must be reflected in the net assets part of the CSB's audit report.

   Reserve funds must not be established using current fiscal year funds, which are appropriated, granted, and disbursed for the provision of services in that fiscal year. This is particularly relevant for funds earmarked or restricted by funding sources such as the General Assembly, since these funds cannot be used for another purpose. Transferring current fiscal year state

funds into a reserve fund or otherwise intentionally not expending them solely for the purpose of accumulating unspent state funds to create or increase a reserve fund is a violation of the legislative intent of the Appropriation Act and is not acceptable.

5. **Maintenance of Effort:** Pursuant to State Board Policy 6005 and based on the Appropriation Act prohibition against using state funds to supplant funds provided by local governments for existing services, there should be no reduction of local matching funds as a result of a CSB's retention of any balances of unspent state funds.

6. **Size of Reserve Funds:** The maximum acceptable amount of unspent state fund balances that a CSB may accumulate in a reserve fund shall be equal to 50 percent of the amount of all state funds received from the Department during the current fiscal year up to a maximum of $7 million. If this amount of all state funds is less than ~~a~~ 50 percent of the total amount of state funds received by the CSB during any one of the preceding five fiscal years, then 50 percent of that larger amount shall constitute the acceptable maximum amount of unspent state fund balances that may be accumulated in a reserve account. If a CSB has accumulated more than this amount, it must expend enough of those reserve funds on allowable uses for mental health, developmental, or substance use disorder services purposes to reduce the amount of accumulated state fund balances to less than 50 percent of the amount of all state funds received from the Department during the current fiscal year.

   In calculating the amount of acceptable accumulated state fund balances, amounts of long term capital obligations incurred by a CSB shall be excluded from the calculation. If a CSB has a plan approved by its CSB board to reserve a portion of accumulated balances toward an identified future capital expense such as the purchase, construction, renovation, or replacement of land or buildings used to provide mental health, developmental, or substance use disorder services; purchase or replacement of other capital equipment, including facility-related machinery or equipment; or purchase of information system equipment or software, the reserved amounts of state funds shall be excluded from the maximum acceptable amount of unspent state fund balances.

7. **Unspent Balances for Regional Programs:** While all unspent balances exist in CSB financial management systems, unspent balances for a regional program may be handled by the CSBs participating in the regional program as they decide. All participating CSBs must review and approve how these balances are handled. Balances for regional programs may be prorated to each participating CSB for its own locally determined uses or allocated to a CSB or CSBs for regionally approved uses, or the CSB that functions as the regional program's fiscal agent may retain and expend the funds for purposes determined by all of the participating CSBs. Procedures for handling regional program balances of unspent funds should be included in the regional program memorandum of agreement for the program among the participating CSBs, and those procedures must be consistent with the principles and procedures in this Appendix and the applicable provisions of the current performance contract.

8. **Effective Period of Restrictions on State General Funds:** Allowable uses of state funds appropriated in the Grants to Localities item of the Appropriation Act for identified purposes (restricted funds) remain in effect for each fiscal year through the end of the biennium in which those restricted funds were originally appropriated. After the end of the fiscal year in which the restricted funds were disbursed to CSBs, any unexpended balances of these state funds shall continue to be identified with the restriction attached when the funds were appropriated originally.

9. **Use of Unexpended Restricted State Funds During the Current Fiscal Year:** The Department will not approve requests from CSBs to transfer unexpended restricted state funds during the current fiscal year to be used for another purpose. Restricted state funds must be used for the purposes for which they were appropriated in the biennium in which they were appropriated. Instead, a CSB should use unspent funds from prior fiscal years in its reserve fund if additional funds are needed for this other purpose.

10. **Allowable Uses of Unspent State Fund Balances:** Consistent with the intent of the Grants to Localities item in the Appropriation Act and § 37.2-500 or § 37.2-601 of the Code of Virginia, CSBs may use unspent balances of state funds only for mental health, developmental, and substance use disorder services purposes. Any other uses of unspent state fund balances are not acceptable and are a violation of the CSB's performance contract with the Department.

11. **Preferred Acceptable Uses of Accumulated Unspent State Fund Balances From Previous Fiscal Years:** CSBs may use unspent state fund balances from previous fiscal years for the following purposes:

    a. Purchase, construction, renovation, or replacement of land or buildings used to provide mental health, developmental, or substance use disorder services;

    b. Purchase, replacement, or repair of vehicles used to transport individuals receiving services or to provide services (e.g., vehicles for case management or emergency services staff);

    c. Start-up expenses for new programs and unfunded one-time costs associated with existing services to individuals, including security deposits for housing and utilities, advance rental payments, facility furnishings, supplies, prepaid expenses such as insurance premiums, staff recruitment and training, unreimbursed medical or dental examinations or routine care, or payments for capacity determinations and legal services such as obtaining an attorney and paying filing fees associated with petitioning for and obtaining guardianship orders;

    d. Purchase, replacement, or repair of other capital equipment, including facility-related machinery, equipment, or furnishings;

    e. Initiation of Individual Discharge Assistance Program Plans to enable individuals on state hospital extraordinary barriers to discharge lists to be discharged to community settings while other support for the placements is being arranged;

    f. Purchase of local inpatient psychiatric services if state mental health LIPOS funds have been exhausted;

    g. Purchase, replacement, or repair of information system equipment or software, including telecommunications equipment or software; or

    h. Purchase, construction, renovation, or replacement of land or buildings used for the CSB's management and administrative operations.

12. **Other Acceptable Uses of Accumulated Unspent State Fund Balances From Previous Fiscal Years:** Normally, unspent balances of state funds from previous fiscal years should be used only for one-time, non-recurring expenditures and not for supporting ongoing obligations. However, in exceptional circumstances, unspent balances may be used to temporarily absorb the short term effects of a budget reduction or an unanticipated funds shortfall during the current fiscal year until more permanent actions are taken to implement the budget reduction or address the shortfall. Also, State Board Policy 6005 states that, if a CSB is certain that the source of balances of unspent state funds can be sustained in the future, for instance savings from a permanent reduction in staffing, then the balances could be used for ongoing obligations,

although a preferable alternative would be to move the funds from the activity where they were not spent to the other ongoing use.

13. **Collective Uses of Unspent Balances:** A group of CSBs may pool amounts of their unspent balances to address one-time issues or needs that are addressed more effectively or efficiently on a collective basis. The use of these pooled unspent balances shall be consistent with the principles and procedures in this Appendix.

14. **Performance Contract Documentation:** All uses of unspent balances of state funds shall be documented in the CSB's performance contract for the year in which the unspent balances are expended. If the balances will be used to support operational costs, the funds shall be shown as state retained earnings in the performance contract and in the CARS mid-year report, if the expense occurs in the first two quarters, and in the end of the fiscal year CARS report.

    If the balances will be used for major capital expenses, such as the purchase, construction, major renovation, or replacement of land or buildings used to provide mental health, developmental, or substance use disorder services or the CSB's management and administrative operations or the purchase or replacement of information system equipment, these costs shall be shown as state retained earnings and shall be described separately on the Financial Comments page (AF-2) of the performance contract and the CARS reports. Balances used for major capital expenses shall be included on pages AF 1 and AF-3 through AF-8 as applicable but shall not be included in the service costs shown on Forms 11, 21, 31, or 01 of the performance contract or CARS reports because these expenses would distort the ongoing costs of the services in which the major capital expenses would be included. Differences between the funds shown on pages AF-1 though AF-8 related to the inclusion of unspent balances as retained earnings for major capital expenses and the costs shown on Forms 11 through 01 shall be explained on Form AF-10 Supplemental Information: Reconciliation of Projected Resources and Core Services Costs by Program Area. However, depreciation of those capital assets can be included in service costs shown on Forms 11 through 01.

    In either case, for each separate use of unspent balances of state funds, the amount expended and the category from those listed in sections 11 and 12 of the expenditure shall be shown on the Financial Comments page of the performance contract, if the expenditure was planned at the beginning of the contract term, and in the end of the fiscal year CARS report. The amount of unspent balances must be shown along with the specific sources of those balances, such as unrestricted state funds or particular restricted state funds. Uses of unspent balances of state funds shall be reviewed and approved by the Department in accordance with the principles and procedures in this Appendix and the Performance Contract Process in Exhibit E of the performance contract.

    CSBs may maintain their accounting records on a cash or accrual basis for day-to-day accounting and financial management purposes; however its CARS reporting must be in compliance with Generally Accepted Accounting Principles (GAAP). CSBs may submit CARS reports to the Department on a cash or modified accrual basis, but they must report on a consistent basis; and the CARS reports must include all funds contained in the performance contract that are received by the CSB during the reporting period.

15. **Review of Unspent Balances:** In exercising its stewardship responsibility to ensure the most effective, prudent, and accountable uses of state funds, the Department may require CSBs to report amounts of unexpended state funds from previous fiscal years. The Department also may withhold current fiscal year disbursements of state funds from a CSB if amounts of unexpended state funds for the same purposes in the CSB's reserve account exceed the limits in section 6.

Pursuant to section 2, this action would not affect the allocation of those state funds in the following fiscal year. The Department also may review available unspent balances of state funds with a CSB that exhibits a persistent pattern of providing lower levels of services while generating significant balances of unspent state funds, and the Department may take actions authorized by State Board Policy 6005 to address this situation. Finally, the Department may establish other requirements in collaboration with CSBs for the identification, use, reporting, or redistribution of unexpended balances of state funds.

Appendix D: User Acceptance Testing Process

User acceptance testing (UAT) measures the quality and usability of an application. Several factors make UAT necessary for any software development or modification project, especially for complex applications like CCS 3 or the Waiver Management System (WaMS) that interface with many IT vendor-supplied data files and are used by many different end users in different ways.

1. UAT reduces the cost of developing the application. Fixing issues before the application is released is always less expensive in terms of costs and time.
2. Ensuring the application works as expected. By the time an application has reached the UAT process, the code should work as required. Unpredictability is one of the least desirable outcomes of using any application.

In the UAT process, end users test the business functionality of the application to determine if it can support day-to-day business practices and user scenarios and to ensure the application is correct and sufficient for business usage. The CSBs and Department will use the following UAT process for major new releases of CCS 3, WaMS, or other applications that involve the addition of new data elements or reporting requirements or other functions that would require significant work by CSB IT staff and vendors. All days in the time frame are calendar days. Major changes in complex systems such as CCS or WaMS shall occur only once per year at the start of the fiscal year and in accordance with the testing process below. Critical and unexpected changes in WaMS may occur outside of this annual process, but the Department will use the UAT process to implement them. Smaller applications follow the process below at the discretion of the Department and the VACSB DMC.

Department and CSB User Acceptance Testing Process	
Time Frame	**Action**
D Day	Date data must be received by the Department (e.g., 8/31 for CCS 3 monthly submissions and 7/1 for WaMS).
D - 15	The Department issues the final version of the new release to CSBs for their use.
D - 20	UAT is completed and application release is completed.
D - 35	UAT CSBs receive the beta version of the new release and UAT begins.
D - 50	CSBs begin collecting new data elements that will be in the new release. Not all releases will involve new data elements, so for some releases, this date would not be applicable.
D - 140	The Department issues the final revised specifications that will apply to the new release. The revised specifications will be accompanied by agreed upon requirements specifications outlining all of the other changes in the new release. CSBs use the revised specifications to modify internal business practices and work with their IT vendors to modify their EHRs and extracts.
Unknown	The time prior to D-150 in which the Department and CSBs develop and negotiate the proposed application changes. The time needed for this step is unknown and will vary for each new release depending on the content of the release.

Shorter processes that modify this UAT process will be used for minor releases of CCS 3 or other applications that involve small modifications of the application and do not involve collecting new data elements. For example, bug fixes or correcting vendor or CSB names or adding values in existing look up tables may start at D-35.

Appendix E: Continuous Quality Improvement (CQI) Process

Introduction: Meaningful performance expectations are part of a CQI process developed and supported by the Department and CSBs that will monitor CSB progress in achieving those expectations to improve the quality, accessibility, integration and welcoming, person-centeredness, and responsiveness of services locally and to provide a platform for system-wide improvement efforts. Generally, performance expectations reflect requirements based in statute, regulation, or policy. The capacity to measure progress in achieving performance expectations and goals, provide feedback, and plan and implement CQI strategies shall exist at local, regional, and state levels.

Implementing the CQI process will be a multi-year, iterative, and collaborative effort to assess and enhance CSB and system-wide performance over time through a partnership among CSBs and the Department in which they are working to achieve a shared vision of a transformed services system. In this process, CSBs and the Department engage with stakeholders to perform meaningful self-assessments of current operations, determine relevant CQI performance expectations and goals, and establish benchmarks for goals, determined by baseline performance, to convert those goals to expectations. Because this CQI process focuses on improving services and to strengthen the engagement of CSBs in this process and preserve essential services for individuals, funding will not be based on or associated with CSB performance in achieving these expectations and goals. The Department and the CSB may negotiate CSB performance measures in Exhibit D of the performance contract reflecting actions or requirements to meet expectations and goals in the CSB's CQI plan. As this joint CQI process evolves and expands, the Department and the Virginia Association of Community Services Boards will utilize data and reports submitted by CSBs to conduct a broader scale evaluation of service system performance and identify opportunities for CQI activities across all program areas.

I. CQI Performance Expectations and Goals

A. General Performance Goal and Expectation Affirmations

1. For individuals currently receiving services, the CSB has a protocol in effect 24 hours per day, seven days per week (a) for service providers to alert emergency services staff about individuals deemed to be at risk of needing an emergency intervention, (b) for service providers to provide essential clinical information, which should include advance directives, wellness recovery action plans, or safety and support plans to the extent they are available, that would assist in facilitating the disposition of the emergency intervention, and (c) for emergency services staff to inform the case manager of the disposition of the emergency intervention. Individuals with co-occurring mental health and substance use disorders are welcomed and engaged promptly in an integrated screening and assessment process to determine the best response or disposition for continuing care. The CSB shall provide this protocol to the Department upon request. During its inspections, the Department's Licensing Office may examine this protocol to verify this affirmation as it reviews the CSB's policies and procedures.
2. For individuals hospitalized through the civil involuntary admission process in a state hospital, private psychiatric hospital, or psychiatric unit in a public or private hospital, including those who were under a temporary detention or an involuntary commitment order or were admitted voluntarily from a commitment hearing, and referred to the CSB, the CSB that will provide services upon the individual's discharge has in place a protocol to assure the timely discharge of and engage those individuals in appropriate CSB services and supports upon their return to the community. The CSB monitors and

strives to increase the rate at which these individuals keep scheduled face-to-face (non-emergency) service visits within seven business days after discharge from the hospital or unit. Since these individuals frequently experience co-occurring mental health and substance use disorders, CSB services are planned as co-occurring capable and promote successful engagement of these individuals in continuing integrated care. The CSB shall provide this protocol to the Department upon request. During its inspections, the Department's Licensing Office may examine this protocol to verify this affirmation as it reviews the CSB's policies and procedures.

B. Emergency Services Performance Goal and Expectation Affirmations

1. When an immediate face-to-face intervention by a certified preadmission screening evaluator is appropriate to determine the possible need for involuntary hospitalization, the intervention is completed by a certified preadmission screening evaluator who is available within one hour of initial contact for urban CSBs and within two hours of initial contact for rural CSBs. Urban and rural CSBs are listed in the current Overview of Community Services in Virginia at www.dbhds.virginia.gov/OCC-default.htm.
2. Every preadmission screening evaluator is hired with knowledge, skills, and abilities to establish a welcoming environment for individuals with co-occurring disorders and performing hopeful engagement and integrated screening and assessment.
3. Pursuant to subsection B of § 37.2-817 of the Code of Virginia, a preadmission screening evaluator, or through a mutual arrangement an evaluator from another CSB, attends each commitment hearing, initial (up to 30 days) or recommitment (up to 180 days), for an adult held in the CSB's service area or for an adult receiving services from the CSB held outside of its service area in person, or, if that is not possible, the preadmission screening evaluator participates in the hearing through two-way electronic video and audio or telephonic communication systems, as authorized by subsection B of § 37.2-804.1 of the Code of Virginia, for the purposes of presenting preadmission screening reports and recommended treatment plans and facilitating least restrictive dispositions.
4. In preparing preadmission screening reports, the preadmission screening evaluator considers all available relevant clinical information, including a review of clinical records, wellness recovery action plans, advance directives, and information or recommendations provided by other current service providers or appropriate significant other persons (e.g., family members or partners). Reports reference the relevant clinical information used by the preadmission screening evaluator. During its inspections, the Department's Licensing Office may verify this affirmation as it reviews services records, including records selected from a sample identified by the CSB for individuals who received preadmission screening evaluations.
5. If the emergency services intervention occurs when an individual has been admitted to a hospital or hospital emergency room, the preadmission screening evaluator informs the charge nurse or requesting medical doctor of the disposition, including leaving a written clinical note describing the assessment and recommended disposition or a copy of the preadmission screening form containing this information, and this action is documented in the individual's service record at the CSB with a progress note or with a notation on the preadmission screening form that is included in the individual's service record. During its inspections, the Department's Licensing Office may verify this affirmation as it reviews services records, including records selected from a sample identified by the

CSB for individuals who received preadmission screening evaluations, for a progress note or a copy of the preadmission screening form.

C. Mental Health and Substance Abuse Case Management Services Performance Expectation Affirmations

1. Case managers are hired with the goal of becoming welcoming, recovery-oriented, and co-occurring competent to engage all individuals receiving services in empathetic, hopeful, integrated relationships to help them address multiple issues successfully.
2. Reviews of the individualized services plan (ISP), including necessary assessment updates, are conducted with the individual quarterly or every 90 days and include significant changes in the individual's status, engagement, participation in recovery planning, and preferences for services; and the ISP is revised accordingly to include an individual-directed wellness plan that addresses crisis self-management strategies and implements advance directives, as desired by the individual. For those individuals who express a choice to discontinue case management services because of their dissatisfaction with care, the provider reviews the ISP to consider reasonable solutions to address the individual's concerns. During its inspections, the Department's Licensing Office may verify this affirmation as it reviews ISPs, including those from a sample identified by the CSB of individuals who discontinued case management services.
3. The CSB has policies and procedures in effect to ensure that, during normal business hours, case management services are available to respond in person, electronically, or by telephone to preadmission screening evaluators of individuals with open cases at the CSB to provide relevant clinical information in order to help facilitate appropriate dispositions related to the civil involuntary admissions process established in Chapter 8 of Title 37.2 of the Code of Virginia. During its inspections, the Department's Licensing Office may verify this affirmation as it examines the CSB's policies and procedures.
4. For an individual who has been discharged from a state hospital, private psychiatric hospital, or psychiatric unit in a public or private hospital or released from a commitment hearing and has been referred to the CSB and determined by it to be appropriate for its case management services program, a preliminary assessment is initiated at first contact and completed, within 14 but in no case more than 30 calendar days of referral, and an individualized services plan (ISP) is initiated within 24 hours of the individual's admission to a program area for services in its case management services program and updated when required by the Department's licensing regulations. A copy of an advance directive, a wellness recovery action plan, or a similar expression of an individual's treatment preferences, if available, is included in the clinical record. During its inspections, the Department's Licensing Office may verify these affirmations as it reviews services records.
5. For individuals for whom case management services will be discontinued due to failure to keep scheduled appointments, outreach attempts, including home visits, telephone calls, letters, and contacts with others as appropriate, to reengage the individual are documented. The CSB has a procedure in place to routinely review the rate of and reasons for refused or discontinued case management services and takes appropriate actions when possible to reduce that rate and address those reasons. The CSB shall provide a copy of this procedure to the Department upon request. During its inspections, the Department's Licensing Office may examine this procedure to verify this affirmation.

II. Co-Occurring Mental Health and Substance Use Disorder Performance Expectation Affirmations

A. The CSB ensures that, as part of its regular intake processes, every adolescent (ages 12 to 18) and adult presenting for mental health or substance use disorder services is screened, based on clear clinical indications noted in the services record or use of a validated brief screening instrument, for co-occurring mental health and substance use disorders. If screening indicates a need, the CSB assesses the individual for co-occurring disorders. During its on-site reviews, staff from the Department's Office of Community Behavioral Health Services may examine a sample of service records to verify this affirmation.

B. If the CSB has not conducted an organizational self-assessment of service integration in the last three years using the COMPASS, COMPASSEZ, or DDCAT/DDMHT tool as part of the Virginia System Integration Project (VASIP) process, the CSB conducts an organizational self-assessment of service integration during the term of this contract with one of these tools and uses the results of this self-assessment as part of its continuous quality improvement plan and process. The CSB shall provide the results of its continuous quality improvement activities for service integration to the Department's Office of Community Behavioral Health Services during its on-site review of the CSB.

III. Data Quality Performance Expectation Affirmations

A. The CSB submits 100 percent of its monthly CCS consumer, type of care, and services file extracts to the Department in accordance with the schedule in Exhibit E of the performance contract and the current CCS 3 Extract Specifications and Business Rules, a submission for each month by the end of the following month for which the extracts are due. The Department will monitor this measure quarterly by analyzing the CSB's CCS submissions and may negotiate an Exhibit D with the CSB if it fails to meet this goal for more than two months in a quarter.

B. The CSB monitors the total number of consumer records rejected due to fatal errors divided by the total consumer records in the CSB's monthly CCS consumer extract file. If the CSB experiences a fatal error rate of more than five percent of its CCS consumer records in more than one monthly submission, the CSB develops and implements a data quality improvement plan to achieve the goal of no more than five percent of its CCS consumer records containing fatal errors within a timeframe negotiated with the Department. The Department will monitor this affirmation by analyzing the CSB's CCS submissions.

C. The CSB ensures that all required CCS data is collected and entered into its information system when a case is opened or an individual is admitted to a program area, updated at least annually when an individual remains in service that long, and updated when an individual is discharged from a program area or his case is closed. The CSB identifies situations where data is missing or incomplete and implements a data quality improvement plan to increase the completeness, accuracy, and quality of CCS data that it collects and reports. The CSB monitors the total number of individuals without service records submitted showing receipt of any substance use disorder service within the prior 90 days divided by the total number of individuals with a TypeOfCare record showing a substance use disorder discharge in those 90 days. If more than 10 percent of the individuals it serves have not received any substance use disorder services within the prior 90 days and have not been discharged from the substance use disorder services program area, the CSB develops and implements a data quality improvement plan to reduce that percentage to no more than 10 percent. The Department will monitor this affirmation by analyzing the CSB's CCS submissions.

IV. Employment and Housing Opportunities Expectation Affirmations

A. The CSB reviews and revises, if necessary, its joint written agreement, required by subdivision A.12 of § 37.2-504 or subsection 14 of § 37.2-605 of the Code of Virginia, with the Department of Aging and Rehabilitative Services (DARS) regional office to ensure the availability of employment services and specify DARS services to be provided to individuals receiving services from the CSB. The CSB works with employment service organizations (ESOs) where they exist to support the availability of employment services and identify ESO services available to individuals receiving services from the CSB. Where ESOs do not exist, the CSB works with other entities to develop employment services in accordance with State Board Policy 1044 (SYS) 12-1 to meet the needs of employment age (18-64) adults who choose integrated employment.

B. Pursuant to State Board Policy 1044, the CSB ensures its case managers discuss integrated, community-based employment services at least annually with adults currently receiving services from it, include employment-related goals in their individualized services and supports plans if they want to work, and when appropriate and as practicable engage them in seeking employment services that comply with the policy in a timely manner.

C. The CSB reviews and revises, if necessary, its joint written agreements, required by subdivision 12 of subsection A of § 37.2-504 or subsection 14 of § 37.2-605 of the Code of Virginia, with public housing agencies, where they exist, and works with planning district commissions, local governments, private developers, and other stakeholders to maximize federal, state, and local resources for the development of and access to affordable housing and appropriate supports for individuals receiving services from the CSB.

D. The CSB works with the Department through the VACSB Data Management Committee, at the direction of the VACSB Executive Directors Forum, to collaboratively establish clear employment and stable housing policy and outcome goals and develop and monitor key housing and employment outcome measures.

Council Letter
City of Danville, Virginia

CL-2001 **New Business** **Item #: E.**

City Council Regular Meeting

Meeting Date: 10/16/2018

Subject: Staunton River Regional Industrial Facility Authority (SR RIFA)

From: Telly D. Tucker, Economic Development Director

COUNCIL ACTION

Business Meeting: 10/16/2018

SUMMARY

The City of Danville, Pittsylvania County, Town of Hurt, and Town of Altavista have all agreed in concept to form a new Regional Industrial Facility Authority (SR RIFA) for the purpose of managing the multimodal park (formerly Burlington Hurt Site) in the town of Hurt. The requested action item has been discussed in concept over the last year and the proposed action defines the cost and revenue sharing agreement that all member locality elected bodies will approve. The agreed upon cost and revenue sharing percentages are as follows: Pittsylvania County - 50%; Altavista - 23%; Danville - 23%; and Hurt - 23%. Similarly, the initial member locality contributions equaling a total of $100,000 will be divided as follows: Pittsylvania County - $50,000; Altavista - $23,000; Danville - $23,000; and Hurt - $4,000.

BACKGROUND

On February 23, 2017, a Letter of Intent signing ceremony was held in Hurt, Virginia, during which Pittsylvania County, the Town of Hurt, the Town of Altavista, and the City of Danville, signed a letter stating that the member localities would work together to create a new regional industrial facility authority to market and develop the Southern Virginia Multimodal Park in Hurt. This Authority would be named the Staunton River Regional Industrial Facility Authority ("SR RIFA"). Over the last year and a half, Staff from the member localities have been working together, with input from their governing bodies, to negotiate the terms of a SR RIFA Cost and Revenue Sharing Agreement.

RECOMMENDATION

Staff recommends the approval of the four-member locality agreed upon cost and revenue sharing agreement as presented.

Attachments

Ordinance

Code Attachment

Resolution

SR RIFA Cost and Revenue Sharing Agreement

Clerks Certificate

PRESENTED: _____

ADOPTED: _____

ORDINANCE NO. 2018-___.___

AN ORDINANCE TO CREATE THE STAUNTON RIVER REGIONAL INDUSTRIAL FACILITY AUTHORITY AND TO ADD ARTICLE XX, ENTITLED "STAUNTON RIVER REGIONAL INDUSTRIAL FACILITY AUTHORITY", SECTIONS 2-410 THROUGH 2-419 TO CHAPTER 2, ENTITLED "ADMINISTRATION" TO THE CODE OF CITY OF DANVILLE, VIRGINIA, 1986, AS AMENDED.

WHEREAS, the Council of the City of Danville, Virginia (the "Council") has determined that the economic growth and development of the City of Danville, Virginia, ("City of Danville") and the comfort, convenience, and welfare of its citizens require the development of industrial facilities; and

WHEREAS, the Council has determined that joint action through a regional industrial facility authority with Pittsylvania County, the Town of Hurt, Virginia, the Town of Altavista, Virginia, and the City of Danville, Virginia (collectively, the "Other Member Localities") will facilitate the development of the needed facilities; and

WHEREAS, the Council has determined that regional cooperation in industrial development will assist the City of Danville and the Other Member Localities to achieve a greater degree of economic stability; and

WHEREAS, the Council has further determined that joint action through a regional industrial facility authority by the City of Danville and the Other Member Localities will facilitate the development of needed facilities and enhance the economic base for the member localities by developing, owning, and operating one or more facilities on a cooperative basis; and

WHEREAS, the Council has further determined that formation of a regional industrial facility authority in cooperation with the Other Member Localities and in compliance with the Virginia Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended, will benefit the inhabitants of the region and

other areas of the Commonwealth, for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity.

NOW THEREFORE, BE IT ORDAINED by the Council of the City of Danville, Virginia, that the of the Code of the City of Danville, Virginia, 1986, as amended, be, and is hereby, amended and reordained, in accord with Title 15.2, Chapter 64 of the 1950 Code of Virginia, as amended, to create the Staunton River Regional Industrial Facility Authority and to add Article XX, entitled “Staunton River Regional Industrial Facility Authority”, Sections 2-410 through 2-419 to Chapter 2, entitled “Administration”, as attached hereto and made a part hereof as if fully set forth herein as **Exhibit I** (the “Code Amendment”); and

BE IT FURTHER ORDAINED that this ordinance shall become effective upon adoption of a similar ordinance by all of the Other Member Localities, and the adoption of a Cost and Revenue Sharing Agreement by the City of Danville and the Other Member Localities (the “Agreement”); and

BE IT FURTHER ORDAINED that this ordinance shall become effective no later than December 31, 2018, or it shall be considered void; and

BE IT FURTHER ORDAINED that the adopting ordinance of the City of Danville shall contain provisions regarding the Staunton River Regional Industrial Facility Authority identical or substantially similar to the provisions as stated in the following amendment to the respective codes or ordinances of the Other Member Localities, which are made a part of this ordinance; and

BE IT FURTHER ORDAINED that should any section or provision of this ordinance be decided to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity or constitutionality of any other section or provision of this ordinance or the Code of the City of Danville, Virginia, 1986, as amended, (the “Code”); and

BE IT FURTHER ORDAINED that the City Manager for the City of Danville, is authorized, upon review and majority vote of the members of the Council in favor of the Agreement, to execute an agreement establishing the respective rights and obligations of the City of Danville and the Other Member Localities with respect to the Staunton River Regional Industrial Facility Authority, consistent with Title 15.2, Chapter 64 of the 1950 Code of Virginia, as amended, and

BE IT FINALLY ORDAINED that all other provisions and Paragraphs, Subparagraphs, and Sections of said Article, Chapter, and Code be, and the same are hereby, continued in full force and effect unless and until the same are hereafter amended or repealed.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

CHAPTER 2. ADMINISTRATION

ARTICLE XX: STAUNTON RIVER REGIONAL INDUSTRIAL FACILITY AUTHORITY

SEC. 2-410 ESTABLISHMENT; DESIGNATION.

There is hereby established a Regional Industrial Facility Authority to be known as the "**Staunton River Regional Industrial Facility Authority**".

SEC. 2-411 DEFINITIONS.

A. "**Act**" shall mean the Regional Industrial Facilities Act, Chapter 64 of Title 15.2 of the Code of Virginia, 1950, as amended.

B. "**Agreement**" shall mean the "Staunton River Cost and Revenue Sharing Agreement" by and among the County of Pittsylvania, Virginia, the Town of Hurt, Virginia, the Town of Altavista, Virginia, and the City of Danville, Virginia.

C. "**Authority**" shall mean the regional industrial facility authority created hereby by cooperative action of the City of Danville and the Other Member Localities and named herein, the "Staunton River Regional Industrial Facility Authority".

D. "**Board of Directors**" shall mean the Board of Directors of the Staunton River Regional Industrial Facility Authority.

E. "**Governing Body**" shall mean the Board of Supervisors of Pittsylvania County, the Town Council of the Town of Hurt, the Town Council of the Town of Altavista, and the City Council of the City of Danville as members of the Authority.

F. "**Member Localities**" shall mean all members of the Staunton River Regional Industrial Facility Authority, which initially include the City of Danville and the Other Member Localities.

G. "**Other Member Localities**" shall mean the Town of Hurt, Virginia, the Town of Altavista, Virginia, and the City of Danville, Virginia.

SEC. 2-412 CREATION, NAME, POWERS, DISSOLUTION AND FISCAL YEAR.

A. There is hereby created, pursuant to the Act and in conjunction with the adoption of an identical or substantially similar ordinance by the Other Member Localities named the "Staunton River Regional Industrial Facility Authority".

B. The Authority is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. The Authority shall have all rights, duties and powers provided by provision of the Act, and including such powers, rights, and duties as may hereafter be set forth from time to time in the Act.

C. The Authority may be dissolved by resolution of the Board of Directors in compliance with provisions for dissolution stated in the Act.

D. The fiscal year for the Authority shall be the same as that of the Commonwealth.

SEC. 2-413 PURPOSE.

The Authority is charged with the specific purpose to develop a regional industrial park containing approximately 603.98 acres, located in Hurt, Virginia, commonly known as the Southern Virginia Multi-Modal Park and any one or more other parcels of land located in any of the Member Localities regions as regional industrial parks and for the additional purpose of future development of other industrial properties or other reasons as permitted by the Act and as agreed upon by the Member Localities.

SEC. 2-414 MEMBERSHIP.

The Member Localities of the Authority are the City of Danville and the Other Member Localities, each of which is a political subdivision of the Commonwealth of Virginia, and each of which is authorized by the Act to participate in the Authority. The membership may, with the approval of the Board of Directors, be expanded in compliance with provision for expansion as stated in the Act.

SEC. 2-415 MEMBER LOCALITY AGREEMENT.

The Authority shall be governed by the Act, this article, and by the agreement executed by the Governing Body of each Member Locality. The Agreement shall establish the respective rights and obligations of the Member Localities and shall provide for revenue and economic growth-sharing arrangements with respect to tax revenues and other income and revenues generated by any facility owned by the Authority.

SEC. 2-416 BOARD OF DIRECTORS.

A. The powers, rights, and duties conferred by the Act upon the Authority shall be exercised by a Board of Directors, which shall consist of two (2) members appointed by the Governing Body of each member locality plus one (1) alternate appointed by the Governing Body of each member locality. The number of directors of the Authority may be supplemented by decision of and appointment by the Governing Bodies as permitted by the Act.

B. Each Member Locality shall appoint to the Board of Directors two (2) members from its Governing Body to serve an initial four (4) year term pursuant to the Act. Each Member Locality shall also appoint one (1) member from its Governing Body to serve an initial four (4) year term as an alternate director.

C. In order to remain a director or alternate director of the Authority such director or alternate director must also be a current member of the Governing Body. Once a director or alternate director of the Authority is no longer a member of the

Governing Body, the locality will appoint a new member from its Governing Body to fill the unexpired term of the vacating director. The alternate director shall serve until a new director is appointed.

D. Each director and alternate director of the Board of Directors, before entering upon the discharge of the duties of the office, shall take and subscribe to the oath prescribed in Section 49-1 of the Code of Virginia, 1950, as amended, and shall serve in compliance with the Act, this Section, and the Agreement.

E. The Board of Directors shall adopt bylaws, rules and/or regulations to carry out the provisions of the Act. The bylaws, rules, or regulations shall, among other things, specify the principal office for the Authority, identify the schedule and place for meetings of the Board of Directors, and provide for the general administration of the operations of the Authority.

F. The alternate director may act in place of the director of the same Member Locality if such director is not present at any meeting of the Authority. If the other two (2) directors for a Member Locality are present, the alternate does not have the right to vote.

G. It shall require a simple majority of the Board of Directors to act unless a greater number is specified in such bylaws, rules and/or regulations, and a simple majority shall constitute a quorum.

H. Each director of the Board of Directors shall be reimbursed for actual expenses incurred in the performance of their duties from funds available to the Authority.

SEC. 2-417 PRINCIPAL OFFICE LOCATION, RECORDS, AND TITLE TO PROPERTY.

The principal office of the Authority shall be located in Pittsylvania County. All records shall be kept at such office. The title to all property of every kind belonging to the Authority shall be titled in the name of the Authority, which shall hold such title for the benefit of its Member Localities.

SEC. 2-418 FUNDING.

Funding of the Authority shall be by appropriation as decided from time-to-time by the Governing Bodies of the Member Localities and from such other sources as are identified in the Agreement.

SEC. 2-419 REQUIRED REPORTS.

A. Annual reports. The Board of Directors shall report to the Governing Body of each Member Locality annually, on or before the last March meeting of the Governing Body, on the activities of the Authority. In addition to oral presentation at the meeting, a written annual report shall be provided prior to the meeting and shall contain, at a minimum, the following information:

1. A financial update through December 31 of the current fiscal year;

2. After completion of the first fiscal year, an audited financial report showing expenditures and revenues and a statement showing the operating and financial condition at the end of the preceding fiscal year;

3. A written report, approved by the Board of Directors, of the activities and accomplishments of the Authority and recommendations regarding future activities of the Authority; and

4. A list of tenants, purchasers or other persons occupying the Southern Virginia Multi-Modal Park or any other regional industrial facilities developed by the Authority.

B. Special reports. Upon written request of the Governing Body of any Member Locality, the Board of Directors shall report to the Governing Body within thirty (30) days of receipt of the request or within a longer period if so provided in the written request. The special report shall describe the activities and financial status of the Authority within the six (6) month period immediately preceding the request, or as otherwise specified in the written request and shall be furnished to each Member Locality. A written report shall be provided if requested.

PRESENTED: _____

ADOPTED: _____

RESOLUTION NO. 2018-____.____

A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF THE STAUNTION RIVER COST AND REVENUE SHARING AGREEMENT AMONG THE COUNTY OF PITTSYLVANIA, VIRGINIA, THE TOWN OF HURT, VIRGINIA, THE TOWN OF ALTAVISTA, VIRGINIA, AND THE CITY OF DANVILLE, VIRGINIA.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Danville, Virginia, that it does hereby approve the form of the Staunton River Cost and Revenue Sharing Agreement in the form substantially attached hereto and made a part here of as if full set forth herein as **Exhibit I** (the "Agreement"); and

BE IT FURTHER RESOLVED that the Council of the City of Danville, Virginia, authorizes the City Manager, Kenneth F. Larking, to execute the Agreement.

APPROVED:

_____
MAYOR

ATTEST:

_____
CLERK

Approved as to
Form and Legal Sufficiency:

_____
City Attorney

STAUNTON RIVER COST AND REVENUE SHARING AGREEMENT

THIS STAUNTON RIVER COST AND REVENUE SHARING AGREEMENT (this "**Agreement**"), made and entered into as of the 17TH day of April 2018, by and among the **COUNTY OF PITTSYLVANIA, VIRGINIA** ("**Pittsylvania**"), a political subdivision of the Commonwealth of Virginia; (ii) the **TOWN OF HURT, VIRGINIA**, a Virginia municipal corporation ("**Hurt**"); (iii) the **TOWN OF ALTAVISTA, VIRGINIA**, a Virginia municipal corporation ("**Altavista**"); and (iv) the **CITY OF DANVILLE, VIRGINIA**, a Virginia municipal corporation ("**Danville**");

W I T N E S S E T H :

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

Section 1. - Recitals. The parties recite the following facts:

a. Pittsylvania, Hurt, Altavista, Danville and others executed that certain letter of intent dated February 23, 2017 (the "**LOI**"), under which the parties hereto desire to work cooperatively to create a regional industrial facility authority pursuant to the Virginia Regional Industrial Facilities Act, Virginia Code ' ' 15.2-6400 et seq., as amended (the "**Act**"), that will develop (i) a regional industrial park containing approximately 603.98 acres (Tax GPINs: 2546-30-5577, 2545-69-2418, 2546-83-6444 and 2545-48-6913), located in Hurt, Virginia, commonly known as the Southern Virginia Multi-Modal Park (the "**SVMP**") and (ii) other projects as may be agreed upon from time to time by the parties.

b. Under the LOI, the regional industrial facility authority would be created to improve the regional economy through the attraction of global industry to the SVMP and the establishment of an intermodal facility at the SVMP that will serve the geographic regions of the parties hereto and that will be publicly recognized as Virginia's second inland port.

c. Each party finds that the economic growth and development of its own locality and the comfort, convenience and welfare of its own citizens require the development of facilities and that joint action through a regional industrial facility authority by Pittsylvania, Hurt, Altavista and Danville as its member localities will facilitate the development of the needed facilities.

d. The purpose of the regional industrial facility authority is to enhance the economic base for Pittsylvania, Hurt, Altavista and Danville by developing, owning, and

operating the SVMP and other agreed upon projects on a cooperative basis involving each of them.

e. In furtherance and support of the LOI, the parties enter into this Agreement as a revenue and economic growth-sharing arrangement, pursuant to Virginia Code ' 15.2-6407, as amended, with respect to tax revenues and other income and revenues generated by any facility owned by the regional industrial facility authority.

Section 2. - Creation of Staunton River Regional Industrial Facility Authority. The parties have established a regional industrial facility authority through adoption of respective ordinances, as allowed by and in compliance with the Act. The terms and duties of the members of the Board of Directors are specified in such ordinances and in the Act. The regional industrial facility authority of which each of the parties is a member locality shall be named the "**Staunton River Regional Industrial Facility Authority**" (the "**SR RIFA**" or the "**Authority**").

Section 3. - Definitions.

a. "**Act**" shall have the same meaning set forth in Section 1(a) above.

b. "**Agreement**" shall mean this Agreement or this Staunton River Cost and Revenue Sharing Agreement.

c. "**Authority**" (or "**SR RIFA**") shall have the same meaning set forth in Section 2 above or Staunton River Regional Industrial Facility Authority, a political subdivision of the Commonwealth of Virginia.

d. "**Authority Facility**" (or "**Authority Facilities**") shall mean any industrial project of the Authority as agreed by all the Member Localities. As of the date of this Agreement, the Authority does not hold an interest to any portion of the SVMP except as provided in the Development Agreement (as defined in this Section 3); however, the parties acknowledge and agree that the Authority's performance under the Development Agreement and the acquisition of one or more lots of the SVMP shall be deemed to be an Authority Facility.

e. "**Development Agreement**" shall mean a SR RIFA Development and Option Agreement that the Authority may enter into with the land owners of the SVMP whereby the Authority shall have the option to purchase one or more lots of the SVMP for development as an Authority Facility.

f. "**Dissolution of Authority**" shall be mean the procedures and division of assets in connection with the dissolution of a regional industrial facility authority as set forth in Virginia

Code ' 15.2-6415, as amended.

g. "**Facility Generated Income and Revenues**" shall mean any and all identifiable tax revenues generated from property owned currently or at some time by the Authority, which may have been sold, leased, conveyed or transferred to any third party.

h. "**Grant Applicant Member Locality**" shall have the same meaning set forth in Section 7 below.

i. "**Host Locality**", with respect to a specific Authority Facility, shall be defined as the Member Locality in which that Authority Facility is physically located.

j. "**LOI**" shall have the same meaning set forth in Section 1(a) above.

k. "**Member**" or "**Member Locality**" shall mean a member locality of the Authority. As of the date of this Agreement, Member or Member Locality shall include Pittsylvania, Hurt, Altavista and Danville.

l. "**Member Controversy**" shall mean a controversy or claim arising of or related to this Agreement or breach hereof.

m. "**Member Locality Obligation**" shall have the same meaning set forth in Section 16 below.

n. "**Member Share**" or "**Member Shares**" shall mean the following percentages: (i) for Pittsylvania, fifty percent (50%); (ii) for Hurt, four percent (4%) (iii) for Altavista, twenty-three percent (23%); and (iv) for Danville, twenty-three percent (23%).

o. "**Non-Appropriating Member Locality**" shall have the same meaning set forth in Section 16 below.

p. "**Non-Host Locality**" shall be defined as the Member or Member Locality that is not the Host Locality.

q. "**SR RIFA**" (or "**Authority**") shall have the same meaning set forth in Section 2 above or Staunton River Regional Industrial Facility Authority.

r. "**SVMP**" shall have the same meaning set forth in Section 1(a) above.

s. "**Utility Extension Costs**" shall have the same meaning set forth in Section 4(c) below.

Section 4. - Project Costs; Contributions.

a. Generally. In order to receive and as a condition of receiving its respective Member Share of Facility Generated Income and Revenues under this Agreement, each Member Locality (i) shall make an initial contribution as set forth in Section 8 below and (ii) shall make additional contributions according to its Member Share, as such contributions may be unanimously agreed upon by the Members from time to time in conformance with the provisions of Section 4(b), in the form of adopting an annual budget for the Authority or passing a specific resolution of the Authority for each such additional contribution by all Members. The budget shall include funds for the acquisition, construction and development of any Authority Facility, as well as for marketing and promotion of any Authority Facility. In the event that a Member does not agree, or for whatever other reason, fails to contribute its Member Share as set forth in a unanimously adopted budget or resolution by the Authority, the Authority, by unanimous vote of the remaining Members, shall have the right to waive such additional contribution obligation by that non-contributing Member, and the Member Shares of all of the Members shall be recalculated based on the additional contributions actually made by the other Members. However, no such waiver may be made by the Authority, if doing so shall cause the Member Share of the non-contributing Member to be equal to or less than zero percent (0%). If such waiver is not made by the Authority, the procedures under Section 16 below shall be employed -- the non-contributing Member shall be deemed to be a Non-Appropriating Member Locality and the amount not contributed by that Member shall be deemed to be a Member Locality Obligation.

Notwithstanding any other provision of this Agreement, any future contributions by a Member Locality to the Authority shall be voluntary and subject to an appropriation by the governing body of the Member Locality. The failure of the governing body of a Member Locality to appropriate funds for any future contribution to the Authority shall not be a breach of this Agreement.

b. Recruitment Incentives; Additional Recruitment Incentives. As part of the Authority's mission, the Authority may offer, from time to time, grants or incentives (collectively, the "**Recruitment Incentives**") to an industry or business client in order to recruit such industry or business to locate within any of the Authority Facilities. The cost value of the Recruitment Incentives offered by the Authority shall be solely determined and based upon expected direct taxes paid by the project via the taxable value of machine, tools and real property. The total value of the Recruitment Incentives offered by the Authority shall be dependent upon the targeted return on investment years as unanimously agreed upon by the Members; however, this provision shall not preclude any Member Locality, on its own behalf and expense, from voluntarily offering additional incentives for a particular project's Recruitment Incentives package. In the event of such additional incentives by a Member

Locality (the "**Additive Member Locality**"), the Authority, by unanimous consent of the Member Localities, may deem the value of such additional incentives as a credit toward the Additive Member Locality's Member Share of the Recruitment Incentives offered for a future project, and the provisions of Section 7 below shall apply.

c. "Opt Out" of Additional Contributions for a Proposed Project. In the event that a proposed project would require additional contributions (whether in cash or other property) from every Member according to its respective Member Share, and one or more Members wish to opt-out from such additional contributions for that project, the Authority, prior to engaging in that project, shall determine by unanimous vote and resolution by its Board of Directors whether one or more of the following would apply: (i) the opting-out Member's share of the revenue from that particular project would be reduced by a fixed dollar amount or by a fixed percentage of up to one hundred percent (100%); (ii) the opting-out Member's share of the revenue from all, but not less than all, Authority projects would be reduced by a fixed dollar amount; and/or (iii) the percentages of the Member Shares would be adjusted based on the value of each such additional contribution made.

d. Utility Extensions. With respect to utility extension installations to an Authority Facility, the costs of any such installation ("**Utility Extension Costs**") shall be deemed to be the exclusive cost of the Member Locality whose service jurisdiction includes the area of such installation. Utility Extension Costs shall be excluded from a cost of the Authority that otherwise would be shared by the Member Localities according to the respective Member Share. Accordingly, Utility Extension Costs shall be disregarded for purposes of any Dissolution of Authority; however, if the Authority, in its sole discretion, advanced Utility Extension Costs for the benefit of a Member Locality and such advance is unpaid, the value of assets of the Authority to be distributed to that Member Locality shall be reduced by an amount equal to the unpaid balance of the advance. Notwithstanding the foregoing, the costs of utility extension installations to the SVMP shall be at the exclusive cost of Pittsylvania (or the Pittsylvania County Service Authority, a political subdivision of the Commonwealth of Virginia, as the case may be).

Notwithstanding any other provision of this Agreement, Altavista shall have no obligation to provide utility services to the SVMP. Any future extensions of utility lines or expansions in treatment or supply capacity by Altavista shall be addressed in a future agreement according to the terms and conditions stated in any such future agreement.

Notwithstanding any other provision of this Agreement, Hurt shall have no obligation to provide utility services to the SVMP. Any future extensions of utility lines or expansions in treatment or supply capacity by Hurt shall be addressed in a future agreement according to the terms and conditions stated in any such future agreement.

Section 5. - Income and Revenues.

a. Income Generated by the Authority. The parties agree that any and all income generated as a result of sales, leases, conveyances, and/or interest on funds held by the Authority shall constitute income generated by the Authority. Such income generated by the Authority shall be held and utilized by the Authority in accordance with the Act to further promote economic development within the localities of the Members, as the Authority in its discretion deems appropriate.

b. Additional Funding Contributions by all Member Localities. The parties agree that additional funding shall be necessary for the acquisition, construction and development of the SVMP and other Authority Facilities designated from time to time. The parties further agree that in the event the Member Localities unanimously determine that such additional funding for such purposes needs to be contributed to the Authority, then each Member Locality shall contribute its respective Member Share of such funding, subject to the provisions of Section 4 above and Section 16 below.

As provided in Section 4(a) above, any future contributions by a Member Locality to the Authority shall be voluntary and subject to an appropriation by the governing body of the Member Locality. The failure of the governing body of a Member Locality to appropriate funds for any future contribution to the Authority shall not be a breach of this Agreement.

Section 6. - Administration of the Funding for Projects. The parties agree that the administration and support given to each Authority Facility as well as support given to the Authority shall be allocated and determined by the Authority. Unless otherwise determined by resolution of the Authority, Pittsylvania shall serve as fiscal agent of the Authority for the development of the SVMP and all other Authority Facilities.

Section 7. - Pursuit of Other Funding. Nothing in this Agreement shall preclude any one or more Member Localities from pursuing, and successfully receiving, other funding sources to pay for site development of, or Recruitment Incentives for, any Authority Facility ("**Grant Applicant Member Locality**"). However, one Member Locality cannot and shall not bind any of the other Member Localities (or the Authority, as the case may be) to any grants without the express written approval of all Member Localities (or the Authority, as the case may be). Moreover, in the event that a Grant Applicant Member Locality is obligated to return grant monies or to make other reimbursements to the grant source or its designee, the amount of such returned monies or reimbursements shall be deemed to be a cost of the Authority and subject to the cost-sharing provisions of Section 4 above, so long as (i) the Grant Applicant Member Locality had obtained written approval from all Member Localities (or the Authority, as the case may be) of the Grant Applicant Member Locality's grant conditions; and (ii) the purposes of the grant were in furtherance of the acquisition, construction or development of an Authority

Facility, including without limitation Recruitment Incentives.

Section 8. - Initial Contributions. The Member Localities hereby acknowledge the initial contributions to the Authority as follows:

Member Locality	Contribution
Pittsylvania	$50,000.00
Hurt	$4,000.00
Altavista	$23,000.00
Danville	$23,000.00
Total	$100,000.00

All other contributions from a Member Locality to the Authority shall be acknowledged by the Treasurer of the Authority, who shall update the respective Member Shares of the Member Localities.

Section 9. - Sharing of Machinery and Tools Tax Revenues. Once one or more industries or businesses have located within any Authority Facility, the Host Locality will begin to realize tax revenues from such industries or businesses for machinery and tools tax. The Host Locality alone shall determine the rate at which machinery and tools are taxed and the due date of such taxes. The Host Locality agrees that subject to Section 16 below, upon receipt of machinery and tools tax remitted by an industry or business located within an Authority Facility, the Host Locality shall appropriate the total of taxes so received, pay the same to each of the Non-Host Localities according to the respective Member Share, and retain the remaining amount.

Section 10. - Sharing of Real Property and Personal Property Tax Revenue. Once one or more industries or businesses have located within any Authority Facility or purchased real property in any Authority Facility, the Host Locality will begin to realize tax revenues from such industries or businesses for real property and personal property. The Host Locality alone shall determine the rate at which real and personal property is taxed and the due date of such taxes. The Host Locality agrees that subject to Section 16 below, upon receipt of such real property taxes, personal property taxes or both remitted by an industry or business located within an Authority Facility, the Host Locality shall appropriate the total of taxes so received, pay the same to each of the Non-Host Localities according to the respective Member Share, and retain the remaining amount.

Section 11. - Sharing of Miscellaneous Tax Revenues. Once one or more industries or businesses have located within any Authority Facility, the Host Locality will begin to realize other tax revenues from business license tax, meals tax, lodging tax and any alcohol tax or any income and other Facility Generated Income and Revenues in addition to those described in Sections 9 and 10 above. The Host Locality alone shall determine the tax rates for these taxes and their due dates. The Host Locality agrees that subject to Section 16 below, upon receipt of such taxes remitted shall appropriate the total taxes so received from these industries or businesses located in the Authority Facility, pay the same to each of the Non-Host Localities according to the respective Member Share, and retain the remaining amount. The parties further agree that should the General Assembly of the Commonwealth of Virginia authorize a locality to levy and collect a new local tax and should the Host Locality choose to implement such future tax on property located within a Host Locality, then the parties agree that such new tax revenues realized from a joint regional authority will be shared equally in the same manner and fashion as other taxes within this Agreement.

Section 12. - Payment of Tax Revenues; No Pledge of the Credit or Taxing Power. All tax revenues due to the Non-Host Locality under this Agreement shall be paid by the Host Locality within sixty (60) days after receipt and appropriation of such tax revenues. If any tax delinquencies occur, each Non-Host Locality will pay its respective Member Share of the cost of collecting past due taxes, and will receive its respective Member Share of the penalties and interest accrued and paid. In accordance with Virginia Code ' 15.2-6406, as amended, the sharing of tax revenues of the governing body of a Member Locality pursuant to this Agreement shall not constitute a pledge of the credit or taxing power of such Member Locality.

Section 13. - Decisions by or Consent from the Member Localities. Except for decisions or consents pertaining to Dissolution of Authority, the amendment of this Agreement, or additional contributions to the Authority, or except as otherwise required by law, the requirement of any decision or consent of a Member Locality under this Agreement may be satisfied, but shall not be required to be satisfied, by a writing executed by those certain directors of the Authority who were appointed by that Member Locality.

Section 14. - Dissolution of Authority. In the event of Dissolution of Authority, Dissolution of Authority shall be made pursuant to Virginia Code ' 15.2-6415, as amended. Reference is here made to Section 4(c) above with respect to Utilities Extension Costs and Section 16 below.

Section 15. - Limitation of Liability. The Authority shall ensure the payment of all obligations, costs, and expenses for the implementation of any Authority Facility anticipated under this Agreement. The parties acknowledge that no Member Locality shall be liable or responsible for the financing or for any debts of any Authority Facility, except with the prior express, written consent of that Member Locality or except as expressly provided in this

Agreement.

Section 16. - Non-Appropriation Provision. Notwithstanding any other provision in this Agreement to the contrary, if any Member Locality fails during any fiscal year to appropriate or allocate sufficient funds to pay the amounts to be paid by that Member Locality (the "**Non-Appropriating Member Locality**") pursuant to this Agreement which become due and payable during such fiscal year (the "**Member Locality Obligation**"), then the Member Locality Obligation of that Non-Appropriating Member Locality shall terminate at the end of the fiscal year in which such non-appropriation occurs. However, unless the Member Locality Obligation is waived by the Authority and the Member Shares of the Member Localities are recalculated as set forth in Section 4 above, the unpaid balance of the Member Locality Obligation shall be applied against the Non-Appropriating Member Locality's Member Share of all sums otherwise payable and due to such Non-Appropriating Member under this Agreement.

As provided in Section 4(a) above, the failure of the governing body of a Member Locality to appropriate funds for any future contribution to the Authority shall not be a breach of this Agreement.

Section 17. - Non-waiver. No waiver of any term or condition of this Agreement by any party shall be deemed a continuing or further waiver of the same term or condition or a waiver of any other term or condition of this Agreement.

Section 18. - Attorneys' Fees. Except for the attorneys' fees of Clement & Wheatley, A Professional Corporation, pertaining to the formation of the Authority and the negotiating, drafting, and execution of the Development Agreement which shall be the responsibility of the Authority, each Member shall be solely responsible for its respective attorneys' fees in the negotiating, drafting, and execution of this Agreement and any of the transactions contemplated hereby.

Section 19. - Other Documents. The parties agree that they shall execute, acknowledge, and deliver all such further documents as may be reasonably required to carry out and consummate the transactions contemplated by this Agreement.

Section 20. - Mediation.

a. If the parties are unable to resolve a Member Controversy, the parties shall attempt to resolve the same by mediation by a mediator of The McCammon Group, who is experienced and knowledgeable in the subject matter of such Member Controversy, in accordance with the rules of such mediator or such other rules as the parties in dispute may then agree. If a party fails to respond to a written request for mediation within thirty (30) days after service or fails to participate in any scheduled mediation conference, that party shall be deemed

to have waived its right to mediate the issues in dispute, and any unresolved Member Controversy may be submitted to a court of competent jurisdiction, so long as the venue is located outside the geographic area of the Member Localities in dispute.

b. The mediator from The McCammon Group shall be selected by the parties in dispute. The mediator shall conduct mediation at the location to be agreed upon by the parties in dispute or absent such agreement, by the mediator, so long as the location is not within the geographic area of the Member Localities in dispute. Within two (2) days after selection, the parties in dispute shall furnish the mediator with copies of the notice, this Agreement, the party's (or parties') response, and any other documents exchanged by the parties in dispute. If the mediation does not result in settlement of the Member Controversy within thirty (30) days after the initial mediation conference, then the mediator shall make a written recommendation as to the resolution of the Member Controversy. Each party in dispute, in its sole discretion, shall accept or reject such recommendation in writing within ten (10) days after receipt of such recommendation. If such recommendation is not so accepted by both parties in dispute or a settlement is not so reached within such ten (10) day period, any remaining Member Controversy may be submitted to a court of competent jurisdiction, so long as the venue is located outside the geographic area of the Member Localities in dispute.

c. Notwithstanding anything contained herein to the contrary, the provisions of this Section 20 shall not preclude any party, prior to an election for or pending mediation of a matter, from pursuing in a court of competent jurisdiction temporary injunctive or other equitable relief to protect the parties' respective interests under this Agreement or under the Act.

d. The compensation and expenses of the mediation and any administrative fees or costs of mediation shall be borne equally by the parties in dispute.

Section 21. - Default. The parties retain all rights at law and in equity to enforce the provisions of this Agreement in accordance with applicable law.

Section 22. - Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 23. - Notices. Any notice required or contemplated to be given to a party by any of the parties by any other party shall be in writing and shall be given by hand delivery, certified or registered United States mail, or a private courier service which provides evidence of receipt as part of its service, to the Clerk of that Member, with a copy to that Member's attorney and to the attorney of the Authority. Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change in the manner provided herein. A notice given hereunder shall be deemed given on the date of hand delivery, deposit with the United States Postal Service properly addressed and postage prepaid, or delivery to a

courier service properly addressed with all charges prepaid, as appropriate.

Section 24. - Governing Law; Interpretation. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The parties have participated jointly in the negotiation and drafting of this Agreement. If any ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumptions or burden of proof shall arise favoring or disfavoring any party by virtue of authorship of any of the provisions of this Agreement. In addition, this Agreement is to be interpreted to the fullest extent possible as a revenue sharing agreement permitted under Virginia Code ' 15.2-6407, as amended, and the obligations of the parties shall not be construed to be a debt within the meaning of Article VII, Section 10 of the Constitution of Virginia.

Section 25. - Amendment, Modification and/or Supplement. The parties may amend, modify, and/or supplement this Agreement in such manner as may be agreed upon by the parties, provided such amendments, modifications, and/or supplement are reduced to writing and signed by the parties or their successors in interest.

Section 26. - Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, and legal representatives.

Section 27. - Gender and Number. Throughout this Agreement, wherever the context requires or permits, the neuter gender shall be deemed to include the masculine and feminine, and the singular number to include the plural, and vice versa.

Section 28. - Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

Section 29. - Survival. Any termination, cancellation or expiration of this Agreement notwithstanding, provisions which are by their terms intended to survive and continue shall so survive and continue.

[**SIGNATURES ON FOLLOWING PAGES.**]

WITNESS the following signature to this **STAUNTON RIVER COST AND REVENUE SHARING AGREEMENT** as of the date first above written:

COUNTY OF PITTSYLVANIA, VIRGINIA, a political subdivision of the Commonwealth of Virginia

By: _____
ROBERT W. WARREN, Chairman
Board of Supervisors

ATTEST:

_____
DAVID M. SMITHERMAN
Clerk
County of Pittsylvania, Virginia

APPROVED AS TO FORM:

_____
J. VADEN HUNT
County Attorney
County of Pittsylvania, Virginia

WITNESS the following signature to this **STAUNTON RIVER COST AND REVENUE SHARING AGREEMENT** as of the date first above written:

TOWN OF HURT, VIRGINIA, a Virginia municipal corporation

By: _____
GARY N. POINDEXTER, Mayor
Town Council

ATTEST:

_____
SUSAN NICHOLS
Clerk
Town of Hurt, Virginia

APPROVED AS TO FORM:

_____
RUSSELL O. SLAYTON, ESQ.
Special Counsel to
Town of Hurt, Virginia

WITNESS the following signature to this **STAUNTON RIVER COST AND REVENUE SHARING AGREEMENT** as of the date first above written:

TOWN OF ALTAVISTA, VIRGINIA, a Virginia municipal corporation

By: _____
MICHAEL E. MATTOX, Mayor
Town Council

ATTEST:

_____
J. WAVERLY COGGSDALE, III
Town Manager and Clerk
Town of Altavista, Virginia

APPROVED AS TO FORM:

_____
GREGORY J. HALEY, ESQ.
Special Counsel to
Town of Altavista, Virginia

WITNESS the following signature to this **STAUNTON RIVER COST AND REVENUE SHARING AGREEMENT** as of the date first above written:

CITY OF DANVILLE, VIRGINIA, a Virginia municipal corporation

By: _____
ALONZO L. JONES, Mayor
City Council

ATTEST:

_____
SUSAN M. DeMASI
Clerk
City of Danville, Virginia

APPROVED AS TO FORM:

_____
W. CLARKE WHITFIELD, JR.
City Attorney
City of Danville, Virginia

CERTIFICATE OF THE CLERK OF THE CITY COUNCIL OF THE CITY OF DANVILLE, VIRGINIA

The undersigned Clerk of the City Council (the "**City Council**") of the City of Danville, Virginia, hereby certifies the following:

1. Attached hereto as **Exhibit A** is a true, correct and complete copy of an ordinance duly adopted by the City Council on _____, 2018 (the "**Ordinance**"), creating the Staunton River Regional Industrial Facility Authority (the "**Authority**"). The Ordinance has not been repealed, revoked, rescinded or amended, is in full force and effect on the date hereof, and constitutes the only ordinance adopted by the City Council relating to the creation of the Authority.

2. Attached hereto as **Exhibit B** is a true, correct and complete copy of a resolution approving the form of the Staunton River Cost and Revenue Sharing Agreement (the "**Cost and Revenue Sharing Agreement Resolution**") adopted by the City Council at a meeting duly called and held on _____, 2018. The Cost and Revenue Sharing Agreement Resolution has not been repealed, revoked, rescinded, or amended, and are in full force and effect on the date hereof.

3. This certification is made in accordance with Section 15.2-6402 of the Code of Virginia, 1950, as amended.

Dated: _____, 2018

(SEAL)

_____
SUSAN M. DeMASI
Clerk
City Council of the City of Danville, Virginia

Exhibits:
Exhibit A: Ordinance
Exhibit B: Cost and Revenue Sharing Agreement Resolution