

House Finance Committee
State House, Room 35
Providence, Rhode Island 02903

March 11, 2026

Re: Testimony Regarding the FY2027 Governor’s Recommended Budget — Department of Children, Youth and Families

Name:	Heather Croteau
Organization:	SEIU Local 580
Department/ Agency:	Department of Children, Youth and Families (DCYF)
Viewpoint:	Neither — Testifying with concerns regarding specific budget provisions

Dear Chairperson and Members of the House Finance Committee:

Good afternoon, Chair and members of the committee. My name is Heather Croteau. I have worked in child welfare at the Department of Children, Youth and Families for approximately thirteen years, and I am speaking today in my capacity as a union officer — Committee on Political Education Secretary, SEIU Local 580 — representing supervisors and caseworkers who work directly with Rhode Island’s most vulnerable children and families.

In that work, one issue I see repeatedly is Rhode Island’s continued reliance on expensive out-of-state placements for children with the most complex needs. These are Rhode Island children — kids who have already experienced significant trauma — being sent hours away from their families, their schools, and everything familiar to them because the right treatment options are not consistently available here at home.

In 2024, DCYF published its PACE Strategic Plan for 2025 through 2030. The plan was developed through 78 listening sessions with over 600 staff, families, youth, and community partners, and was submitted to the federal government as part of Rhode Island’s Child and Family Services Plan.

The PACE plan set a specific, measurable milestone: no more than 60 youth in out-of-state placements by March 1, 2025. That deadline has passed, and the department has already discussed where that number currently stands. The question now is how the state plans to move closer to that goal and what investments are needed to get there.

You can see the system’s continued reliance on residential placements reflected in the state budget. The Board and Care line, which funds residential placements including many out-of-state

programs, is projected to reach nearly \$191 million in FY2027 — an increase of approximately \$44 million in just two years.

If Rhode Island's goal is to reduce out-of-state placements, the budget should clearly show how we are building the in-state capacity needed to bring children home. It is not clear from the budget how investments in in-state residential capacity or community-based step-down services will support bringing more children home from out-of-state placements.

Out-of-state placements are sometimes necessary when the appropriate level of care is not available in Rhode Island. But they are also among the most expensive interventions in the child welfare system, and they make it harder for youth to stay connected to the family and community supports that help them heal.

As a supervisor, I oversee cases involving children placed out of state, and I want to describe what that looks like on the ground.

Many of the youth we serve have Neighborhood Health Plan or similar managed care coverage through Rhode Island. When a child is placed out of state, that coverage ends. They retain their Medicaid eligibility, but Rhode Island's Medicaid reimbursement rates are often too low for out-of-state providers to accept. That can make it difficult for youth to access consistent medical and behavioral health services while they are placed away from home.

Youth may make progress in treatment, but bringing them home can still be challenging when in-state step-down options are limited. In some cases, the services intended to support these transitions exist, but they are not always delivered consistently in practice.

The longer a child is away, the more complicated the return becomes — supports shift, family connections weaken, and continuity of care is disrupted. When children do return to Rhode Island, we can work to expedite insurance restoration, but the gap in consistent care that occurred while they were out of state has already had an impact.

These kinds of challenges are exactly why prevention and early family supports matter so much. In DCYF's PACE strategic plan, the "P" stands for Prevention — defined as investments in prevention services and the development of a strong continuum of care.

The FY2027 Governor's recommended budget allocates \$1,222,047 for Prevention Services within Child Welfare. The amount this legislature enacted for the current fiscal year was \$2,530,441. That is a reduction of approximately 52 percent from the enacted level.

When families receive help early, we can stabilize situations before they escalate to crisis. When those supports are not available, the system becomes more reactive — and both the human and financial costs grow.

I am not suggesting the department is not working hard or not committed to the children it serves. I know from thirteen years alongside my colleagues that that is not the case.

What I am asking is that this committee seek clarity on how the FY2027 budget advances the commitments made in the PACE plan — particularly on out-of-state placements, in-state capacity, and prevention. Those commitments are reflected in the PACE strategic plan and provide an important context for the budget the committee is reviewing. The Governor's recommended budget is what this committee has the opportunity to examine — and to consider whether it provides the resources needed to support DCYF in delivering on those commitments.

I have testified before this committee on this issue before. The fact that I am here again — with the same concerns, with the numbers larger — is itself part of the story. The children in this system cannot wait for us to solve this someday. As you consider this budget, I ask that you ensure it reflects the commitments Rhode Island has already made to bringing children home, strengthening prevention, and building the in-state services they need to succeed.

Thank you for your time and attention.

Sincerely,

Heather Croteau

Committee on Political Education Secretary, SEIU Local 580
House District 19