

Department of Children, Youth and Families

Staff Presentation to the House Finance Committee
FY 2018 – FY 2022 Capital Budget
April 13, 2017

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

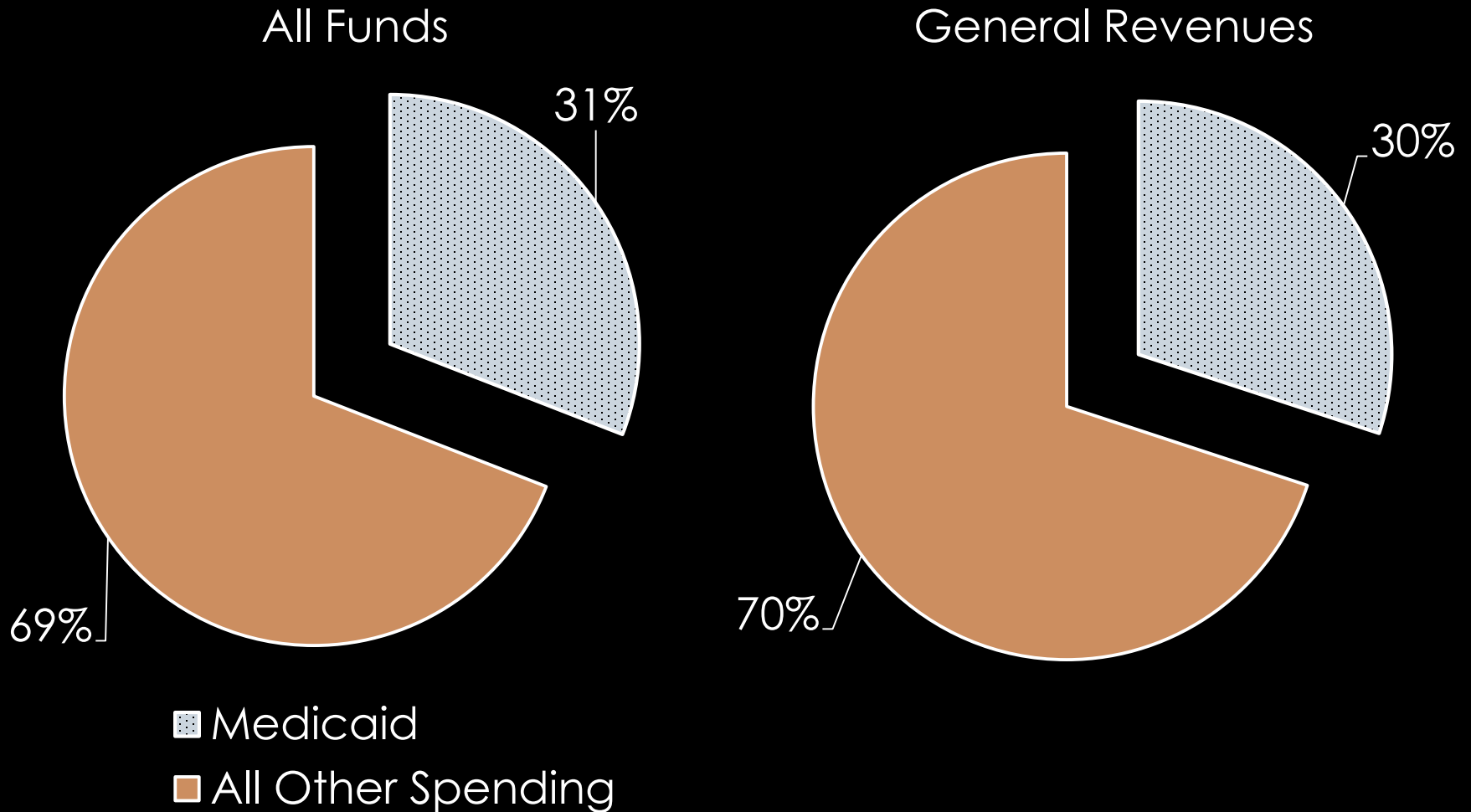
Executive Office of Health and Human Services

- 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

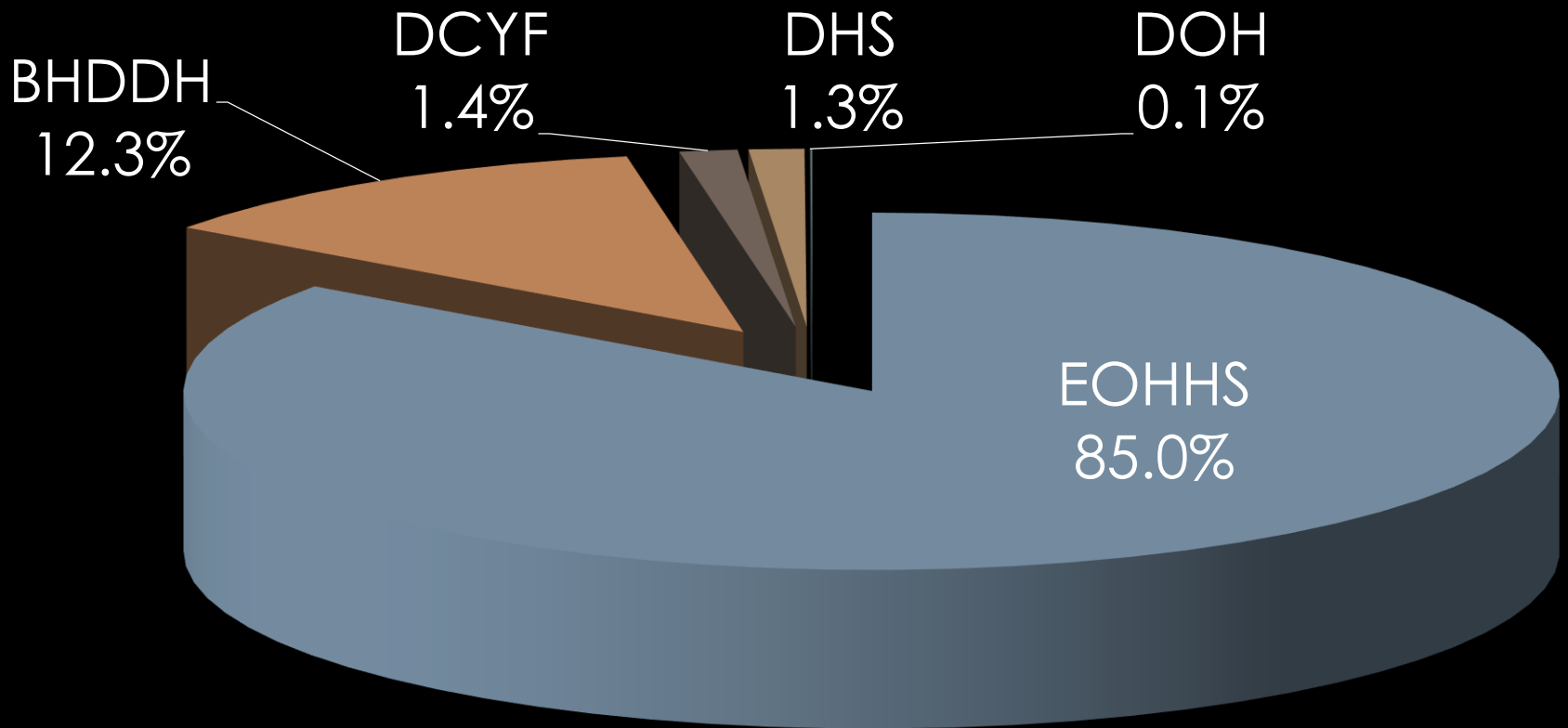
Executive Office of Health and Human Services

- 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

Medicaid - % of Total Budget



Medicaid Spending by Department



Medicaid Beneficiaries

Children & Parents	EOHHS	DCYF
Medical Benefits	X	
Mental Health Treatment	X	
Substance Abuse Treatment	X	
Other Community Supports		X
Other Residential Services	X	X

Department of Children, Youth and Families

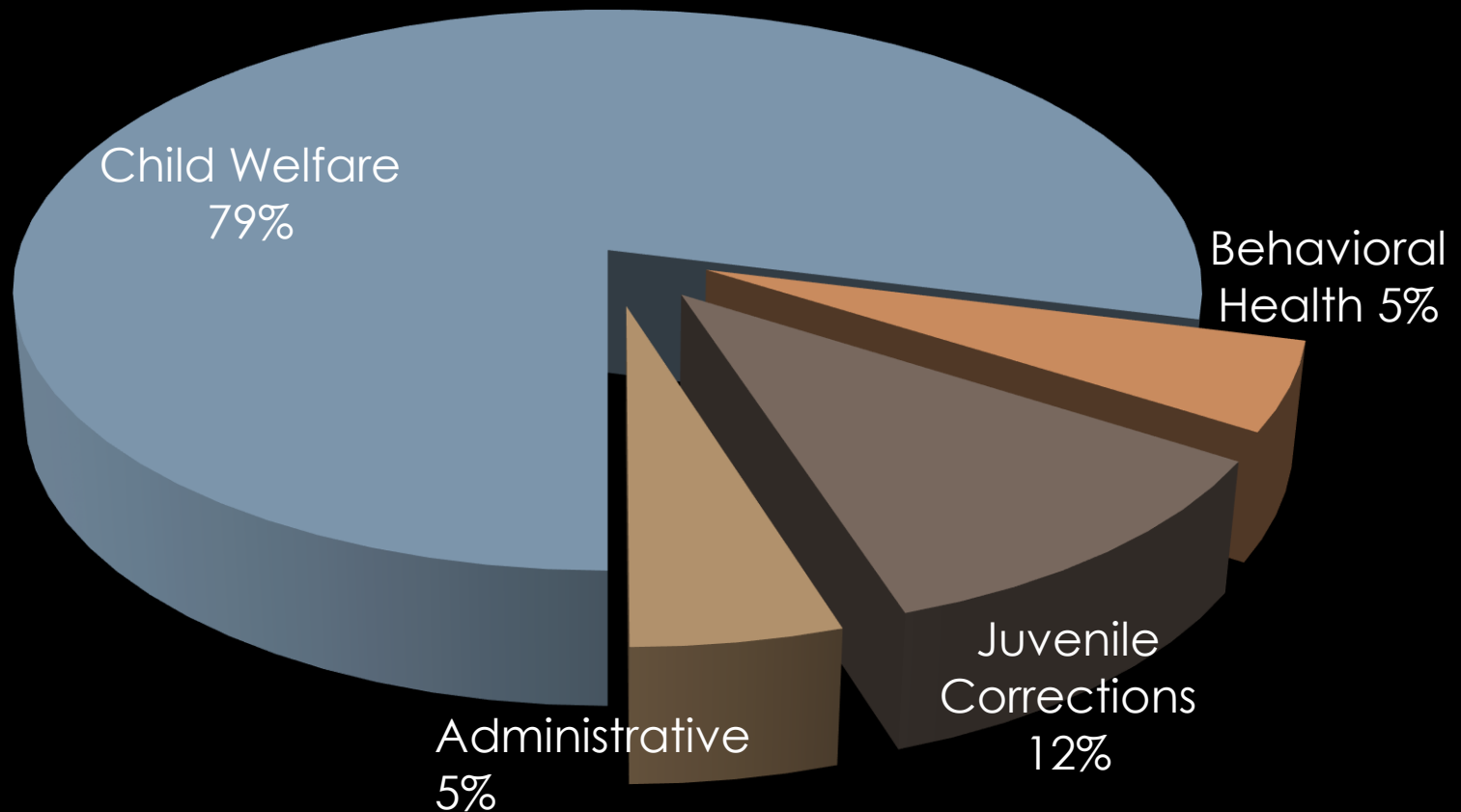
- Mission
 - Partner with families and communities to raise safe and healthy children and youth in a caring environment.

Summary by Program

	FY 2017 Enacted	FY 2017 Gov. Rev.	Chg.	FY 2018 Gov.	Chg. to Enacted
Child Welfare	\$170.5	\$173.2	\$2.7	\$164.1	(\$6.4)
Behavioral Healthcare	9.8	11.0	1.2	10.5	0.7
Juvenile Corrections	25.2	23.5	(1.7)	23.1	(2.1)
Admin.	10.1	9.6	(0.4)	10.2	0.1
Capital	0.8	1.0	0.1	1.1	0.3
Total	\$216.5	\$218.3	\$1.8	\$209.1	(\$7.4)

\$ in millions

FY 2018 Recommended by Program



Child Welfare: Mission

- *Ensure that each child and youth is protected from harm through the timely investigation of reports of child abuse and neglect*
- *Maintain children and youth safely at home whenever possible through formal and informal supports and services, utilizing family and community partnerships, in order to mitigate risk and threats against safety*
- *Safeguard the well-being of each child in a stable, permanent home in partnership with family, community and networks of care...*

Summary by Source

	FY 2017 Enacted	FY 2017 Gov. Rev.	Chg. to Enacted	FY 2018 Gov.	Chg. to Enacted
General Revenue	\$151.8	\$156.3	\$4.5	\$149.9	(\$1.9)
Federal Funds	60.4	57.9	(2.5)	55.0	(5.4)
Restricted Receipts	3.5	3.2	(0.3)	3.1	(0.4)
RICAP	0.8	1.0	0.1	1.1	0.3
Total	\$216.5	\$218.3	\$1.8	\$209.1	(\$7.4)
FTEs	629.5	628.5	(1.0)	616.5	(13.0)

\$ in millions

Summary by Category

		FY 2017			
	FY 2017 Enacted	Gov. Rev.	Chg. to Enacted	FY 2018 Gov.	Chg. to Enacted
Sal & Ben	\$71.9	\$70.4	(\$1.5)	\$72.7	\$0.8
Contracted	5.0	4.9	(0.1)	4.2	(0.8)
Operating	8.1	7.6	(0.5)	7.3	(0.9)
Asst/Grants	130.6	134.4	3.8	123.8	(6.9)
Capital	0.8	1.0	0.1	1.1	0.3
Total	\$216.5	\$218.3	\$1.8	\$209.1	(\$7.4)
FTEs	629.5	628.5	(1.0)	616.5	(13.0)

\$ in millions

Target Budget

- Budget Office target of \$142.3 million
 - Current service adjustments: \$2.5 million
 - Statewide Adjustments - \$0.4 million
 - Entitlements - \$1.6 million
 - For Medicaid & Title IV –E programs
 - RIDE Transition to Head Count - \$0.5 million
 - 8.0% reduction of \$12.1 million
- Constrained request is \$3.9 million above
 - Recommendation is \$3.7 million above

DCYF Recent Issues Timeline

FY 2008	Progress towards system redesign with focus on individualized, coordinated, and family-driven care. Occurred in 2 phases
FY 2010	Phase I – DCYF awarded contracts to 4 agencies within designated areas
FY 2011	Phase II - RFP issued & DCYF entered into contracts with 2 lead agencies: RI Care Management Network & Ocean State Network
FY 2013	\$71.4 million, 3-yr. contract signed/evenly split between 2 lead agencies. Ended June 2015

DCYF Recent Issues Timeline

FY 2015	
July 2014	<ul style="list-style-type: none"><li data-bbox="355 482 1875 839">• Governor Chafee established Resource Team to identify issues and make recommendations to address consistent budget shortfalls – System of Care - and organizational concerns at DCYF<ul style="list-style-type: none"><li data-bbox="452 862 1750 1153">• Representatives from Lieutenant Governor's Office, Executive Office of Health & Human Services, Emergency Management Agency & Budget Office<li data-bbox="452 1168 1818 1296">• Work was in conjunction with Senate Task Force

DCYF Recent Issues Timeline

Senate Task Force	
FY 2015	Presentation By/Topic:
August 9 - 2014	Resource Team: DCYF contracts w/ Family Care Networks
September 2	Family Care Networks
September 16*	<i>Implementation of the contract by DCYF & Networks, testimony by:</i>
October 14**	*Other Community Partners
	**DCYF & Annie E. Casey Foundation
November 6***	***Regina Costa, Child Advocate
December 2*	Also Follow-up by Resource Team

DCYF Recent Issues Timeline

FY 2016/FY 2017

January 2015	Director Retires Chief Strategy Officer - EOHHS appointed
March 2016	Networks Contracts End – short term subcontracts signed
October 2016	Child Fatality Review Panel Convened
January 2017	New Contract Procurement Complete
March 2017	New DCYF Director confirmed
March 2017	Child Fatality Review Panel Report

DCYF Budget Issues

- Prior year savings initiatives
- New proposals
 - Savings
 - Investments
- Staffing trends

Changes to Enacted

	FY 2017 Rev.		FY 2018	
<i>(Millions)</i>	<i>Gen Rev</i>	<i>Total</i>	<i>Gen Rev</i>	<i>Total</i>
Enacted	\$151.8	\$216.5	\$151.8	\$216.5
Services	6.3	3.7	(1.5)	(7.0)
Juvenile Corrections	(1.7)	(1.7)	(2.1)	(2.1)
Staffing	0.4	0.3	2.5	2.9
Other	-	0.1	(0.9)	(1.5)
Capital	(0.5)	(0.5)	-	0.3
<i>Total Change</i>	<i>\$4.5</i>	<i>\$1.8</i>	<i>\$(1.9)</i>	<i>\$(7.4)</i>
Gov. Rec.	\$156.3	\$218.3	\$149.9	\$209.1

Services

- Unachieved Savings
 - Medicaid Match
 - SSI Recovery
 - Contracts
- Foster Care and Adoption
- Daycare
- Other Placements and Services

Unachieved Savings – Medicaid Reimbursement

- Enacted budget assumed \$2.1 million in savings 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

Unachieved Savings – Medicaid Reimbursement

- FY 2017 revised and FY 2018 budgets restore \$0.7 million of this
 - Department indicated estimate may be affected by finalized contracts for covered services
- FY 2016 savings included assumption of prior year claiming that did not occur
 - Issues with provider documentation

Unachieved Savings – SSI Recovery

- Enacted budget assumed \$550,000 of annual 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
- Updated estimate is \$0.3 million annually

Unachieved Savings – Contracts

- Enacted budget includes Governor's proposal to achieve \$1.7 million in savings from elimination of redundant or underperforming provider services
- Savings not realized as proposed
 - Funding restored for FY 2017 and FY 2018

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

- FY 2018 - \$27.5 million
 - \$20.4 million from general revenues
 - \$0.6 million more than enacted
- Similar base adjustment for FY 2017 revised
 - FY 2016 foster care caseload and spend

Foster Care and Adoption

- Governor also proposes additional \$0.8 million in the current to establish new support centers and staff training
 - Specific plans unclear
- Funding is continued into FY 2018

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 2018 - \$6.0 million, including \$4.9 million from general revenues
 - \$0.6 million more than enacted, \$0.3 million general revenues
- FY 2017 – Also \$0.6 million more
 - Most of the increase reflects actual FY 2016 spending
- Overall increase in caseload and change mix of cases

System of Care - Background

- 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

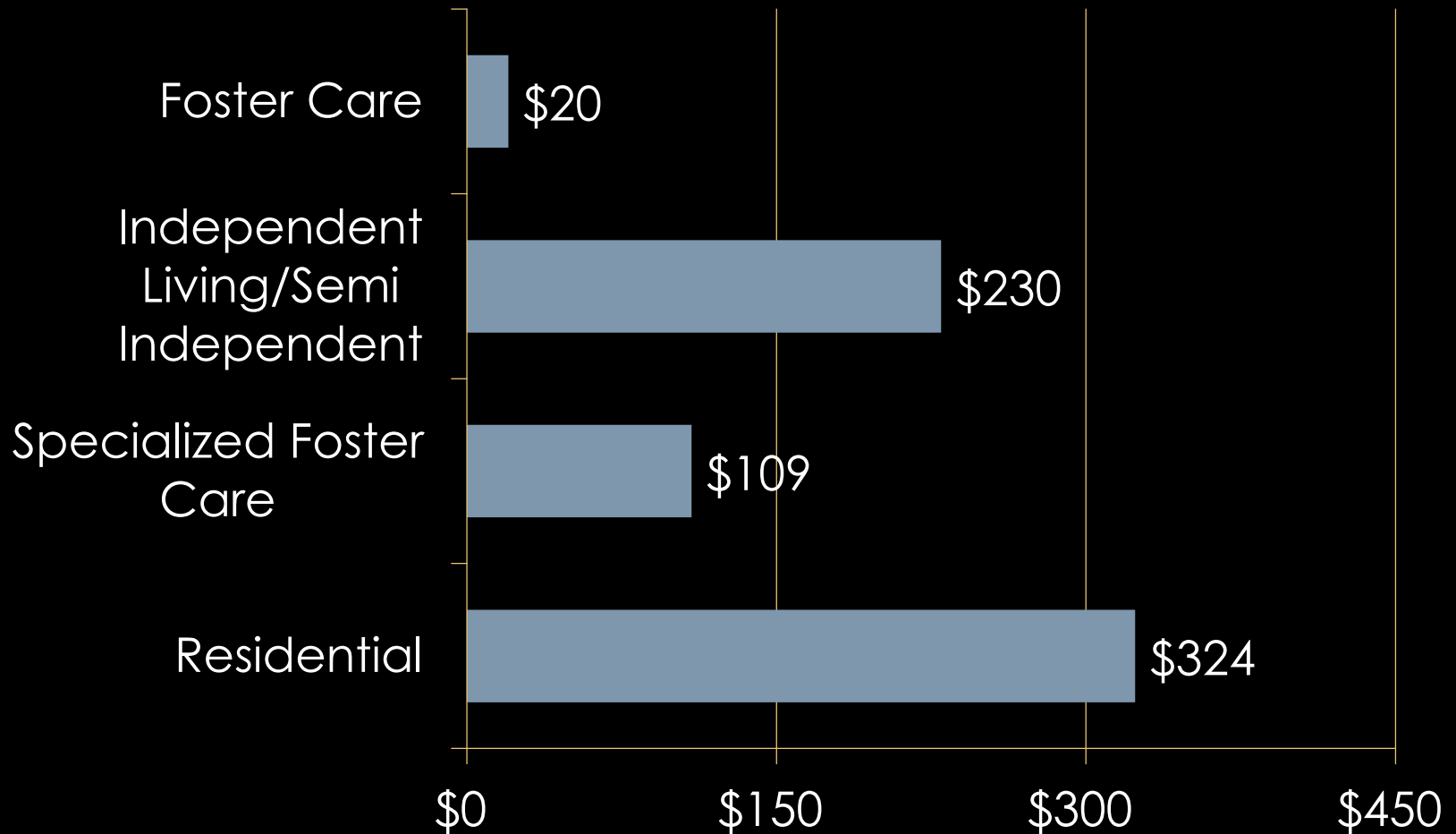
- DCYF's contract with two lead networks expired on March 31, 2016
 - DCYF took over responsibility for all new referrals within its Central Referral Unit
 - DCYF staff also now responsible for needs assessments to ensure that children receive appropriate level of care at initial placement

System of Care

- 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
 - FY 2016 - \$64.5 million from general revenues

	Original Contract	FY 2013 Spent	FY 2014 Spent	FY 2015 Spent	FY 2016 Spent
Total (millions)	\$71.4	\$73.2	\$78.5	\$82.6	\$83.7

Youth in Care: Average Per Diem Rates



Other Placements and Services

- FY 2018 - \$96.8 million all sources
 - \$66.4 million from general revenues
 - \$2.8 million more from general revenues for services
- Baseline caseload and cost increases beyond other unachieved savings
 - Congregate care placements
 - Community based services
 - Emergency services

Other Placements and Services

- Governor then assumes savings of \$7.3 million from general revenues (\$10.5 all sources)
 - Reducing incidence of congregate care placements
 - Equates to 25% reduction in congregate care placements
 - Based on department constrained proposal

Changes to Enacted

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Juvenile Corrections	(1.7)	(1.7)	(2.1)	(2.1)
Staffing	0.4	0.3	2.5	2.9
Other	-	0.1	(0.9)	(1.5)
Capital	(0.5)	(0.5)	-	0.3
<i>Total Change</i>	<i>\$4.5</i>	<i>\$1.8</i>	<i>\$(1.9)</i>	<i>\$(7.4)</i>
Gov. Rec.	\$156.3	\$218.3	\$149.9	\$209.1

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 2017 as of March 1: 74
 - 24 hour/365 day residential school providing housing, food services, clothing, medical care, education and assessments

Juvenile Corrections

	FY 2017 Rev.		FY 2018	
	<i>Gen Rev</i>	<i>Total</i>	<i>Gen Rev</i>	<i>Total</i>
Enacted	\$24.9	\$25.2	\$24.9	\$25.2
Education Costs	-	-	(1.1)	(1.1)
Vacancies	(1.8)	(1.8)	(0.9)	(0.9)
Other Staffing	-	-	(0.2)	(0.2)
Other Services	0.1	0.1	0.1	0.1
Total Change	(1.7)	(1.7)	(2.1)	(2.1)
Gov. Rec	\$23.2	\$23.5	\$22.8	\$23.1

Staffing: Juvenile Corrections

- Institutional Services: \$12.0 million
- Educational Services: \$2.3 million
- Probation and Parole: \$4.8 million
- Governor eliminates 25.2 positions

	FY 2017	FY 2017		FY 2018	
Millions	Enacted	Gov Rev	Chg	Gov Rec	Chg
Gen Rev	\$20.9	\$19.1	(\$1.8)	\$18.8	(\$2.1)
Fed Funds	0.2	0.2	-	0.2	(0.0)
Total	\$21.1	\$19.3	(\$1.8)	\$18.9	(\$2.2)

Juvenile Corrections

- Juvenile Probation and Parole
 - Supervises adolescents placed on probation by Family Court
 - as of April 1: 463

Training School	FY 2014	FY 2015	FY 2016	FY 2017*
Average	93	98	86	80

*as of April 1, 2017

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Staffing

Full-Time Equivalent Positions

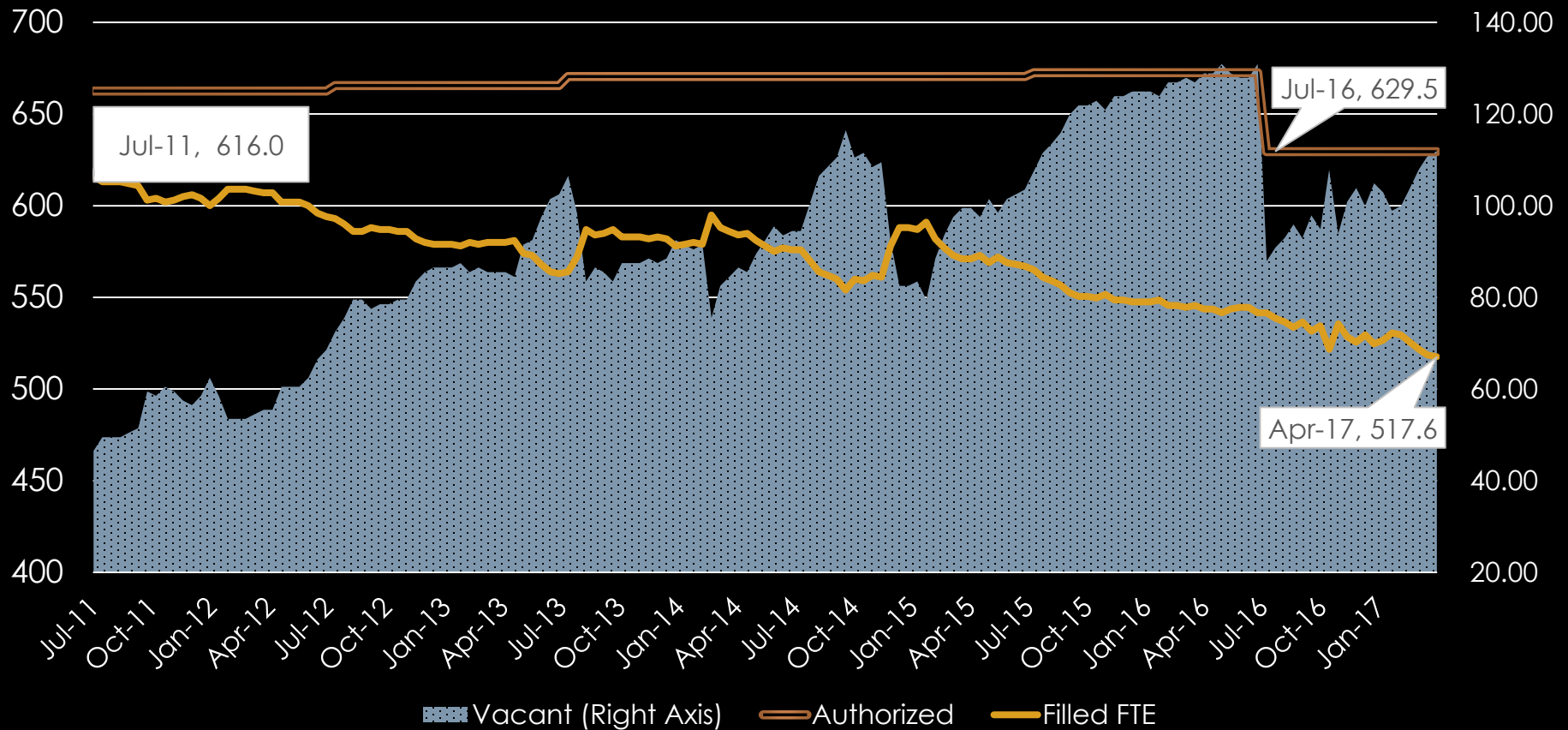
Full-Time Positions	FTEs	Change to Enacted
Enacted Authorized	629.5	-
FY 2017 Revised	628.5	(1.0)
FY 2018 Request	695.0	65.5
FY 2018 Governor	616.5	(13.0)
FY 2016 Avg. Filled	548.8	(80.7)
As of April 1 st	517.6	(111.9)

Reorganization

- Governor's FY 2018 budget completes transfer of finance positions to Ex. Office
 - 39.0 from DHS
 - 33.0 from BHDDH
 - 12.0 from DCYF
 - 7.0 from Health
- Responsibilities include: finance administration, billing and data entry
- Funding remains with sending agency

DCYF Staffing History

Authorized vs Filled Positions



Salaries and Benefits excl. JC

(in millions)	Gen. Rev.	All Funds
FY 2016 Spent	\$26.2	\$46.5
FY 2017 Enacted	\$30.2	\$50.8
FY 2017 Gov. Rev.	\$30.6	\$51.1
Gov. Chg. to Enacted	\$0.4	\$0.3
FY 2018 Request	\$36.4	\$58.1
FY 2018 Gov. Rec.	\$32.8	\$53.8
Gov. Chg. to Enacted	\$2.6	\$3.0

Statewide Savings

- Assessment to salaries that funds workers' comp., unemployment & unused leave
 - Lowered from enacted based on experience
 - Savings of \$1.2 million in FY 2017
 - Savings of \$1.5 million in FY 2018
- Medical benefit cost growth
 - Lower than initial estimates
 - Savings of \$2.6 million in FY 2018
- Total impact to DCYF
 - \$72,006 in FY 2017; \$246,988 in FY 2018

Staffing

- Positions eliminated within Juvenile Corrections reallocated to other department programs
 - DCYF had requested dozens of new positions
 - Management
 - Policy
 - Caseworker and Direct Care
 - Not recommended

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Other

- Elimination of prior contracts with RIC Child Welfare Institute
 - Entity closed
- FY 2017 included \$0.8 million including \$0.2 million
 - Only half the funding reduced
 - Remaining will support the development of in-house capacity for the Department to perform the staff training

Other

- Savings from new lease
- Mileage savings
- Governor accepted proposal for reduction in energy costs that assume capital investment savings

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Capital

- FY 2018 through FY 2022 plan
- Training School:
 - Generators
 - \$50,000 for FY 2017
 - \$950,000 for FY 2018
 - Maintenance Building
 - \$385,000 for FY 2017
 - \$150,000 for FY 2018
 - Youth Assessment Center
 - \$484,000 for FY 2017

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