

Department of Children, Youth and Families

**FY 2017 and FY 2016 Revised Budget
FY 2017 – FY 2021 Capital Budget**

Staff Presentation
March 24, 2016

Department of Children, Youth and Families

- 1 of 4 health and human service agencies under the umbrella of EOHHS
 - Children, Youth and Families
 - Behavioral Healthcare, Developmental Disabilities and Hospitals
 - Human Services
 - Division of Elderly Affairs
 - Health

Executive Office of Health and Human Services

- Governor appoints the directors of the 4 agencies under the EOHHS umbrella
- EOHHS is responsible for managing and providing strategic leadership and direction to the 4 departments
- Directors retain statutory authority

Executive Office of Health and Human Services

- Intended to improve the efficiency and coordination of health and human services policy, planning, budgeting and financing functions
- State Medicaid Agency
 - Medicaid expenses appear in 4 agencies
 - Other Medicaid programs in BHDDH and DCYF

FY 2016 Enacted Budget

- 2015 Assembly adopted the Governor's recommendation for \$152.6 million from general revenues for FY 2016
- Enacted budget was lower than FY 2015 spending
 - \$5.0 million less from all funds, \$5.7 million less from general revenues
 - Assumed savings would be achieved through caseload reductions and elimination of redundant services

DCYF First Quarter Report

- First quarter report projected general revenue deficit of \$7.8 million
- DCYF then identified \$6.4 million in savings in a corrective action plan
 - Budget request submitted in December was based on this corrective action plan
 - \$1.5 million more than enacted
- Governor's FY 2016 revised budget includes \$6.1 million of savings
 - \$2.2 million more than enacted

Q1 Deficit Resolution

Item – General Revenues	FY 2016 Rev.
Cost Shifts	(\$4.2)
Efficiencies	(1.6)
Service Reductions	(0.4)
Total	(\$6.1)
<i>\$ in millions</i>	

FY 2017 Budget Request

- DCYF's FY 2017 “unconstrained” request
 - \$6.9 million more than enacted, \$9.1 million more from general revenues
 - Includes caseload adjustments to current spending before savings initiatives
- Governor's budget continues FY 2016 revised savings initiatives
 - Represents \$9.7 million reduction to the unconstrained request

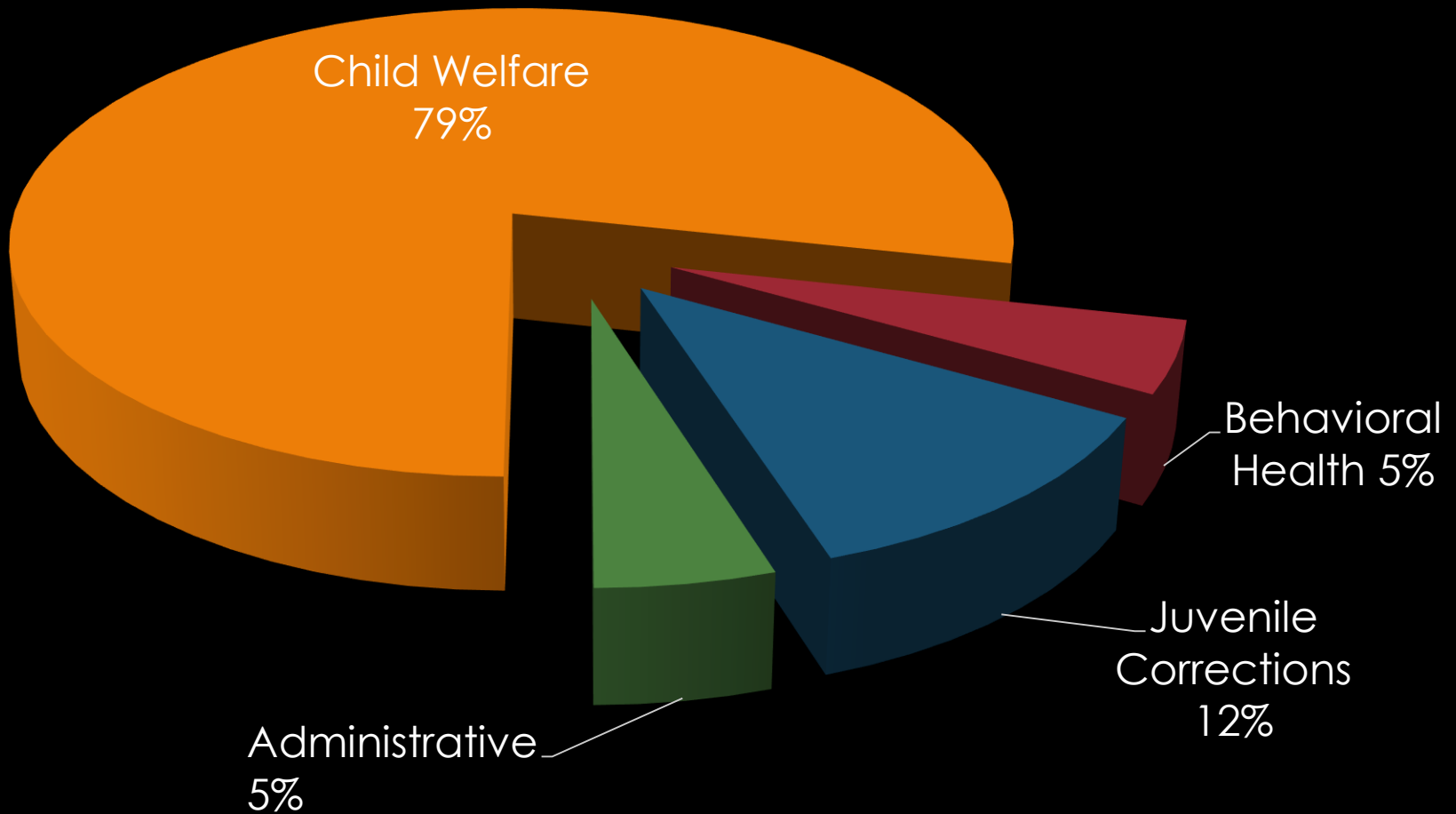
Summary by Source

<i>Millions</i>	FY 2016 Enacted	FY 2016 Gov. Rev.	Chg to Enacted	FY 2017 Gov. Rec.	Chg to Enacted
General Revenue	\$152.6	\$154.8	\$2.2	\$152.0	(\$0.6)
Federal Funds	58.9	61.7	2.8	60.4	1.5
Restricted Receipts	2.8	3.7	0.9	3.5	0.6
RICAP	2.2	2.6	0.3	0.3	(2.0)
Total	\$216.6	\$222.8	\$6.2	\$216.1	(\$0.5)
FTE	672.5	672.5	-	672.5	-

Summary by Category

<i>Millions</i>	FY 2016		Chg to Enacted	FY 2017 Gov. Rec.	Chg to Enacted
	FY 2016 Enacted	Gov. Rev.			
Sal & Ben	\$71.3	\$69.6	(\$1.7)	\$71.9	\$0.6
Contracted	5.3	5.0	(0.3)	5.0	(0.3)
Operating	8.4	8.1	(0.2)	8.1	(0.2)
Grants	129.4	137.5	8.1	130.9	1.4
Capital	2.2	2.6	0.3	0.3	(2.0)
Total	\$216.6	\$222.8	\$6.2	\$216.1	(\$0.5)
FTEs	672.5	672.5	0.0	672.5	0.0

FY 2017 Recommended Spending by Program Areas



Child Welfare and Behavioral Health

- Youth not classified as child welfare or behavioral health
 - Distinction relates to types of services delivered
 - Programs combined to reflect total caseload as some youths receive both services
- Child Protective Services
 - Investigate child abuse and neglect cases
 - Handle intake of all child abuse, non-child abuse, and neglect cases

Child Welfare and Behavioral Health

- Family Service Regions
 - Provide ongoing social services and case management to children and families
 - Regional offices in Bristol, Providence and Wakefield
- Family Services Unit
 - Arrange and negotiate subsidy payments
 - Short term services after adoption is finalized
 - Refers families to appropriate community providers

Child Welfare and Behavioral Health

- Foster Care
 - Permanent and long term placement for children
 - Foster care payments to providers and individuals
 - Support services for children with special needs

Child Welfare and Behavioral Health

- Responsible for design, implementation and monitoring the System of Care
 - Includes children who have been abused, neglected, or delinquent
 - Includes children who are severely emotionally disturbed
 - Initial assessment and clinical services through these programs

Youth in Care

- Placements fall into three categories:
 - System of Care Residential
 - Currently operated by two provider networks:
Ocean State and Rhode Island Care Management
 - Foster care administered by DCYF
 - Foster care, kinship, and adoption assistance
 - Excludes specialized care provided through System of Care for children w/special needs
 - Training School Youth
 - Youth currently serving at Training School

Youth in Care: System of Care

(Average) Service Category	Fiscal Year				
	2012	2013	2014	2015	2016*
Residential Treatment Center	242	145	165	182	176
Group Homes	257	252	251	238	216
Treatment Foster Care	195	266	268	261	278
Independent Living	13	18	18	18	23
Semi Independent Living	42	39	44	39	35
Emergency Shelter	47	52	59	47	37
Medical Hospital	-	-	-	-	3
Total	796	772	805	785	768

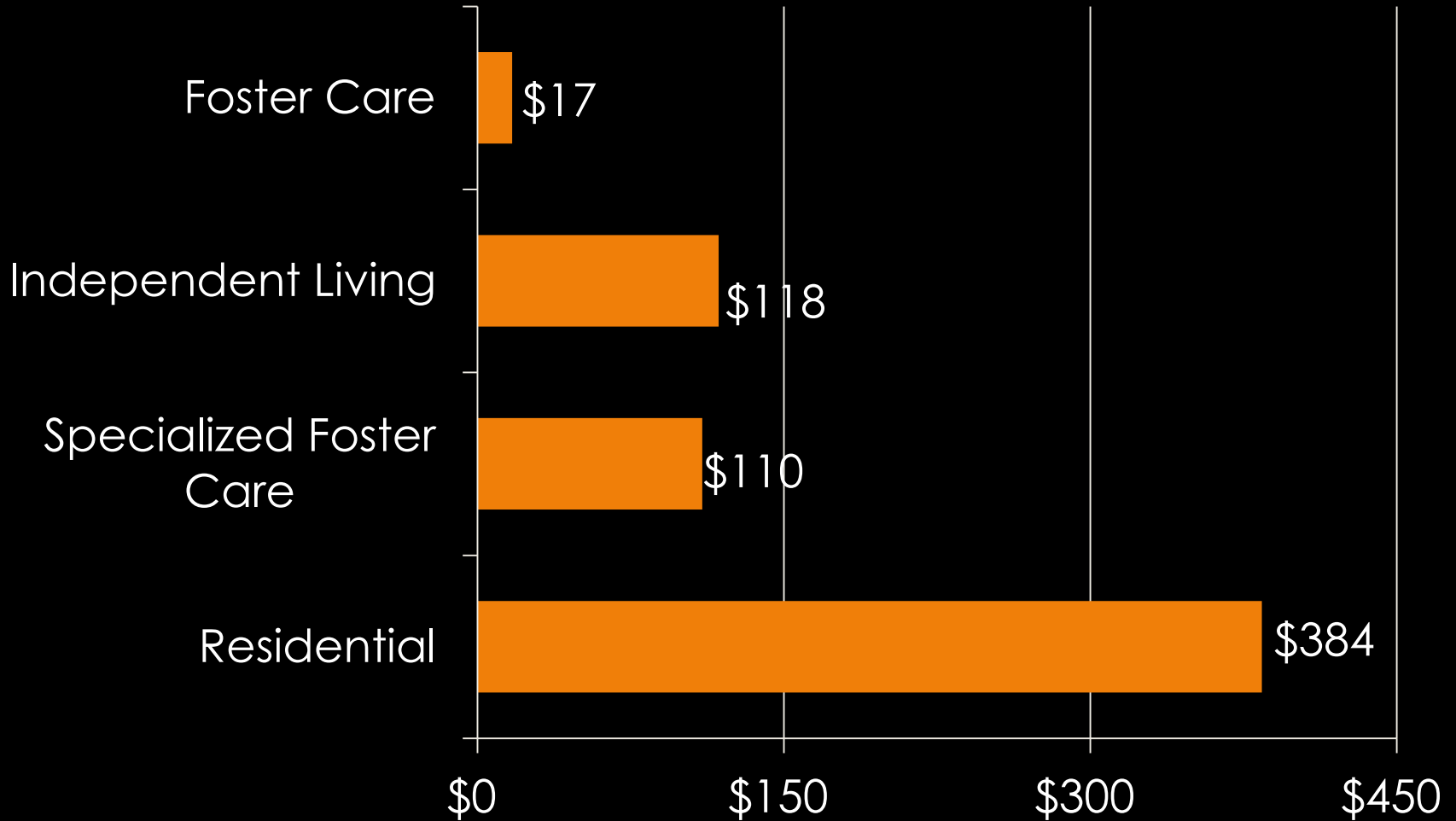
* Average daily placements as of March 1, 2016

Youth in Care: Foster Care

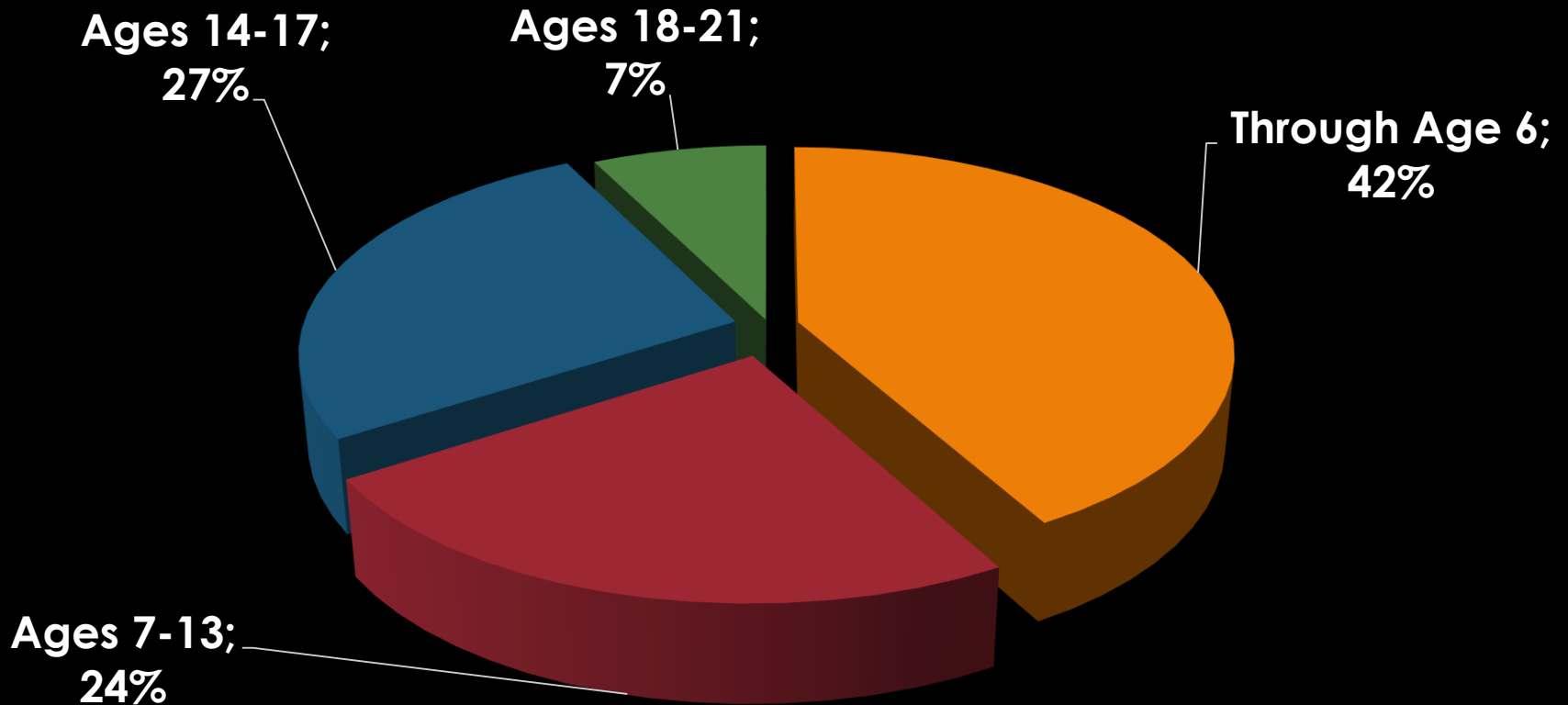
<i>(Average)</i> Service Category	Fiscal Year				
	2012	2013	2014	2015	2016*
Relative	492	461	477	493	633
Non-Relative	422	491	501	395	372
Court Ord. Relative	15	-	-	26	14
Court Ord. Non-Relative	1	-	-	4	2
Adoption Assistance	3,090	3,131	3,092	3,059	2,821
Total	4,020	4,083	4,070	3,977	3,842

* Average daily placements as of March 1, 2016

Youth in Care: Average Per Diem Rates



Youth in Care: By Age



Changes to Enacted

	FY 2016		FY 2017	
<i>(Millions)</i>	Gen Rev	Total	Gen Rev	Total
<i>Enacted</i>	\$152.6	\$216.6	\$152.6	\$216.6
Services	4.8	7.9	0.7	1.9
Juvenile Corrections	(0.5)	(0.5)	(0.7)	(0.7)
Staffing	(2.2)	(1.1)	(0.7)	0.8
Other	0.1	(0.5)	0.1	(0.5)
Capital	-	0.3	-	(2.0)
<i>Total Change</i>	\$2.2	\$6.2	(\$0.6)	(\$0.5)
Gov. Rec.	\$154.8	\$222.8	\$152.0	\$216.1

Changes to Enacted: Services

	FY 2016		FY 2017	
<i>(Millions)</i>	Gen Rev	Total	Gen Rev	Total
<i>Enacted</i>	\$88.1	\$126.8	\$88.1	\$126.8
System of Care	1.0	5.8	(1.2)	1.8
Daycare	1.2	1.1	1.2	1.1
Foster Care & Adoption	0.9	(0.3)	0.8	(0.3)
Other Services	1.8	1.4	(0.1)	(0.6)
<i>Total Change</i>	\$4.8	\$7.9	\$0.7	\$1.9
Gov. Rec.	\$93.0	\$134.7	\$88.8	\$128.7

System of Care

- Original contract included \$71.4 million annually for the System of Care beginning in FY 2013 through FY 2015
 - \$55.8 million from general revenues

	Original Contract	FY 2013 Spent	FY 2014 Spent	FY 2015 Spent	FY 2016 Gov. Rev.	FY 2017 Governor
Total (millions)	\$71.4	\$73.2	\$78.5	\$82.6	\$79.1	\$75.5

System of Care

- DCYF contracts with 2 networks to run its residential child welfare program
- Community based and residential services
 - Includes long term care, treatment foster care, emergency shelters, group homes, counseling, independent living programs
- Children who are:
 - Abused, neglected, dependent, at-risk, severely emotionally disturbed

System of Care

- Originally intended to:
 - Reduce lengths of stay
 - Increase effectiveness of treatment interventions
 - Ensure more effective transitions to community-based services
 - Increase the availability of community based services for families
 - Reduce children in out of home care

System of Care – Contract Changes

- DCYF's current contract with two lead networks expires on March 31, 2016
- As of March 14, DCYF has taken over responsibility for all new referrals within its Central Referral Unit
- DCYF staff also now responsible for needs assessments to ensure that children receive appropriate level of care at initial placement

System of Care – Contract Changes

- DCYF intends to assume all other functions currently performed by lead networks on April 1, 2016
- Signed short-term contracts with all 38 subcontractors currently managed by the two lead networks
 - Contracts valid from 4/1/2016 - 7/1/2016 subject to monthly renewal
 - Subcontractors responses to RFPs for longer term extensions due April 26, 2016

System of Care

- FY 2016 Revised
 - \$79.5 million, \$53.5 million from gen. rev.
 - \$5.8 million more than enacted, \$1.0 million gen. rev.
- FY 2017
 - \$75.5 million, \$51.3 million from gen. rev.
 - \$1.8 million more than enacted, \$1.2 million less from gen. rev.
- Adjusts baseline caseload costs and then assumes general revenue savings based on several initiatives

System of Care – Changes to Enacted

Item – General Revenue	FY 2016	FY 2017
Caseload/Contract Costs	\$5.5	\$1.4
Medicaid Reimbursement	(3.4)	(2.1)
SSI Recovery	(0.6)	(0.6)
Utilization Management		
Contract Delay	(0.5)	-
Child Support Recovery	(0.2)	-
Total	\$1.0	(\$1.2)

(In millions)

System of Care – Caseload/Contract Costs

- DCYF anticipated reducing administrative costs for the two lead networks to \$2.0 million in FY 2016 based on ending contract by end of 2015
- Governor adds \$0.7 million to that request for contract extension through March 31, 2016
- No administration costs for FY 2017 based on nonrenewal of contracts

System of Care – Medicaid Reimbursement

- Savings assumed from increased billing for Medicaid-eligible services
 - Shifting general revenue costs to federal
 - Primarily community & home-based services for children and teens with serious emotional & behavioral health issues
 - Assumes 75% of population receiving these services will be deemed Medicaid eligible

System of Care – Medicaid Reimbursement

- FY 2016 - \$3.4 million
 - \$1.0 million of unclaimed billings from FY 2014 & FY 2015
 - \$2.3 million of additional claims for FY 2016
- FY 2017- \$2.1 million
- Department currently in process of reviewing provider records to confirm estimates are valid

System of Care – SSI Recovery

- Savings achieved by claiming Supplemental Security Income benefits for all eligible
 - Benefits help to offset cost of care
 - \$0.6 million of general revenue savings anticipated for both FY 2016 and FY 2017
- Based on 60 newly eligible children receiving benefits in FY 2017
 - FY 2016 amount based on smaller population but includes prior year unclaimed benefits

System of Care – Child Support Recovery

- Department identified significant backlog of unprocessed child support cases
 - FY 2016 - \$0.2 million of general revenue savings
- Assumes Department can process 150 of 600 backlogged cases by end of FY 2016
- Currently working with Office of Child Support Services to ascertain viability of proposal

System of Care – Utilization Management Contract Delay

- Enacted budget includes \$0.8 million for a contract to identify and reduce redundant services in System of Care
- FY 2016 – Reduction of \$0.5 million
 - Reflects delay of contract implementation until April 1, 2016

Daycare

- DCYF provides daycare subsidies for children in its care
- Offered to working foster parents
- Daycare subsidy is paid in addition to base daily reimbursement given for foster care

Daycare

- FY 2016 & FY 2017 - \$5.4 million, including \$4.7 million from general revenues
 - \$1.1 million more than enacted, \$1.2 million more from general revenues
 - Most of the increase reflects actual FY 2015 spending of \$5.2 million
 - Also includes \$0.2 million for 3% rate increase authorized in enacted budget for state subsidized child care, but impact to DCYF not specifically budgeted

Foster Care and Adoption

- Foster Care
 - Short term foster care assistance
 - Payments made to foster parents
 - Includes foster care with relatives
- Guardianship and Adoption Assistance
 - Adoption and guardianship payments
 - Payments made to foster parents and guardians

Foster Care and Adoption

(Average)	FY 16*	Cost Per Day	Annual Cost
FC: Relative	647	\$10,572	\$3,858,773
FC: Non-Relative	374	6,657	2,429,878
Adoption Support**	2,821	52,442	19,141,472
Total as of March 1	3,842	\$69,671	\$25,430,123

**Average placements as of March 1, 2016*

***Adoption Assistance includes guardianship assistance as of FY 2016—previously tracked separately*

Foster Care and Adoption

- FY 2016 and FY 2017 - \$27.1 million
 - FY 2016: \$0.3 million less than enacted, \$0.9 million more from general revenues
 - FY 2017 - \$0.3 million less than enacted, \$0.8 million more from general revenues
- Reflects overestimated federal matching rate in the FY 2016 enacted budget
- Based on FY 2015 foster care and adoption census data

Foster Care and Adoption

- Enacted budget includes \$1.0 million for foster care provider rate increase
 - Increases average daily reimbursement rate from \$16.05 to \$18.59
 - 15.8% increase

Other Services

- Community Service Grants
- Higher Education Incentive Grants
- Services to 18 to 21 Year Olds
- All Other Services
 - Counseling services – families and victims
 - Family Services Units
 - Various federal grant programs

Other Services

- FY 2016: \$22.7 million from all sources, \$14.4 million from general revenues
 - \$1.4 million more than enacted, \$1.8 million from general revenues
 - Related to efforts to reduce higher-cost residential placement services provided through System of Care

Other Services

- FY 2017: \$20.7 million from all sources, \$12.5 million from general revenues
 - \$0.6 million less than enacted, \$0.1 million less from general revenues
 - Savings assumed from comprehensive contract review and reprocurement of some contracts at lower cost

Services Changes to Enacted

	FY 2016		FY 2017	
<i>(Millions)</i>	Gen Rev	Total	Gen Rev	Total
<i>Enacted</i>	\$88.1	\$126.8	\$88.1	\$126.8
System of Care	1.0	5.8	(1.2)	1.8
Daycare	1.2	1.1	1.2	1.1
Foster Care & Adoption	0.9	(0.3)	0.8	(0.3)
Other Services	1.8	1.4	(0.1)	(0.6)
<i>Total Change</i>	\$4.8	\$7.9	\$0.7	\$1.9
Gov. Rec.	\$93.0	\$134.7	\$88.8	\$128.7

Changes to Enacted

	FY 2016		FY 2017	
<i>(Millions)</i>	Gen Rev	Total	Gen Rev	Total
<i>Enacted</i>	\$152.6	\$216.6	\$152.6	\$216.6
Services	4.8	7.9	0.7	1.9
Juvenile Corrections	(0.5)	(0.5)	(0.7)	(0.7)
Staffing	(2.2)	(1.1)	(0.7)	0.8
Other	0.1	(0.5)	0.1	(0.5)
Capital	-	0.3	-	(2.0)
<i>Total Change</i>	\$2.2	\$6.2	(\$0.6)	(\$0.5)
Gov. Rec.	\$154.8	\$222.8	\$152.0	\$216.1

Juvenile Corrections

- Juvenile Probation and Parole
 - Supervises adolescents placed on probation by Family Court
- Community based and residential care for adjudicated juveniles
 - Less secure and structured
 - Provided through System of Care
- Average for FY 2016 as of March 1: 519

Juvenile Corrections

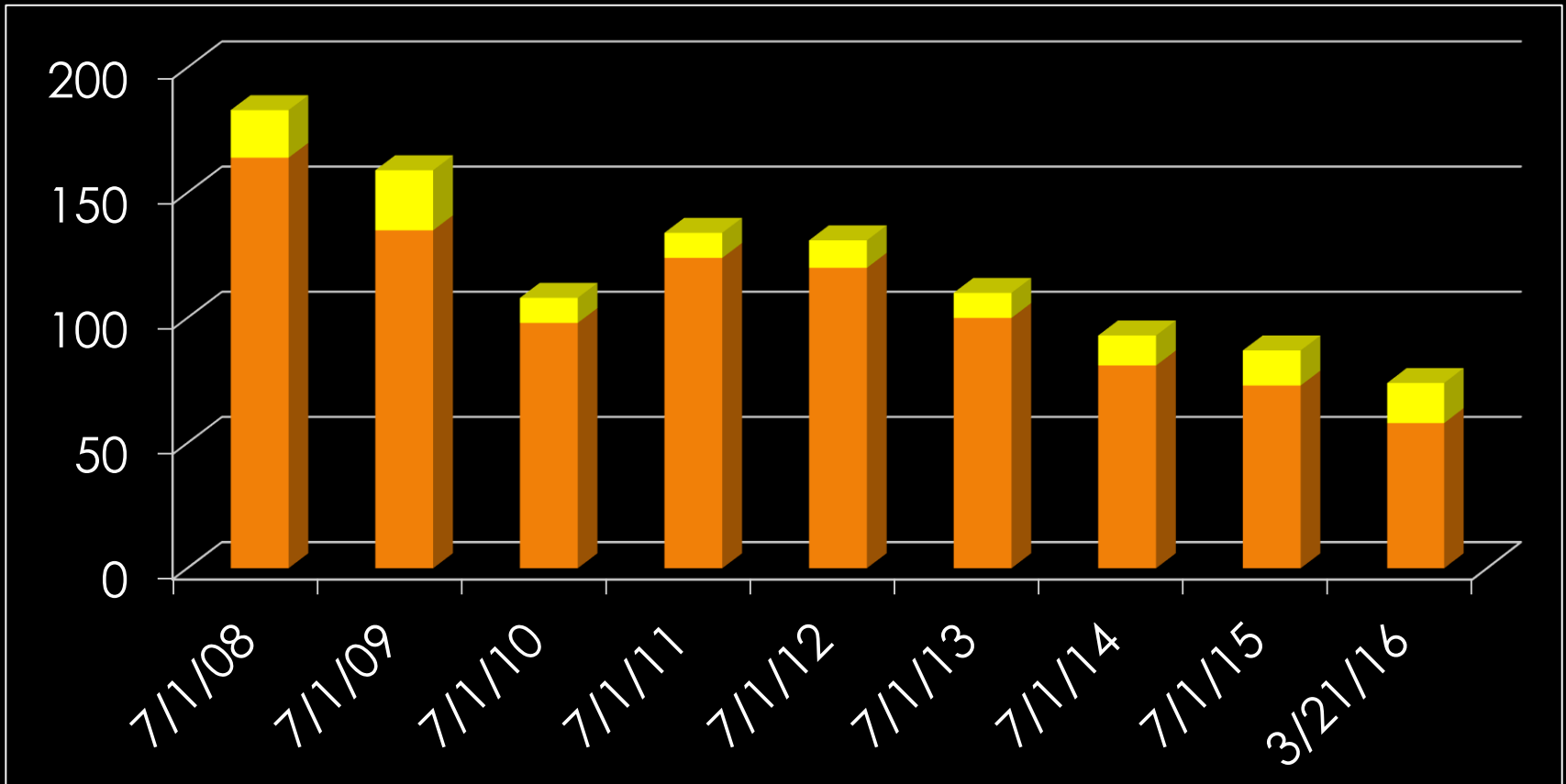
- Rhode Island Training School for Youth
 - Two highly structured, secure facilities for youth placed by order of the Family Court on a finding of waywardness or delinquency
 - RI General Law sets population cap at 160
 - Capacity: 148 boys and 12 girls
 - Average for FY 2016 as of March 1: 86
 - 24 hour/365 day residential school providing housing, food services, clothing, medical care, education and assessments

Training School Population

	FY 2014	FY 2015	FY 2016
Placements	Actual	Actual	Average
Average	93	98	86*

** Average placements as of March 1, 2016*

Training School: Population



Boys Girls

Juvenile Corrections - Change to Enacted

Items – All Funds <i>(in millions)</i>	FY 2016		FY 2017	
	Gen. Rev.	All Funds	Gen. Rev.	All Funds
<i>Enacted</i>	\$25.6	\$26.4	\$25.6	\$25.9
Staffing Costs	(0.6)	(0.6)	(0.2)	(0.2)
Other Changes	0.1	0.1	0.0	0.0
Lifespan Contract Reduction	-	-	(0.5)	(0.5)
Total Change	(0.5)	(0.5)	(0.7)	(0.7)
Governor	\$25.1	\$26.3	\$24.9	\$25.2

Staffing: Juvenile Corrections

- Institutional Services: \$12.6 million
- Educational Services: \$3.4 million
- Probation and Parole: \$5.1 million

Millions	FY 2016 Enacted	FY 2016 Gov Rev	Chg	FY 2017 Gov Rec	Chg
Gen Rev	\$21.0	\$20.4	(\$0.6)	\$20.9	(\$0.2)
Fed Funds	0.2	0.2	-	0.2	-
Total	\$21.2	\$20.6	(\$0.6)	\$21.1	(\$0.2)
FTE	210.5	207.0	(3.5)	207.0	(3.5)

Staffing Costs

- FY 2016 Revised - \$0.6 million less than enacted
- FY 2017 - \$0.2 million less than enacted
- Changes reflect
 - Shifting administrative staff to Central Management
 - Turnover and medical benefit savings

Lifespan Contract

- Enacted budget includes \$1.5 million
 - RI Hospital contract for medical services for youth at Training School
- Governor recommends \$0.5 million less based upon renegotiation of contract
 - Training School population has declined in recent years
 - Similar proposal was included in FY 2015 enacted budget but savings were not achieved

Other Changes

- FY 2017 – Services to youth are essentially as enacted
 - \$0.3 million less than requested
 - Savings from review and adjustment of contracts
 - Primarily probation and parole

Changes to Enacted

	FY 2016		FY 2017	
<i>(Millions)</i>	Gen Rev	Total	Gen Rev	Total
<i>Enacted</i>	\$152.6	\$216.6	\$152.6	\$216.6
Services	4.8	7.9	0.7	1.9
Juvenile Corrections	(0.5)	(0.5)	(0.7)	(0.7)
Other Staffing	(2.2)	(1.1)	(0.7)	0.8
Other	0.1	(0.5)	0.1	(0.5)
Capital	-	0.3	-	(2.0)
<i>Total Change</i>	\$2.2	\$6.2	(\$0.6)	(\$0.5)
Gov. Rec.	\$154.8	\$222.8	\$152.0	\$216.1

Staffing

Full-Time Equivalent Positions

Full-Time Positions	FTEs	Change to Enacted
Enacted Authorized	672.5	-
FY 2016 Revised	672.5	-
FY 2017 Request	674.0	1.5
FY 2017 Governor	672.5	-
FY 2015 Avg. Filled	571.2	(101.3)
As of March 5	544.6	(127.9)

Staffing

	FY 2016 Enacted	FY 2016 Gov. Rev.	Chg	FY 2017 Gov. Rec.	Chg
Central Management	47.0	55.4	8.4	55.4	8.4
Behavioral Health	22.0	19.0	(3.0)	19.0	(3.0)
Child Welfare	393.0	392.6	(0.4)	392.6	(0.4)
Juvenile Corrections	210.5	207.0	(3.5)	207.0	(3.5)
<i>Unallocated</i>	-	(1.5)	(1.5)	(1.5)	(1.5)
Total FTEs	672.5	672.5	0.0	672.5	0.0

Other Staffing

Change to Enacted <i>(Millions)</i>	FY 2016		FY 2017	
	Gen Rev	Total	Gen Rev	Total
Central Management	\$0.8	\$1.2	\$1.6	\$2.3
Behavioral Health	(0.3)	(0.6)	(0.3)	(0.9)
Child Welfare	(2.6)	(1.7)	(2.0)	(0.6)
Total	(\$2.2)	(1.1)	(\$0.7)	\$0.7

Other Staffing

- Changes to enacted
 - Positions with administrative responsibilities shifted from other programs to Central Management
 - New Associate Director of Child Welfare position
 - Turnover savings
 - Statewide medical benefit savings

Changes to Enacted

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Juvenile Corrections	(0.5)	(0.5)	(0.7)	(0.7)
Other Staffing	(2.2)	(1.1)	(0.7)	0.8
Other	0.1	(0.5)	0.1	(0.5)
Capital	-	0.3	-	(2.0)
<i>Total Change</i>	\$2.2	\$6.2	(\$0.6)	(\$0.5)
Gov. Rec.	\$154.8	\$222.8	\$152.0	\$216.1

Other

- RI Child Information System
 - State's central registry for child abuse and neglect complaints
 - Maintains data on all children involved with DCYF
- \$2.5 million in FY 2016 Revised and FY 2017
 - Includes contracts for network maintenance & analysis/ technical assistance
 - \$0.2 million less than enacted from federal funds, consistent with FY 2015 spending

Other

- Governor recommends \$10.3 million for all other operating expenses for FY 2017
 - Administrative expenses including rent, parking, vehicle maintenance and transportation, building maintenance and office operations and supplies

Changes to Enacted

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Juvenile Corrections	(0.5)	(0.5)	(0.7)	(0.7)
Other Staffing	(2.2)	(1.1)	(0.7)	0.8
Other	-	(0.4)	-	(0.3)
Capital	-	0.3	-	(2.0)
<i>Total Change</i>	\$2.2	\$6.2	(\$0.6)	(\$0.5)
Gov. Rec.	\$154.8	\$222.8	\$152.0	\$216.1

Capital

<i>Project</i>	Status	Cost	Financing	End Date
Fire Code – Youth Group	Ongoing	\$2.8	RICAP	FY 2016
NAFI Center	Revised	\$0.8	RICAP	FY 2016
Mt. Hope – Fire Towers	Ongoing	\$0.1	RICAP	FY 2016
RITS - Repairs	Ongoing	\$1.5	RICAP	FY 2017
RITS - Maintenance	Revised	\$0.5	RICAP	FY 2016
RITS - Generators	Revised	\$0.5	RICAP	FY 2016

**Department of Children, Youth
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