



# OFFICE OF MANAGEMENT & BUDGET

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## MEMORANDUM

To: The Honorable Ryan W. Pearson  
Chairman, Senate Committee on Finance

From: Jonathan Womer  
Director, Office of Management and Budget

Date: February 11, 2021

Subject: **Senate Finance Follow-Up**

Thank you for the opportunity to appear before and offer testimony to the Senate Committee on Finance on January 21, 2021. As a follow-up to the answers we provided at this hearing, this memo addresses the remaining questions we said we would get you further information on. As always, if you require more information or need any clarification on what has been presented below, please feel free to reach out to me and my team.

### Alternative Hospital Sites

*What is the breakdown of the monthly operating costs of the alternative hospital sites? How long are the alternative hospital sites estimated to be needed? What modeling assumptions are being used to determine how long the alternative hospital sites will be operational?*

The table below shows the monthly operating expenses for the alternative hospital sites at the Rhode Island Convention Center in Providence and the former Citizens Bank building in Cranston. Please note that “Cold Status” is when a facility is on standby with zero patients, and “Warm Status” is when a site is treating patients. The table does not include healthcare contract expenses.

Alternative Hospital Sites Monthly Operating Expenses	RICC and Cranston	
	Cold Status (\$)	Warm Status (\$)
Expense Categories		
Rent	962,105.00	962,105.00
Utilities	141,837.12	226,667.85
Taxes	30,582.00	30,582.00
Cleaning Contract	49,327.00	1,028,008.80
Security Contract	217,611.67	937,720.00
Other Monthly Rental Charges*	63,654.00	413,321.32
<b>Monthly Subtotal</b>	<b>1,465,116.79</b>	<b>3,598,404.97</b>
*Barrier Rentals/Restrooms/Police/Fire Details, etc.		

Since their opening, the two alternative hospital sites have provided an invaluable resource to Rhode Island's healthcare system. They have been integral in ensuring that capacity is available when hospitals have been overburdened by patient volume. The State's lease for the Rhode Island Convention Center expires March 31, 2021. Provided the Governor's Declaration of Emergency is extended, the State has the option of extending the lease for up to four additional one-month periods. The State's lease for the former Citizens Bank building expires June 30, 2021.

Current modeling assumptions indicate the sites will be needed at least through spring 2021 based on hospitalization rates/trends, emerging variants of COVID-19 and staffing availability/concerns.

While hospitalization and infection numbers are currently decreasing, concern remains over the potential impact of newly identified variants. Three prominent variants have been identified in the United Kingdom, South Africa and Brazil. Since they were identified, there have been reports of increasing cases throughout the world, including in the U.S., indicating that the variants have spread well beyond their points of origin and are being transmitted in community settings.

Much remains to be learned about the nature and characteristics of these variants, though early evidence suggests increased transmissibility compared to the original SARS-CoV-2 virus; estimates and assumptions suggest the new variants can cause 50% more infections per index case. Current modeling suggests that, given current rates of spread, Rhode Island may begin experiencing a significant impact from these variants in March 2021. Rhode Island's aggressive COVID-19 vaccination campaign will help lessen the impacts these variants may have on infection rates in the state, depending on the amount of supply available.

The need for the continued operation of the alternative hospital sites is being consistently evaluated along with the concerns that if the alternative hospital sites were demobilized, and in so doing releasing all contracted staff and resources, there would be difficulty securing these resources should a re-activation of the sites be necessary.

### **Long Term Services and Supports Resiliency (LTSS) Program**

*How much were the administrative costs for LTSS Resiliency?*

Of the \$20,083,093.93 budgeted for LTSS Resiliency, \$444,133.93 (2% of the total) is being used for administrative costs.

### **Health Equity Zones (HEZ)**

*How are funds for Health Equity Zones (HEZ) being distributed? How can communities and community organizations access these funds?*

Resources were offered to communities through the existing Health Equity Zone (HEZ) contracts, which were established in 2019 and modified to include resources for the COVID-19 response.

An implementation strategy and a scope of work were developed to serve as the basis for the contract modifications. The scope of work is focused on community mitigation efforts, with an emphasis on increasing community capacity to stop the spread of COVID-19, providing quarantine and isolation supports, establishing systems to align community mitigation efforts, and amplifying community voices to ensure trusted messengers assist with grassroots outreach.

As the financial agent for the HEZ in Pawtucket and Central Falls, the Local Initiatives Support Corporation shared the scope of work with the partners in the community, including the municipalities, and negotiated a budget for the work based on the desired goals and the existing capacity within the community to execute the scope of work.

As this was a modification to an existing contract with Local Initiatives Support Corporation under the HEZ request for proposals, the Local Initiatives Support Corporation negotiated the distribution of the funding. The municipalities were directly engaged and involved in the funding decisions, and their priorities were funded.

Municipalities can consider other funding alternatives for costs incurred from their vaccination programs, such as seeking reimbursement through FEMA for 100% of eligible costs related to vaccination efforts.

### **CrushCovid Application**

*What are the recurring costs associated with the CrushCovid application? What is the breakdown of the projected expenses beyond Dec. 30, 2020?*

The \$400,000 allocated for the CrushCovid application from January 2021 through June 2021 is budgeted for the following expenses:

- \$300,000 (\$50,000 per month) for application maintenance and support, including:
  - Detect and address bugs and provide troubleshooting;
  - Create additional features when identified by the State;
  - File status reports requested by the State; and
  - Provide daily and weekly metrics.
- \$100,000 for hosting costs from Amazon Web Services and contingency.

There are no plans for major enhancements to the application, but there is limited flexibility within the allocation for minor enhancements if needed.

### **School Construction Bonuses**

*Does the Treasurer have any plans to extend the deadlines for the school housing bond?*

The bonuses in the school construction plan were designed to be generous and time limited in order to spur districts to take action. Before making a recommendation on whether to extend the deadline, the Treasurer's Office and Rhode Island Department of Education School Building Authority would need to perform their due diligence by conducting a full examination of the out-year cost impact of the extension. It is important to note that [a bill has been introduced in the House](#) to extend the deadline by one year.

### **Funding for Foster Families**

*Is there any additional funding for foster families in the latest stimulus package or appropriations bill?*

There is no direct funding or payment impacts to foster families in the stimulus package or appropriations bill, but there are some programmatic changes and additional funding for specific programs in the COVID-19 Response and Relief Supplemental Appropriations Act. The Department of Children, Youth and Families is awaiting additional administrative guidance from the Administration for Children and Families.

### **RI Works**

*Are there any plans to include an additional benefit payment for RI Works families (similar to what was done in June 2020)? What would be the fiscal impact?*

The Department of Human Services completed an additional emergency payment in December 2020 in the same amount of a full monthly payment. A household of three, for example, receives a regular benefit of \$554 per month. The household received two emergency payments of \$554, one in June and the other in December.

In June, 3,251 Rhode Island Works households received \$1.57 million in emergency payments. In December, 2,570 Rhode Island Works households received \$1.22 million in emergency payments.

### **Court Monitor**

*Who is directing the attorneys negotiating on behalf of the State with the court monitor and developmental disability providers?*

The attorneys negotiating on behalf of the State are conflict counsel appointed by the Attorney General's Office.

### GEER Funding

*What is the breakdown of GEER uses?*

The following is a breakdown of the use of GEER Funds:

- Access to community college: \$5.2 million is being provided to expand free community college education to students currently not served by the Rhode Island Promise program.
- Higher education initiatives: \$3.8 million is being provided to the Rhode Island Office of the Postsecondary Commissioner under three specific projects and criteria:
  - Funds to support improving access to and accessibility of higher education and education training opportunities.
  - Funds to support innovation and institutional effectiveness at institutions of higher education that have been most financially impacted by COVID-19 to support operations.
  - Funds to support building an infrastructure to protect education-related jobs and increase the quality of child care programming to address learning loss among Rhode Island's youngest learners.
- Expanding access to high-quality pre-K: \$2.5 million is being provided to fund high-quality pre-K. Getting more children into such programs and ready for kindergarten is vital to mitigating learning loss and positioning children for educational success in elementary school.
- Mental health services for students: \$900,000 is being provided to fund increased student access to mental health professionals, with a priority on supporting school districts that have been able to bring most students back to in-person learning, have a high percentage of low-income students and have a need for additional supports.

### Direct Grants

*How have state agencies spent the funding from direct grants made available to them? What are their plans for the funding going forward?*

Agency	Grant	Amount Spent	How Funds Were Spent	How Funds Will Be Spent
RIDE	Child Nutrition Programs \$23.0M	\$16.9M	Funds were spent to provide to serve meals to school children while their school buildings were closed. The funding supported the existing USDA-funded nutrition programs and did not include any changes to their operations.	The program is complete; funds were based on the number of meals served. The original allocation was an estimate from the federal government.
RIDE	Education Stabilization Fund \$10.9M	\$0.4M	Funds were spent to expand the number of free courses on RIDE's All Course Network, which allows students to earn college credit,	Funds will be used to support literacy and math interventions, expand the EnrollRI platform, offer more All Course Network courses and fill grant-

			work-based credit and/or industry-recognized credentials. Funds also helped develop and launch EnrollRI.org, which serves as a one-stop shop for families seeking to access RIDE's statewide course options.	funded positions. The grant is in effect through Sept. 23, 2021.
<b>RIPTA</b>	FTA Urbanized Area Formula Grant \$29.8M	\$0	FTA released final apportionments the week of Monday, Jan. 18, 2021, and it will take time to access the funding.	This is the primary federal funding source for RIPTA. The funds will support continued operating and capital expenditures needed to maintain current service levels.
<b>RIAC</b>	Airport CARES Act Grant \$24.0M	\$6.9M	Funds were used for debt service. The pandemic has reduced passenger volume and related fees. This federal assistance provides support to airports to ease the financial burden of airlines.	It is anticipated that the funds will be used for airport debt service/operating expenses over the next two years.
<b>DHS</b>	LIHEAP \$5.9M	\$0		Funds were allocated to the seven Community Action Agencies. The funds are being held in reserve to address the significant problem of utility arrearages, specifically arrearages for electricity customers that will arise in late April once the moratorium on utility service terminations ends.
<b>DHS</b>	Community Services Block Grant \$5.5M	\$0.9M	Funds were allocated to the seven Community Action Agencies in Rhode Island. The agencies can use the funding for costs	Funds were allocated to the seven Community Action Agencies in Rhode Island. The agencies can use the funding for costs incurred from January

			incurred from January 2020 through September 2022 for a variety of purposes, such as additional personnel, food and basic needs assistance, programming and COVID-19-related costs.	2020 through September 2022 for a variety of purposes, such as additional personnel, food and basic needs assistance, programming and COVID-19-related costs.
<b>Commerce</b>	Community Development Block Grant \$11.0M	\$0		<p>A request for proposals (RFP) for housing-related projects will be issued over the next few days. An RFP for basic needs-related projects will be issued soon after.</p> <p>The funding must be spent by May 2026, with 80% spent by May 2023.</p> <p>The Office of Housing and Community Development and the Housing Resources Commission have consulted with key stakeholder groups, state agencies and the public to develop a plan for other, potential categories, including:</p> <ul style="list-style-type: none"> <li>• Housing, designed to increase affordable housing opportunities/supply</li> <li>• Basic needs (essential services and public facilities)</li> <li>• Broadband</li> <li>• Homeless response – quarantine/isolation support and shelter expansion</li> <li>• Landlord incentives</li> <li>• Mortgage/homeowner assistance</li> </ul>

				•Additional RFPs (e.g. broadband) and initiatives (e.g. mortgage assistance) are being developed
<b>Commerce</b>	Housing Opportunities for Persons with AIDS \$0.2M	\$0.1M	HOPWA supplemental allocations were associated with specific projects (Sunrise and New Transitions) funded by the Housing and Urban Development Department to provide shelter and essential services to persons with HIV/AIDS and their families. Funding allowed for expanded services/shelter for a limited time.	
<b>URI</b>	Higher Education Emergency Relief Fund – Student Aid Portion \$5.6M	\$3.7M	The funds were used to provide emergency financial aid grants, purchase equipment to enable distance learning and other uses. Please view the <a href="#">quarterly reports</a> for a breakdown of how the funds were used.	
<b>DOT</b>	FTA State of Good Repair \$5.2M	\$3.5M	The funds were used for transit operating and preventative maintenance expenses. Specific transit tasks include, but are not limited to, staff time in support of transit operations, expenses from the 2020 ferry season, supplies and equipment for transit facilities, and operating transfers to RIPTA.	The funds will be spent on transit operations, such as those associated with the 2021 ferry season, operating transfers to RIPTA, staff time and other related transit functions.

<b>CCRI</b>	Higher Education Emergency Relief Fund – Student Aid Portion \$5.0M	\$1.3M	The program provides financial assistances to students affected by the pandemic. Please view the <a href="#">quarterly reports</a> for a breakdown of how the funds were used.	Plans are underway for another direct distribution of funds to Pell-eligible students for the spring 2021 semester.
<b>DOH</b>	Hospital Preparedness \$3.5M	\$1.2M	The funds were used for staff and contracts to support hospital preparedness and the Healthcare Coalition of Rhode Island; ventilator resupply kits; and hospital COVID-19 contracts supporting the identification and closing of gaps, enhancement of surge planning, and sharing of lessons learned.	The remaining funds will be used for staff and contracts to support hospital preparedness and the Healthcare Coalition of Rhode Island, and for the balance of the hospital COVID-19 contracts.
<b>DOH</b>	Influenza Supplement \$0.5M	\$0.2M	The funds were used to promote the flu vaccine. They were also used for supplies and contracts to increase vaccination efforts.	The remaining funds will be used for the COVID-19 vaccination efforts.
<b>DOH</b>	Facility Certification \$0.4M	\$0.1M	The funds were used to conduct infection control surveys, complaint investigations and inspections of healthcare facilities related to reported COVID-19 cases. A Nursing Care Evaluator has been hired under this funding source who is dedicated to these activities; the award also provides for operating expenses related to these programmatic charges.	Spending under this award began on Oct. 1, 2020, with plans to spend it all by the end of Fiscal Year 2023.
<b>RIC</b>	Higher Education Emergency Relief	\$3.7M	The award was utilized to cover pre-existing	

	Fund – Student Aid Portion \$3.7M		faculty salaries that were deemed eligible from the cost of transitioning to a remote environment. Please view <a href="#">quarterly reports</a> for a breakdown of how the funds were used.	
<b>DPS</b>	Coronavirus Emergency Supplemental Funding Program \$3.2M	\$0	The Steering Committee within the Criminal Justice Policy Board is in the planning stages for solicitation of proposals to be funded with the award. Allowable projects and purchases include, but are not limited to, overtime, equipment (including law enforcement and personal protective equipment), hiring, training, and those to address the medical needs of individuals who are incarcerated.	

cc: Members of the Senate Committee on Finance  
Stephen Whitney, Senate Fiscal Advisor  
Brett Smiley, Director of Administration