



Local match of CSB state funding



November 12, 2025

Commission briefing

Study request

- BHC members directed staff to examine the required local match for CSB state funding:
 - Determine funding contributed by each locality toward CSB local match
 - Identify factors impacting local contributions
- Project added as “limited-scope study” to full 2025 workplan

Research activities

- Interviews with staff at DBHDS¹, VACSB¹
- Review of CSB applications for local match waivers FY23-FY26
- Analysis of data on state and local CSB funding FY20-F25
- Statistical analysis of factors associated with local match funding

¹DBHDS=Department of Behavioral Health and Developmental Services; VACSB=Virginia Association of Community Services Boards

In brief

- Eleven CSBs did not meet the 10% local match requirement in FY 2025
- Most CSBs that do not meet the local match requirement are in fiscally stressed and rural areas
- Large increases in state funding necessitate an accompanying 10% increase in CSB contributions, which can be challenging for some localities
- CSBs are responsible for ensuring contributions from their local governments, but they have no enforcement power

In this presentation

■ Background

Local contributions toward CSB funding

Factors influencing local contributions

Conclusions

Statute indirectly requires CSBs to obtain 10% match on state funds from local governments

- Statute caps state allocations to CSBs at 90% of combined state and local funding
 - _ Remaining 10% of funding must come from localities in CSB's coverage area
 - _ Applies to operating funds as well as capital projects (e.g., CRCs, CSUs¹)
- CSBs that do not meet local match requirement receive less state funding unless they are granted a waiver by DBHDS
 - _ CSBs are responsible for securing matching funds from local government
- State Board of Behavioral Health and Developmental Services expands on requirements and enforcement in policy documents

¹ CRCs= crisis receiving centers, CSUs=crisis stabilization units

CSBs that serve multiple jurisdictions must determine the match funding required of each locality

- Statute contemplates matching requirements at the CSB level, but does not specify share expected from each locality
- Multi-jurisdictional CSBs lack standardized method to determine the contribution required from each locality
- Methods utilized include:
 - _ Population
 - _ Services provided
 - _ Clients seen
 - _ Population + services + clients

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Background

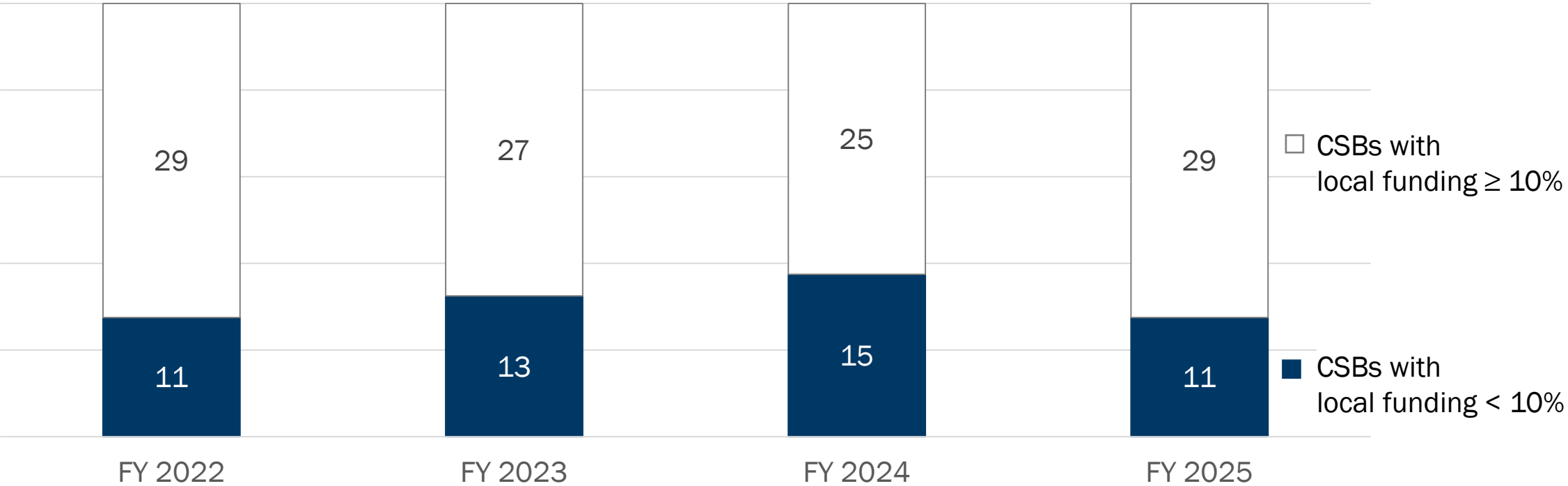
■ **Local contributions toward CSB funding**

Factors influencing local contributions

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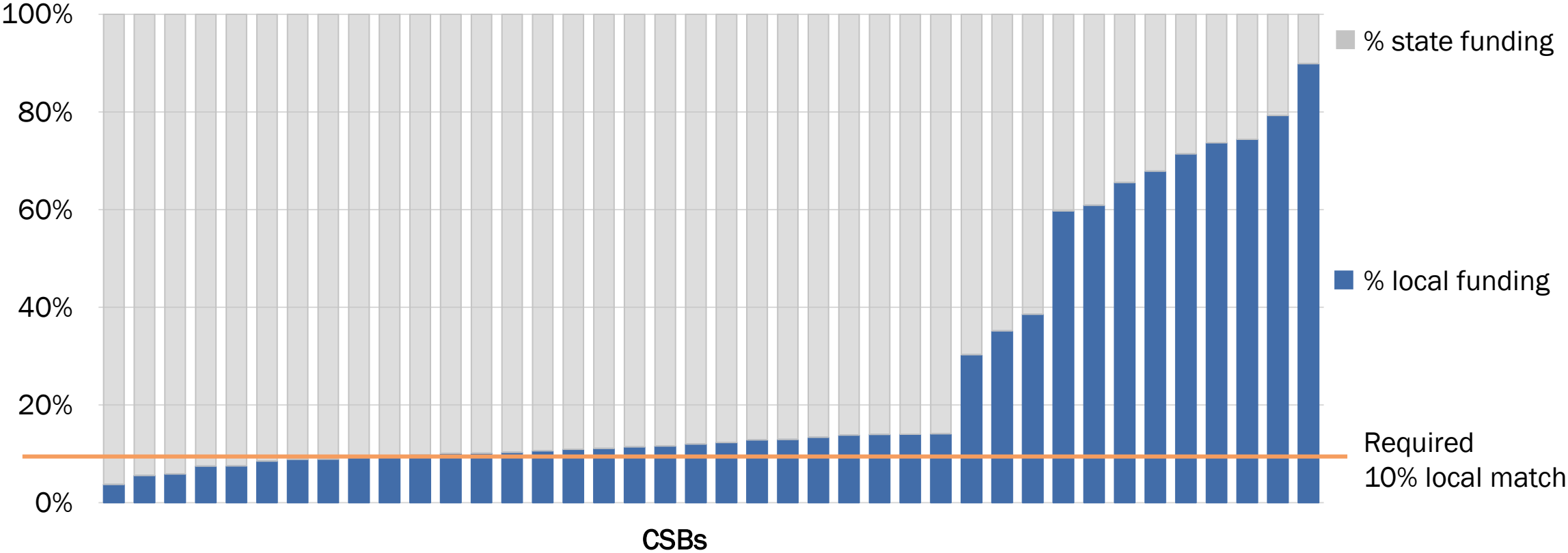
Since FY22, at least 11 CSBs have not met the 10% local match requirement each year

of CSBs receiving less than 10% from localities



Source: BHC staff analysis of CSB budget data from DBHDS (FY22-FY25)

Local CSB funding varies substantially, but exceeds the required threshold for most CSBs (FY25)



Source: BHC staff analysis of CSB budget data from DBHDS (FY25)

Core group of CSBs have consistently not met 10% match whereas others face more occasional challenges

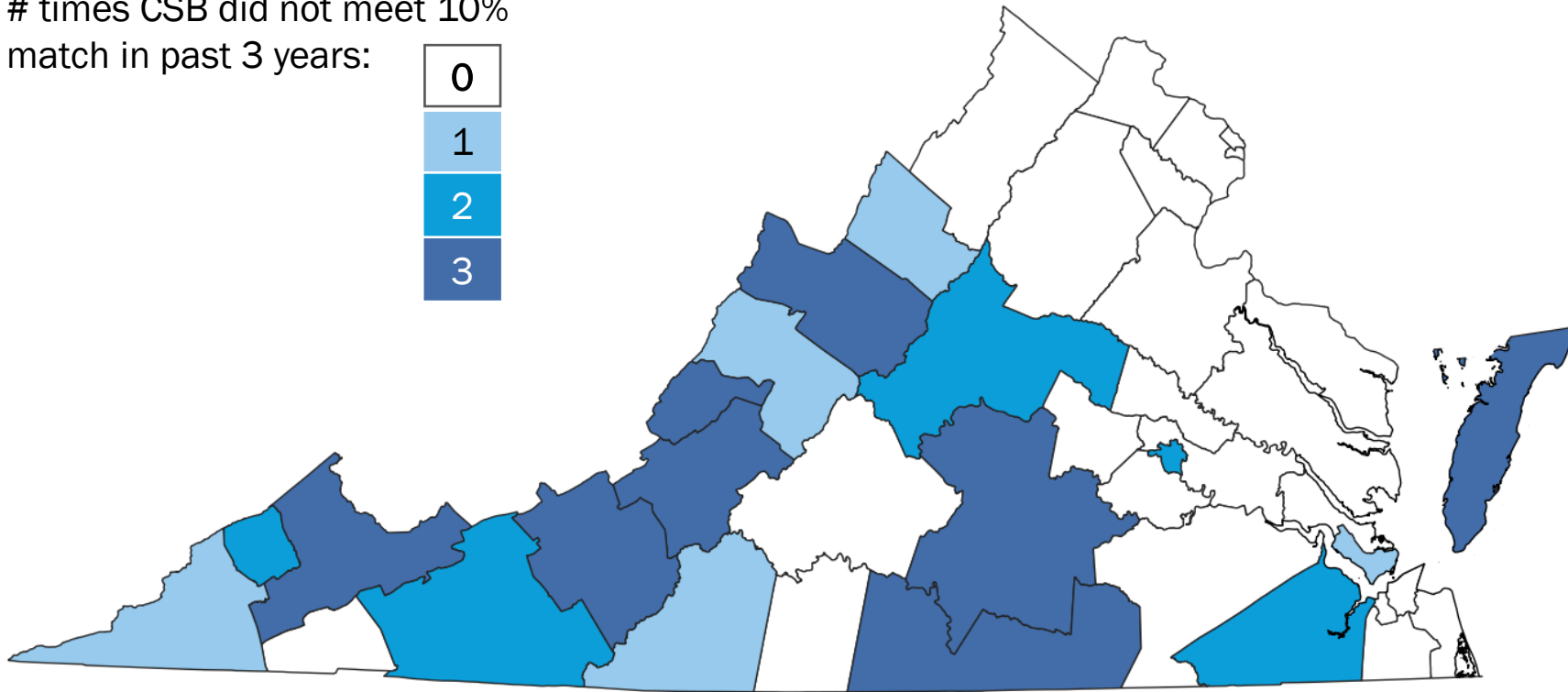
times CSB did not meet 10% match in past 3 years:

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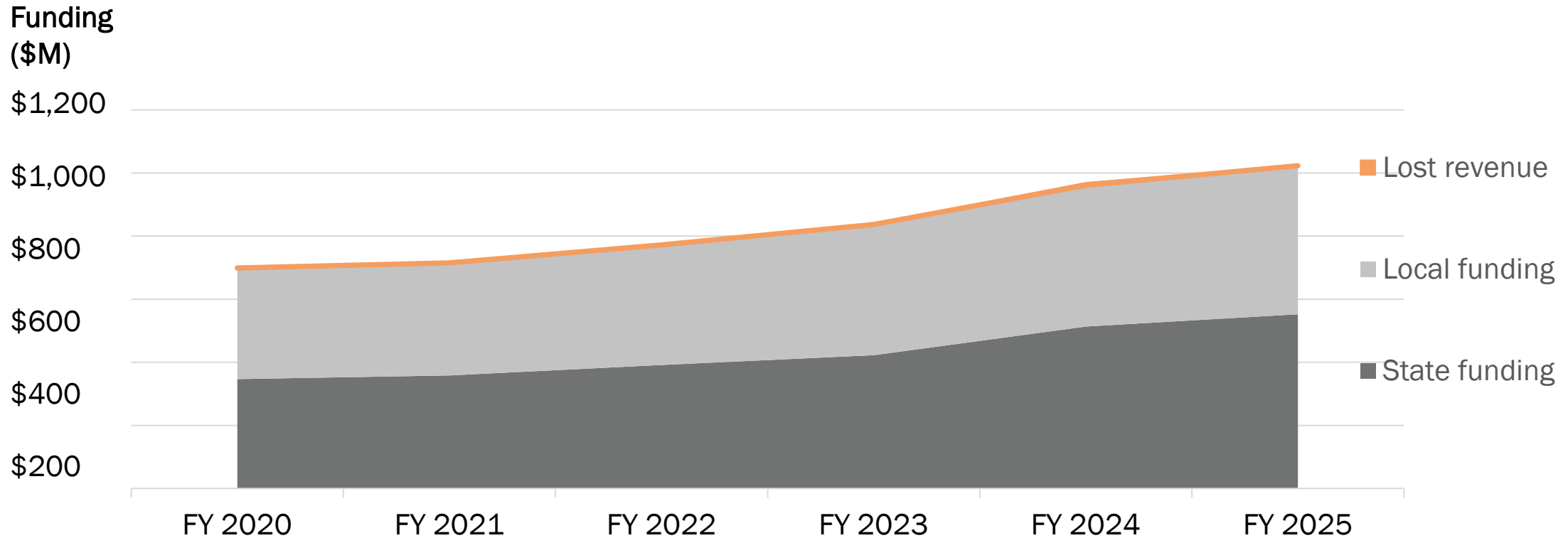
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Source: BHC staff analysis of CSB budget data from DBHDS (FY23-FY25)

Lost revenue from localities contributing less than required match represents 0.3% of total CSB funding



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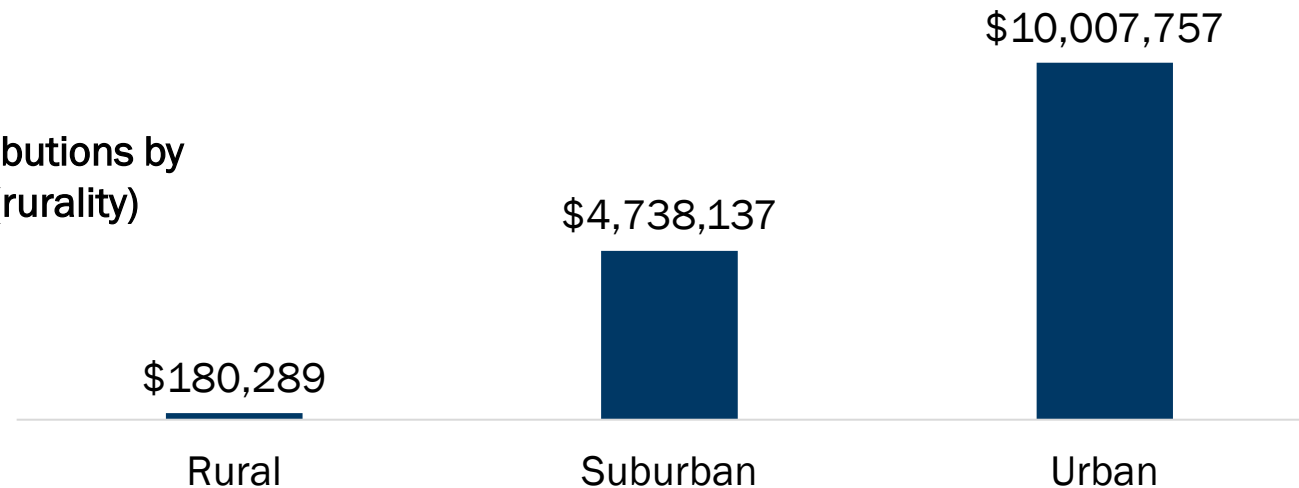
■ **Factors influencing local contributions**

Conclusions

Fiscal stress and population density are strongest predictors¹ of local contributions

- A locality with low fiscal stress will contribute (on average) \$12.5 million more than a locality with high fiscal stress
- For every additional 1 person per square mile, localities contribute about \$1,350 more

Average local contributions by population density (rurality)



¹BHC staff analysis of the impact of multiple independent variables (population, population density, fiscal stress, political leaning) on the amount of local match funding, using linear regression ($r^2=0.824$)

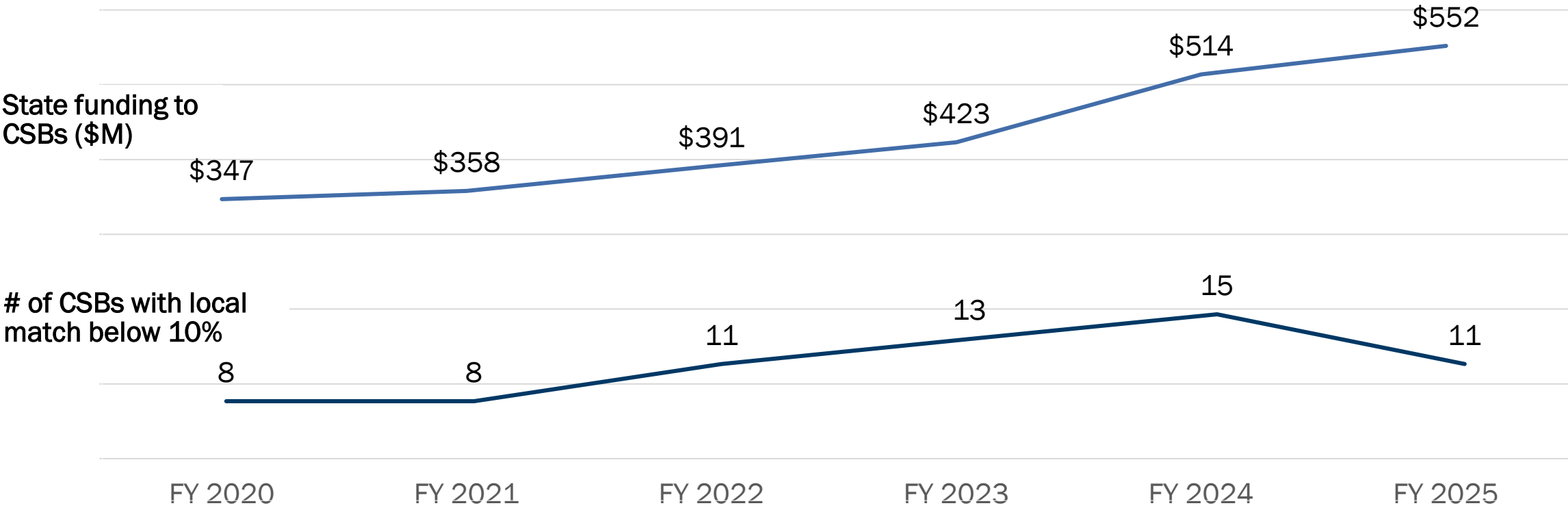
Population size, low tax revenue, and competing local needs frequently cited in CSB waiver requests

- CSBs point to low populations, stagnant revenue, and other local needs as reasons for localities being unable to meet 10% match
- “Other local needs” cited by CSBs include school infrastructure, repairs after natural disasters, and public safety

Large increases in state funding can lead to struggles with match

- In years with large increases in state funding to CSBs, more localities were generally unable to meet local match requirement
- Many CSBs cited large influxes of state funding that localities could not match on short notice

As state appropriations to CSBs have increased, more localities have struggled to match new funding



Source: BHC staff analysis of CSB budget data from DBHDS (FY20-FY25)

CSBs that serve as regional hubs or fiscal agents expected to match state funding for entire region using only local funds

- Regional hubs are pass-throughs for regional behavioral health projects (e.g., regional mobile crisis response teams)
- Regional funding is included in CSB hubs' state funding for purposes of calculating local match requirements
 - DBHDS indicated that no exceptions can be made for local match because hubs are not recognized in Code
- CSBs that act as the fiscal agent for a regional project also must match regional funding

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■ **Conclusions**

Local match requirement does not reflect factors that impact localities' ability to contribute

- Flat 10% required match doesn't account for local variations in fiscal stress or population density
 - JLARC has suggested including some form of ability to pay in required match
- Large state funding increases are expected to be matched immediately, even on short notice
- Regional funding is included in match requirement for a single CSB, rather for all CSBs in the region

CSBs appear to make good-faith efforts to obtain local funding, but a few localities may not be equally committed

- Some CSBs go to great lengths to obtain more local funding
 - E.g., sending request letters to local governments, meeting with local government officials, completing in-depth funding applications annually
- A few localities appear to de-prioritize CSB funding, but hard to determine whether reasons for underfunding are legitimate from waiver documents
 - Some localities do not cooperate/are unwilling to meet with CSBs
 - One CSB stated that one of their local governments consistently underfunds the CSB
 - JLARC found that multi-jurisdictional CSBs have a much lower average match than single-jurisdiction CSBs

DBHDS and CSBs have limited options for enforcement

- Only enforcement option for DBHDS is to reduce state funding for non-compliant CSBs
 - _ No recent instances of reduced funding
- DBHDS has sent reminder letters about statutory obligations
 - _ One letter sent to CSBs in 2024
 - _ One letter sent to localities in 2025
- CSBs must request funding directly from local governments
 - _ CSBs do not have any enforcement capability over localities

Takeaways

- Required local match of 10 percent is set in statute
- Localities with higher fiscal stress and lower population density contribute less to their CSB funding, on average
- Large increases in state funding and regional responsibilities can create challenges for meeting local match
- Local match requirement does not account for local ability to pay
- CSBs generally make good-faith efforts to obtain local funding, but a few localities may choose to underfund
- DBHDS and CSBs have limited ability to force localities to increase contributions

Staff for this report

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