
**Report to
The Vermont Legislature**

Operational Costs of Residential Treatment for Youth Report

In Accordance with Act 113 (H.883) of 2024

**Submitted to: House Appropriations Committee
House Human Services Committee
Senate Appropriations Committee
Senate Health and Welfare Committee**

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Introduction

This report has been prepared in accordance with Act 113 (H.883) of 2024, Section E.300.4:

Sec. E.300.4 OPERATIONAL COSTS; RESIDENTIAL TREATMENT PROGRAMS FOR YOUTH

(a) On or before January 15, 2025, the Department for Children and Families shall submit a report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and Health and Welfare describing the anticipated cost differential in operating the former Woodside Juvenile Rehabilitation Center as compared to operating the various residential treatment programs for youth developed to replace the former Woodside Juvenile Rehabilitation Center.

Background

The Woodside Juvenile Rehabilitation Center (Woodside) was officially closed in November of 2020. While there were many legitimate reasons for Woodside's closure, the Department for Children and Families (DCF) has maintained that a physically secure program within the state is a vital component of a healthy system of care. Though not the only factor, the absence of a secure facility in the past four years has directly contributed to dramatic changes within Vermont's youth-serving systems of care. Access to residential programming has diminished greatly, and the acuity of youth needs within the residential systems of care has increased. Limited access to services has increased pressures on DCF workforce, provider networks, community partnerships, caregivers, youths, and families. Other relevant factors include the pandemic, which exacerbated an existing trend of diminishing residential provider workforce nationally, and the evolving expansion of juvenile jurisdiction in Vermont.

DCF has adjusted to the shifting landscape of youth service provision by restructuring efforts to meet demands both responsively and intentionally. Responsive efforts include the development of resources and structures related to "alternative setting" staffings, temporary contracts to support out of state detention for youths, and supportive funding for in-state crisis stabilization programs. Intentional efforts include both temporary solutions, such as the development of the Red Clover Treatment Center program; and long-term solutions, such as the planned Windham County Crisis Stabilization Program (2 bed staff-secured program) and the Green Mountain Youth Campus, or the development of voluntary residential programming for justice-involved youth over the age of 18.

DCF has utilized the base budget previously attributed to the operation of Woodside to fund, at least partially, all of these initiatives. This context is important when comparing DCF's current and planned use of its "Secure Residential Treatment Facility (SRTF)" budget against the previous budget that went toward the operation of Woodside.

Cost Comparison

In the years immediately prior to Woodside's closure, DCF provided several legislative reports detailing the expenses associated with Woodside and the projections about program alternatives. The most recent such report ([Woodside-Leg-Report-on-FY-21-Appropriation-due-12.15.20-FINAL.pdf](#)) identified a total operational budget of approximately \$4.7M in SFY 21, which accounted for variables separate from the operation of Woodside and established shortly before Woodside was closed. For purposes of this cost comparison, DCF has elected to utilize the SFY 2019 operational budget-which is more reflective of the program when it was at full operational capacity. This budget was included in the comprehensive "Woodside Juvenile Rehabilitation Center Report" about Woodside's operation and contained recommendations and rationale for program expansion. The Report, submitted by AHS and DCF on April 15, 2019 to the House and Senate Committees on Judiciary and Appropriations, can be found here: [Woodside-Legislative-Report-4.15.2019.pdf](#).

The 2019 report includes tables reflecting Woodside's operational budget, which is primarily the cost of staffing by State employees, as well as a narrative description of the staffing model. The most salient table is included below and reflects an overall annual operational cost of approximately \$6.2M.

SFY19 Woodside Budget			
Personal Services			
	Salaries	\$3,322,029	
	Overtime	\$322,592	
	Benefits & withholding	\$1,500,947	
Total Personal Services			\$5,145,568
Total Contractors (primarily UVM contract)			\$334,645
Operating Expenditures			
	BGS - fee for space	\$237,138	
	Food	\$240,452	
	Other operating	\$239,005	
Total Operating			\$716,595
SFY19 Total Budget			\$6,196,808

The next three tables reflect summaries of DCF’s Secure Residential Treatment Facility (SRTF) budget, both existing and planned.

The first table reflects the existing payments coded against the SRTF in SFY24 and for the first half of SFY25. Included in these numbers are the costs for:

- Alternative Setting rental spaces and contracted staffing supports,
- Supports for existing crisis stabilization program renovations to the state-owned structure that houses the Red Clover Treatment Center,
- The contract with the service provider that operates the Red Clover Treatment Center,
- 18+ residential programs, and
- Assorted related incidentals.

SRTF Expenses			
Major Operating Bucket	Expense Type	SFY24	SFY25 through Dec
Personal Services	Workers Comp Insurance	\$738	-
	Youth Staffing Contracts	\$471,079	\$555,444
	Temporary Youth Facility - Red Clover	-	\$1,105,626
	Temporary Youth Stabilization Renovations	\$917,188	\$69,037
	Crisis Space Agreements	\$452,016	\$24,934
	Other Contracts	\$216,194	\$44,897
	Hearings		\$2,200
Operations	ADS Costs/Other	\$33,771	\$9,094
Grants	Staff Secure Crisis Stabilization Placements	\$1,221,509	\$515,629
	Crisis Staffing Grants	\$22,994	\$16,034
Total		\$3,335,489	\$2,342,895

The second table reflects budget and projections for SFY25. In addition to the items listed above (except for Red Clover Renovations, which are complete), this table includes:

- Anticipated expenses related to the Windham County Crisis Stabilization program,
- Expanded contracted alternative setting staffing supports,
- A portion of the Vermont Crisis Intervention Network (1 bed crisis programming for children/youth with developmental or intellectual needs), and
- FSD Restorative Justice Contract.

SFY25 Budget vs. Projections				
Major Operating Bucket	Base Budget	1x Carry Forward (SRTF)	1x Appropriation	Total
Contracts	\$258,100.00	\$379,381.73		\$637,481.73
Operating	\$42,225.00	-		\$42,225.00
Grants and Other Agreements	\$3,476,862.00	-		\$3,476,862.00
Funding for Temp & New Facilities	-	\$5,212,792.00	\$4,626,505.98	\$9,839,297.98
Total	\$3,777,187.00	\$5,592,173.73	\$4,626,505.98	\$13,995,866.71
SFY25 Projected Expenses				
Youth Treatment Contracts	\$140,953			\$140,953.00
Youth Staffing Contracts	\$1,050,000			\$1,050,000.00
Restorative Justice Contractors	\$50,000			\$50,000.00
Other Contracts	\$485,430			\$485,430.00
DAIL MOU for VCIN Bed	\$525,000			\$525,000.00
Operating	\$17,922			\$17,922.00
Crisis Space Agreements	\$145,699			\$145,699.00
Staff Secure Crisis Stabilization Placements	\$1,261,709			\$1,261,709.00
Temporary Facility Operating Costs	\$100,474	\$3,317,190		\$3,417,664.00
Construction/Start Up Costs for Facilities		\$1,017,233		\$1,017,233.00
Total	\$3,777,187	\$4,334,423	-	\$8,111,610.00
Remaining Balance	-	\$1,257,751	\$4,626,506	\$5,884,257

The final table characterizes a potential SFY 26 budget vs. projected costs. These projections remove the one-time expense for the FSD restorative justice contractors but maintain similar projected rates for other projects. This projection assumes that DCF has approval to carry forward any available SFY 25 balance in the SRTF Base appropriation into SFY 2026 to support one-time needs. It should also be noted that this projection anticipates costs to exceed budget. These numbers are, to some degree, speculative at this time and actual expenses may not be as high as projections. For example, total construction costs for the Windham County Stabilization program may come in lower than projected. Should there be any deficit in projected spending in SFY 26, it will be reflected in a SFY 26 Budget Adjustment Act request.

SFY26 Budget vs. Projections				
Major Operating Bucket	Base Budget	1x Carry Forward (SRTF)	1x Appropriation	Total
Contracts	\$258,100.00	-		\$258,100.00
Operating	\$42,225.00	-		\$42,225.00
Grants and Other Agreements	\$3,476,862.00	-		\$3,476,862.00
Funding for Temp & New Facilities	-	\$1,257,750.73	\$4,626,505.98	\$5,884,256.71
Total	\$3,777,187.00	\$1,257,750.73	\$4,626,505.98	\$9,661,443.71
<u>SFY26 Projected Expenses</u>				
Youth Staffing Contracts	\$1,050,000			\$1,050,000.00
Other Contracts	\$460,430			\$460,430.00
DAIL MOU for VCIN Bed	\$525,000			\$525,000.00
Operating	\$17,922	-		\$17,922.00
Crisis Space Agreements	\$110,699			\$110,699.00
Staff Secure Crisis Placements	\$1,261,709			\$1,261,709.00
Temporary Facility Operating Costs	\$2,099,819	\$757,751	\$3,626,506	\$6,484,076.00
Permanent Facility Operating Costs	-	-	-	-

Construction/Start Up Costs for Facilities	-	\$500,000	\$1,000,000	\$1,500,000.00
Total	\$5,525,579	\$1,257,751	\$4,626,506	\$11,409,836.00
Remaining Balance	(\$1,748,392)	(0)	(0)	(\$1,748,392)

It should be noted that there are some known expenses that are not reflected in these totals. The construction of the Green Mountain Youth Campus facility is planned to be paid for through a lease agreement with the contracted builders. While the most recent estimates for total construction sit between \$21M and \$25M, the annual rate of pay may vary widely depending on the terms of the lease the State agrees to. These numbers are omitted from these projected budgets, as it is not likely that the Campus will be operational within SFY 26. DCF has also left any projected operating costs for the Windham Crisis Stabilization program out, as that ongoing expense will not be maintained within the SRTF budget. Though an RFP has been posted to identify a potential provider for that program, one has yet to be identified. Any estimate of cost for that operator would be purely speculative in nature.

Programmatic Benefits and Considerations

It is difficult to reasonably compare the operating expense of Woodside to the potential costs of the various programs under development to replace Woodside. The most significant barrier to comparison lies in the fact that DCF has been committed to developing residential programming that is intentionally unlike Woodside. Having recognized the limitations associated with the use of the Woodside, DCF has been working to develop a system of care that will be healthier for residents, more responsive to needs, and ultimately more supportive of staff, families, communities, and systems.

Though not all reflected in the SRTF budget above, the system of care being developed in the wake of the closure of Woodside includes the following:

- **Red Clover Treatment Center** — This temporary 4 bed secure crisis stabilization program is Operated by Sentinel, LLC and provides treatment to justice involved youth.
- **Windham County Crisis Stabilization Program** — This two bed, unlocked crisis stabilization program will diversify the departments existing Crisis Stabilization Network, easing stress across the network and serving as a potential stepdown for higher level placements.
- **Psychiatric Residential Treatment Facility** — AHS is working with the Brattleboro Retreat to develop this level of care designed to support children and youth with intensive mental health needs who currently are placed out of state.
- **Green Mountain Youth Campus** — This proposed permanent two-program secure campus is planned for development in Vergennes, VT and will serve justice-involved youth at the point of crisis or in more sustained treatment for youths with significant aggressive conduct issues.

- **Return House and 208 Depot** — These programs are designed to support youths as they transition into adulthood.
- **VCIN-Crisis Stabilization** — This program is for youths with developmental needs.

As these programs come online, we will continue to see reductions in the practice of “staffing” youths in unlicensed alternative placement settings. DCF also anticipates seeing improved outcomes of youths in care, and faster returns to the community.

Each program described as part of DCF’s strategy to develop its system of care are non-carceral treatment environments, operated by independent therapeutic providers. It is inherently more costly to contract with a third party for residential placement, but it allows for greater resident protections because an entity is no longer in the conflicted role of licensing and providing oversight of itself.

Each of the programs is designed to be much smaller than Woodside, with an emphasis on residential aesthetics and operation as opposed to a large-scale institutional setting. They place an emphasis on more costly and therapeutically beneficial staffing models, as opposed to a model that relies on the physical properties of the building to maintain safety and order. The proposed programs are also diverse in function--intended to more flexibly match residents based on predominant presenting need (developmental, mental health, law abidance, or placement), as opposed to co-locating youth with differing primary needs.

The other significant barrier of note to comparative analysis is the overall shift in costs for residential providers since the closure of Woodside. Insurance costs, operating expenses, and most significantly, workforce costs have dramatically increased since 2020.

Conclusion

DCF acknowledges that its proposed system of care will cost more to operate than Woodside cost several years ago. However, the proposed system will be nimble and responsive, rightsized to youths’ needs, have greater oversight and protections, and is expected to generate better outcomes for children, youth, and families. Each program under development comes with challenges, but the absence of needed programs negatively impacts Vermont’s youth, and comes at a greater overall cost and leads to disruption or destruction of the available systems and services.