

DCF's savings gone, future of some reforms uncertain

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Budget cuts by the Malloy administration will stall some plans to turn around the Department of Children and Families, an agency under federal court oversight for failing too many abused and neglected children, their budget chief says.

"This will delay us from moving forward," Cindy Butterfield, DCF budget chief, told a group of community providers Monday.

DCF received news last week that it will [lose \\$28.4 million](#) this fiscal year. This was largely the money that the agency was able to save by [removing fewer children](#) from their families and [moving children back home](#) from costly out-of-state facilities and [large-group homes](#).

"The problem is we were banking on that money to implement our new plan," Butterfield said of the intention to use the savings to provide community-based services and help open private facilities for children who otherwise would be sent out-of-state. "It's disturbing. We are trying to do what's right for these kids, but our savings are being completely raided to pay for shortfalls at other agencies."

One-third of the cuts [announced](#) last week by Gov. [Dannel P. Malloy](#) come from DCF's current budget and the providers at Monday's meeting worry those cuts won't be restored in next year's budget, which begins July 1.

The state's current spending plan could be as much as [\\$145 million](#) in the red, according to the legislature's nonpartisan Office of Fiscal Analysis.

"There's always pressure when you save money to take it away," said Tracey Feild, with the Anne E. Casey Foundation. Feild has helped several child welfare agencies across the country move in the direction Connecticut is trying to head. "The key is reinvesting. You can't just take it all away and expect things to change."

The [reinvestments](#) made by New York City and states such as Maine, Virginia and Louisiana have covered the costs of providing more health, behavioral, respite and educational services in the community. By reinvesting their savings, fewer children have had to be removed from their families and placed in state custody. Virginia, for example, saved \$60 million by lowering reimbursements for large-group homes and reinvesting \$15 million of that by increasing reimbursements for community-based services, according to the Casey Foundation.

Connecticut's DCF was well along in phase one of its plan to end 20 years of federal oversight. The number of children in state custody is [down 6 percent](#) -- or almost 300 children -- in the last year. And of those children who are removed from their families, more are being placed with other family members instead of in group homes.

Officials at DCF insist that the progress made so far will not be retracted, but some initiatives will have to be stalled.

"If this [cut] stays for next year, we could maintain and do the same level of care we have now. But we don't want to maintain, we want to do better," Butterfield said. A higher level of scrutiny will continue before a child is sent out of state to live and placing children with families will remain a priority.

But providers worry about the children that cannot stay with a family member without being offered certain services in the community and if they will be able to fill that void now that DCF's budget has been depleted.

"That's the danger that all of us around this table fear, that the rates stay the same forever," said Barry Simon, the leader of the [Gilead Community Services](#), a group that arranges services for those with mental illness so they can stay with their families. Simon turned to DCF officials Monday at the meeting, "You know that you're not paying anywhere near the full price for services."

State reimbursements for nonprofits have not changed in four years.

Butterfield said she was hoping to increase reimbursements to the nonprofits so they can provide the services that are not available now for children in Connecticut.

Some of the children who have been sent to out-of-state facilities for treatment face problems with sexual deviance, arson and autism. Providers, in many instances, need to update their facilities, installing 24-hour security systems or safety glass, for example, before certain populations can move in. Private providers also need more training.

"So many of our providers are cash poor and maxed out on their credit. It's not that they are stubborn and are resisting a change in what they provide, it's that they can't afford to," Butterfield said.

A recent [report](#) issued by a group of nonprofit providers said that fewer than one in five nonprofits have at least one month's expenses on hand. Many are "operating dangerously close to their margins," and are likely to be unable to handle unforeseen increases in expenses.

Butterfield said the real test will come Feb. 8, when Malloy releases his budget for next year. If the cuts stay in place and carry over to next year, then she is confident some of the reforms DCF was building will be near impossible to implement.

DCF officials said some of the savings they've achieved can be given back to help the state close its overall deficit.

"Certainly if our efficiencies produce a surplus then surely that could be shared as it has in other states," Libby Graham, a deputy commissioner at DCF said Tuesday. How much the agency needs to keep so they can offer more community based services and help specialized programs open in Connecticut has not yet been determined.