



The Honorable Louis P. DiPalma
Chair, Senate Finance Committee
Rhode Island State House
Providence, RI 02903

April 7, 2026

RE: Proposed FY2027 Budget

Dear Chairman DiPalma and Members of the Senate Finance Committee,

I am writing on behalf of Adoption Rhode Island regarding the proposed FY27 DCYF budget. I support full funding of the Department of Children, Youth, and Families to meet the current behavioral health, juvenile justice, and child welfare needs across the state. This is a critical agency that provides a safety net for vulnerable children, youth, and families. I also want to raise four areas of focus for the General Assembly to review as part of this budget process. The four issue areas include: the Medicaid transformation process, federal benefits of foster children, foster youth educational needs, and the federal consent decree governing children's behavioral health.

Adoption Rhode Island is a private non-profit organization that provides a range of community-based services to meet the needs of foster, adopted, kin, and other children and youth impacted by trauma. We help to promote and support permanency for children, provide trauma -focused behavioral health treatment, educational support and advocacy for transition age foster youth, prevent homelessness' in youth aging out of foster care, support stable housing for young adults, provide professional development services for social workers and educators and more. We provide education, advocacy, technical assistance, and support to approximately two thousand children, youth, and families across Rhode Island annually. We are invested in supporting policies that help children thrive and youth succeed as they transition into adulthood.

Rate setting/Medicaid transformation process

The current rate setting/Medicaid transformation process presents potential risks to service availability and provider stability. Recent investments made by the General Assembly in DCYF have begun to stabilize and expand access to care. Just two years ago, updated rates allowed providers to nearly double home- and community-based service capacity, from approximately 900 to 1,700 children served.

Adoption Rhode Island has several home and community -based service contracts with DCYF that are subject to this rate setting process. Our *Teen Focus* program provides youth permanency, education support, life skills, and career counseling to foster youth ages 16-21 to help prevent youth aging out to homelessness and other bad outcomes. Our *Thriving Together* program provides trauma -informed and permanency- competent behavioral health and parent support to children and families at- risk or involved with the child welfare system. Both programs meet critical needs and provide evidenced -informed interventions that are delivered across the state. While the state began the process with a commitment to ensuring that rates will meet current needs, at this time, I am very concerned that the process will interrupt current service delivery here and across the service delivery system. In September of 2024, child service providers engaged in a collaborative process with DCYF, EOHHS, and Milliman. Child service providers were asked for specific information about their programs and were told that the goals of the initiative were: 1. Promote broad access to services; 2. Provide high-quality care; and 3. Ensure the long-term sustainability of services. Over the past 18 months, there have been numerous surveys, meetings, data collected, and rate structures and amounts discussed. As a member of the child serving community, I have participated and continue to participate in good faith. Despite significant efforts on the part of the child service providers to help Milliman understand actual costs, current program models, and real issues in delivering these programs, concerns remain that insufficient rates will present a high risk of significant program closures, reductions in services, and/or decrease in the quality of some programs. The transition to new financing and administrative structures creates real and unfunded costs for organizations like ours. We will face new reporting requirements, data and billing systems, workforce training needs, and administrative changes associated with transformation. Without adequate support, these costs will strain our organization. Another concern is that the process that the state is proposing will also restrict the state's ability to innovate, modify models, quickly meet new and emerging needs, and be responsive in a crisis. Additionally, an added layer to consider is Rhode Island's over reliance on Medicaid for the DCYF service array is a national outlier. As we know, the US Congressional Budget Office estimates that the "Big Beautiful Bill" cut \$1 Trillion in Medicaid funds over a 10 -year period. Rhode Island is second in the nation after Tennessee for dependence on Medicaid to fund their child welfare systems. Changes in Medicaid could have an outsized impact on children's services. Given all these risks, getting the rate setting/Medicaid transformation process right is extremely critical to vulnerable children, families, and the organizations dedicated to serving them. I am dedicated to working collaboratively with DCYF, EOHHS, and Milliman in any way necessary to achieve a successful outcome. Adequate rates must cover actual costs of services. Upfront startup costs to transition to different billing structures are needed. I appreciate your interest in ensuring that the Department has the resources and support to ensure that they meet the original rate analysis goals of broad access to services, high -quality care, and long -term sustainability of services.

Strengthening Children's Behavioral Health

The children's behavioral health system can be confusing for children and families in need of services. While DCYF has the statutory authority for children's behavioral health, services are housed across multiple state agencies. It is critical that the state continue to build a child -focused system of care. Rhode Island is currently implementing a federally mandated consent decree toward that end.

Confusing statutory language that places children's services in adult systems could further exacerbate confusion and contribute to delays in implementing necessary systemic and programmatic reforms.

I encourage the Committee to ensure that the budget includes sufficient resources to meet the requirements of the federal consent decree governing Rhode Island's children's behavioral health system. This includes investments in system planning, a comprehensive needs assessment of services and programs, and the infrastructure necessary for effective implementation.

These are all critical needs at a time of uncertainty and disruption across our federal government. I want to thank you for considering these issues as you evaluate this year's proposed state child welfare, children's behavioral health, and juvenile justice budget. Ensuring that we have a comprehensive, sustainable children's safety net has never been more important.

Foster Children's Federal Benefits

Rhode Island DCYF claims and keeps an estimated 1.2 million dollars of foster children's federal Social Security benefits annually. This is a practice that states across the country have done for many years. There are 11 states that have changed their policies to allow children to receive their benefits when they exit foster care. An additional 10 states are currently considering changing their policies in support of assisting foster youth succeed when they exit care. The benefits legally belong to the child. Social Security benefits—such as survivor benefits or SSI for disability—are awarded because of the child's circumstances, not because of foster care placement. Youth aging out of foster care face some of the highest poverty risks in the U.S. Allowing benefits to accumulate in an account to give to the child when they leave care can help youth with housing, education, and other costs. Rhode Island should do the right thing and give foster children the benefits that are legally theirs when they leave foster care.

Foster Youth Educational Outcomes

Foster children remain the population that has the lowest high school graduation and college completion rates in the state. The DCYF Higher Education grant has been funded at \$200,000 per year for decades. This fund should be increased to \$500,000. The cost of higher education now is much higher than when this line item was first implemented by the legislature. If the state wants to see more youth achieve educational and career success and contribute to the economy rather than rely on state benefits throughout adulthood, investing in their education is a smart decision that will provide a positive ROI.

In summary, while I support fully funding the DCYF budget, I urge the General Assembly to review the policy document details with a commitment to:

- Ensuring a successful rate transformation process that fully supports community-based programs,
- Strengthening the children's mental health system,
- Eliminating the practice of taking social security benefits from foster youth, and

- Increasing resources dedicated to improving foster youth educational outcomes.

Thank you for your consideration of this written testimony. If you have any questions, I can be reached at 401-524-3456 or dallen@adoptionri.org.

Respectfully submitted,

A handwritten signature in black ink that reads "Darlene Allen". The signature is written in a cursive, flowing style.

Darlene Allen, MS
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