



April 7, 2026

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

Re: Proposed FY 2027 Budget Articles – Changes to Department of Children, Youth, and Families (DCYF) Budget

Dear Chair DiPalma, and members of the Senate Finance Committee,

I write today regarding the proposed budget for the Department of Children, Youth and Families (DCYF) for State Fiscal Year 2027. Alongside our fellow providers with the Rhode Island Coalition for Children and Families (RICCF), Youth Villages has significant concerns about elements that are missing from the proposed budget that we foresee leading to decreased access to critical child welfare, children's behavioral health, youth development, and juvenile justice services for children and their families and will disrupt progress toward a strong, community-based children's system of care.

Youth Villages is a national organization dedicated to helping vulnerable children and their families live successfully through two evidence-based and evidence-informed services offered across the country in 29 states; including Rhode Island, Massachusetts, New Hampshire, and Maine. With child safety as its primary focus, Intercept® is a nationally recognized model that helps vulnerable youth from birth to 18 years old by providing intensive support to families in their home and community. This program is used to divert children, a majority of whom are involved with the state child welfare system, from costlier and often less effective out-of-home placements or to reunify children with family.

In Fall 2024, we were thrilled to be awarded a contract with DCYF to provide home-based services and improve outcomes for youth associated with the state system through our evidence-based Intercept® program. This contract allowed us to begin offering Intercept services to Rhode Island youth for the first time and we served our first youth in September 2024. Through December 2025, we served 192 youth through Intercept. We typically provide services to youth and families for six to nine months before discharge. Our Intercept program has proven results across the country; across the United States in FY25, 88% of youth were living at home or independently, 91% had no further involvement with the law, and 97% had graduated, were in school, or were employed at one year post-discharge.¹

¹ <https://youthvillages.org/about-us/annual-report/>

Over the past two years, there have been significant investments in DCYF's rates that have allowed rates to stabilize and capacity for home- and community-based services has nearly doubled, going from 900 to 1,700 youth served. During this investment period is when Youth Villages was able to bring our Intercept services to the state by providing up to 83 youth and families per day access to the Intercept program. A key part of our Intercept program is to partner with DCYF to provide holistic services to the youth and families we serve, particularly in connecting them with behavioral health care services.

Youth Villages is appreciative of the Committee's ongoing commitment to strengthening Rhode Island's system of care for children and families. However, as the state moves forward with significant changes to their Medicaid financing and service delivery systems, **Youth Villages respectfully raises the following items for the committee's consideration during the budget process.**

The system changes arising as a result of the Medicaid Transformation threatens the progress DCYF has made over the past two years to expand and improve their system of care. Without adequate rates and infrastructure funding, providers may not be able to sustain services, directly limiting access for children and families. **The system changes are expected to go into effect in January 2027 but, there is a lack of clarity about rates, an unknown Medicaid-General Revenue split, and substantial infrastructure needs, which will lead to both our program and other to face significant fiscal pressures that may lead to either reduced or discontinued services.** Youth Villages, alongside the other service providers in Rhode Island, deliver critical behavioral health and child welfare services to the youth and families of Rhode Island. However, to continue sustainably delivering these services, the rates must be adequate to meet the program, workforce, and administrative costs.

Child welfare, children's behavioral health, and juvenile justice diversion services also require flexibility to meet the diverse and evolving needs of youth. Medicaid Transformation is an entire system transformation because it standardizes and limits the flexibility of DCYF and providers to provide non-clinical, family-centered supports. For the families we serve, this could mean the loss of individualized services that do not neatly fit into Medicaid billing structures.

Youth Villages strongly supports ensuring the availability of sufficient General Revenue and other flexible funding sources. This is crucial because unlike adult systems, children's behavioral health and child welfare services cannot rely exclusively on Medicaid reimbursement. Prevention services, family stabilization efforts, and other support for youth require funding streams that allow agencies to intervene early and respond holistically to each child's circumstances. DCYF relies on community-based organizations, like Youth Villages, to meet the needs of youth involved in the child welfare system and it is important to ensure this responsiveness can be maintained as the reimbursement environment evolves.

Youth Villages also has related concerns about the proposals in budget Articles 8 & 10 that would consolidate access and crisis intervention services within the adult-focused system under the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH). Shifting authority to adult systems risks weakening accountability and disrupting the child-focused system currently being built. For families, this could result in confusion about where to seek services, gaps in care coordination across systems, and delays in accessing appropriate, developmentally tailored services.

Youth Villages respectfully urges the committee to address the aforementioned gaps in the FY2027 budget and fully supports the state in continued achievement of their goals through improved financing structures, provider sustainability, and maintaining flexibility to meet the needs of the youth in Rhode Island.

If any additional information is needed or there are follow-up questions, do not hesitate to reach out. Thank you to the committee for your diligence, advocacy, and support for our work and for the kids and families we serve,

Matt Stone, MSSW
Executive Director
Youth Villages New England