



4/7/2026

The Honorable Louis P. DiPalma
Chairman, Senate Finance Committee
State of Rhode Island General Assembly
82 Smith Street
Providence, RI 02903

Re: Support for H7127 - Department of Children, Youth, and Families: FY2026 Supplemental and FY2027 Budgets

Chairman DiPalma and members of the committee:

Thank you for the opportunity to comment in support of the Governor’s proposed FY27 budget for the Department of Children, Youth and Families (DCYF). Passage of this budget, and adequate funding to DCYF, is critical to ensure that DCYF and their contracted community providers can carry out the essential and live-saving work they do in child welfare, juvenile justice, and children’s behavioral health services.

FSRI is a behavioral health and social service organization with the mission “to advance hope and opportunity in our communities.” We have been serving Rhode Island children, families and communities for over a century, including programming to support healthy child development, to provide essential behavioral health services, and to coordinate crisis intervention programs that help children and families thrive.

FSRI is a provider of residential, foster care, and community-based services under contract with DCYF. This includes five trauma-informed residential programs for youth and young adults, a foster care program, and a variety of community-based supports – SafeCare, an evidence-based parenting education program for guardians of children age 0-5; Trauma Systems Therapy (TST) Community, a therapy model for children and adolescents who have experienced traumatic events; and a Family Coaching and Visitation program, to name a few. We are also one of the state’s five Family Care Community Partnerships (FCCPs).

Medicaid Transformation:

As we look toward the future of DCYF services, it is critical that the FY27 budget addresses the risks emerging from Medicaid transformation, as the current rate structures, implementation timelines, and administrative expectations are not yet aligned with the real conditions faced by providers. Agencies are already absorbing substantial unfunded costs of transformation, including technology upgrades, workforce restructuring, and new documentation systems, that are necessary to comply with Medicaid but have not been financed through rate adjustments or transition support. These expenses cannot be passed on to families and are instead absorbed by agencies already operating with thin margins.



At the same time, youth and families depend on providers' ability to remain highly flexible and able to pivot services rapidly in response to crises, complex needs, and changing family circumstances. This kind of responsiveness is possible only when agencies have access to sufficient General Revenue and other flexible funding sources that are not constrained by rigid Medicaid billing requirements. DCYF has historically relied on this flexibility from provider agencies, but that capacity diminishes in a strictly Medicaid-defined service environment. Without intentional investment, the state risks losing the very adaptability that keeps young people safely connected to their families and communities.

Consent Decree:

Additionally, meeting the requirements of the consent decree will require sustained, dedicated funding beyond current appropriations. Rhode Island must invest in a comprehensive needs assessment of children's behavioral health services to determine what programs must be expanded or newly developed. DCYF also needs strengthened internal infrastructure, including Intensive Care Coordination capacity and a fully staffed children's behavioral health leadership team, to successfully operationalize the mandates of the decree and deliver coordinated, evidence-based services.

Mobile Response and Stabilization Services (MRSS) are also a required service under the consent decree. MRSS is an evidence-based crisis intervention model of care that is considered best practice in our field in responding to children and youth who are experiencing a behavioral health crisis, and a proven model for diverting children and youth from emergency departments, law enforcement involvement, and/or psychiatric hospitalization. As an evidence-based service, fidelity to the model is necessary and requires trained providers. FSRI has been a provider of MRSS since 2022 and has seen the impact of the program first-hand. It is critical that the DCYF budget cover funding for MRSS and that there is adequate General Revenue to meet the state's requirements regarding MRSS under the decree.

Thank you for the opportunity to comment in support of the DCYF budget with the additional comments noted above. Please feel free to contact me with any questions or follow-up.

Thank you,

A handwritten signature in black ink, appearing to read 'Margaret Holland McDuff', written over a white background.

Margaret Holland McDuff
CEO