



Child Care, Child Welfare and Children's Services Funding Update

October 27, 2021

Senate Committee on Finance

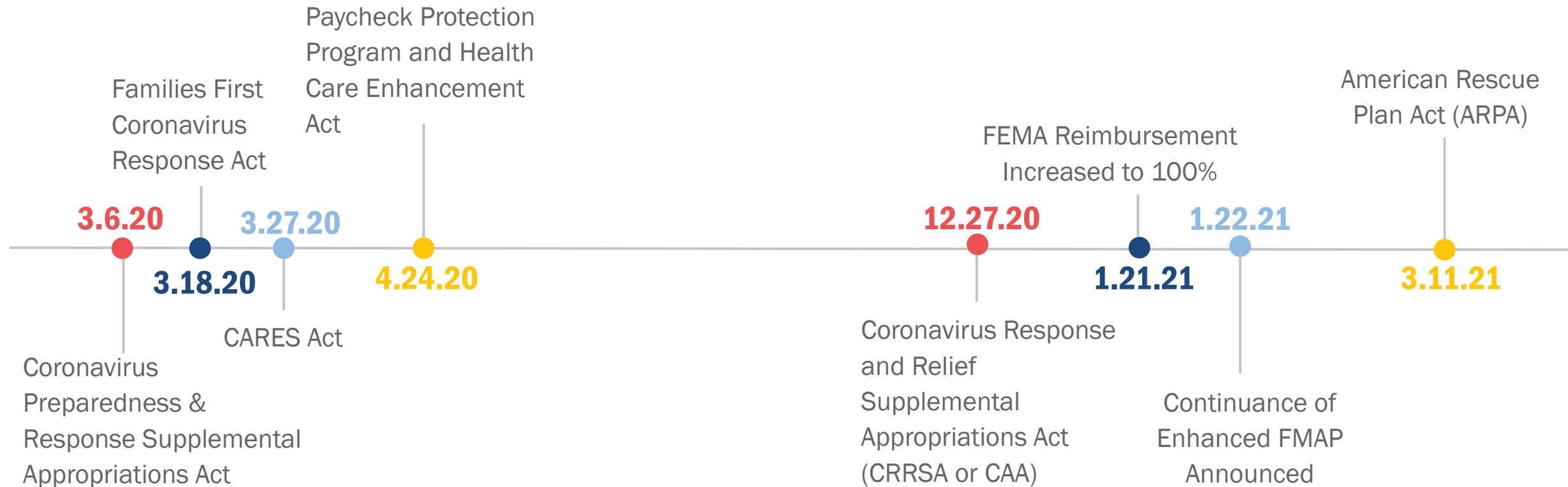
**RHODE
ISLAND**

Agenda

- Introduction/Background
- Discussion of Existing Funding Opportunities
 - CARES Act
 - CRRSA
 - ARPA
 - FEMA
- SFRF
 - Compliance and eligibility
 - Performance measures
- Governor's Down Payment Proposals

COVID-19 Relief Legislation Timeline

Congress has passed laws making additional federal funds available to states to address the COVID-19 pandemic. These funds are in addition to the typical federal funds that states receive. They are also in addition to Stafford Act reimbursement for eligible disaster-related costs.



Varying Degrees of State Control for Federal Awards

ARPA and other stimulus awards range from relatively flexible to highly structured

High State Control

Little/No State Control



Stimulus Awards

Direct Awards to State Agencies

Pass-through Funds

Awards to Non-State Entities

e.g. SFRF, CRF

CDC Grants to RIDOH

ESSER, Local Recovery Funds

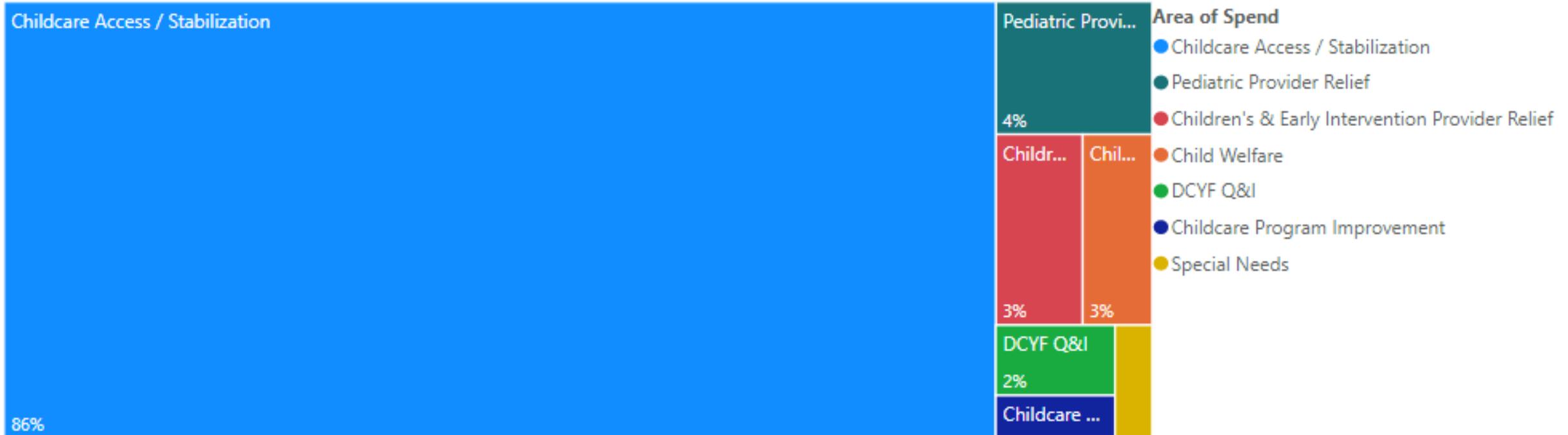
Grants directly to quasis or community providers, no state involvement

Overview of COVID-19 Federal Stimulus Child Care Funding

COVID-19 Child Care Grant Overview - \$149.3M awarded

Stimulus Bill	Grant Name	Award Amount	Planned Expenditures	Expenses + Encumbrances	Planned Exp. Remaining	Award Remaining
CARES Act	Coronavirus Relief Fund	\$15.9M	\$15.9M	\$15.9M	\$0.0M	\$0.0M
	CCDF	\$8.2M	\$8.2M	\$3.4M	\$4.8M	\$4.8M
	Child Welfare Services	\$0.1M	-	\$0.1M	(\$0.1M)	(\$0.0M)
		\$24.2M	\$24.1M	\$19.4M	\$4.7M	\$4.8M
Consolidated Appropriations Act	Title IV-B Investment – Foster Care	\$0.7M	\$0.2M	\$0.1M	\$0.1M	\$0.6M
	Promoting Safe and Stable Families	\$0.2M	-	-	-	\$0.2M
	Independent Living Program – Chafee	\$1.8M	\$1.8M	\$0.3M	\$1.4M	\$1.4M
	Chafee Education and Training Vouchers	\$0.3M	\$0.3M	\$0.1M	\$0.2M	\$0.2M
	CCDF	\$23.9M	\$23.7M	\$18.4M	\$5.4M	\$5.5M
		\$26.8M	\$25.9M	\$18.9M	\$7.1M	\$7.9M
American Rescue Plan Act	Community-Based Child Abuse Prevention	\$0.7M	\$0.7M	-	\$0.7M	\$0.7M
	Child Care Stabilization Grants	\$57.3M	\$57.3M	-	\$57.3M	\$57.3M
	Child Abuse State Grants	\$0.3M	\$0.0M	-	\$0.0M	\$0.3M
	Child Care Entitlement to States (Increase in Matching Portion)	\$1.4M	\$0.0M	-	\$0.0M	\$1.4M
	CCDF	\$35.7M	\$35.7M	-	\$35.7M	\$35.7M
	Individuals with Disabilities Education Act (IDEA) – Preschool	\$1.2M	\$1.2M	-	\$1.2M	\$1.2M
		\$96.6M	\$94.3M	-	\$94.3M	\$96.6M
FEMA	FEMA	\$1.8M	\$1.8M	\$1.6M	\$0.0M	\$0.0M
		\$1.8M	\$1.8M	\$1.6M	\$0.0M	\$0.0M

Child Care: Planned Expenditure Initiative Inventory



Child Care: Planned Expenditure Initiative Inventory

Area of Spend	ARPA	CAA	CARES	FEMA	Total
Child Care Access / Stabilization	\$91.5M	\$23.7M	\$11.3M	-	\$126.5M
Children's & Early Intervention Provider Relief	-	-	\$4.9M	-	\$4.9M
Child Welfare	\$0.2M	\$2.2M	\$1.1M	-	\$3.5M
Pediatric Provider Relief	-	-	\$6.1M	-	\$6.1M
DCYF Q&I	-	-	\$0.7M	\$1.8M	\$2.5M
Child Care Program Improvement	\$1.5M	-	-	-	\$1.5M
Special Needs	\$1.2M	-	-	-	\$1.2M
Total Planned Expenditures	\$94.3M	\$25.9M	\$24.0M	\$1.8M	\$146.1M

Funds Committed

**RHODE
ISLAND**

Coronavirus Relief Funds (CARES) - \$16.3M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Pediatric Provider Relief	\$6.1M	\$6.1M	\$0.0M
Children's Services Provider Relief	\$4.9M	\$4.9M	\$0.0M
Child Care Access / Stabilization	\$3.1M	\$3.1M	\$0.0M
DCYF Q&I	\$0.7M	\$0.7M	\$0.0M
Child Welfare	\$1.1M	\$1.1M	\$0.0M
Total	\$15.9M	\$15.9M	\$0.0M

Eligible Uses

- Addressing the effects of COVID-19 broadly defined

Significant Planned Uses of Funds

- \$3.1M - Child Care Recovery Fund
- \$3.1M - Pediatric Primary Care Relief & Immunizations Program
- \$3.0M - Pediatric Provider Rate Supplement
- \$4.9M - Children's Services & Early Intervention Provider Relief
- \$0.7M - DCYF Q&I Facilities
- \$0.4M - DCYF Child Care & Community Service Resiliency
- \$0.6M - Provider Rate Increases (DCYF Stipends)
- \$0.1M - VEC

Fund Expiration Date

- Funds expended on or before December 31, 2021
- Period of performance ends on December 31, 2021

Pediatric, Early Intervention, Children's Provider Relief

CRF funds were used for provider relief targeted at pediatric, early intervention, and children's service providers.

Program	Description	Funding
Pediatric Provider Relief Program	One-time grant payments meant to support system resiliency and the response to public health concerns brought on by COVID-19-related disruptions in primary care (e.g., drastic reductions in immunization rates), as well as to offset costs of business interruption and expenses incurred due to the COVID-19 public health emergency.	\$3.1M
Pediatric Providers Rate Supplement	Provide monthly financial incentives to pediatric primary care practices to ensure all children are up to date with the full array of essential, preventive healthcare services by overcoming COVID-19-related barriers to access.	\$3.0M
Children's Services	Children's Services Provider Relief Fund to support children's services providers. The funding is awarded as grants to eligible providers to address lost revenue due to COVID-19, as well as expenditures associated with resuming in-person services.	\$2.7M
Early Intervention	Early Intervention Provider Relief Fund to support childhood early intervention providers (serving children infancy through age 3). The funding is awarded as grants to eligible providers to address lost revenue due to COVID-19, as well as expenditures associated with resuming in-person services.	\$2.2M
	Total:	\$11.0M

CCDF (CARES) - \$8.2M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Child Care Access / Stabilization	\$8.2M	\$3.4M	\$4.8M
Total	\$8.2M	\$3.4M	\$4.8M

Eligible Uses

- Supplemental CCDF funding to be used on all CCDBG eligible expense:
 - Increase provider payments
 - Improve payment policies
 - Increase wages for early educators and family care providers
 - Increase supply of child care for underserved populations
- Difference from standard CCDF: No allocation requirement withing eligible expenses

Significant Planned Uses of Funds

- **\$3.5M** - Temporary Waiver of CCAP Family Copays
- **\$2.6M** - CCAP COVID Rate Increase
- **\$1.9M** - Child Care Recovery Fund
- **\$0.2M** - Early Childhood Care and Education Background Check Fee Waiver

Fund Expiration Date

- September 30, 2023

CCDF (CAA) - \$23.7M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Child Care Access / Stabilization	\$23.7M	\$18.4M	\$5.4M
Total	\$23.7M	\$18.4M	\$5.4M

Eligible Uses

- Supplemental CCDF funding to be used on all CCDBG eligible expense:
 - Increase provider payments
 - Improve payment policies
 - Increase wages for early educators and family care providers
 - Increase supply of child care for underserved populations
- Difference from standard CCDF: No allocation requirement withing eligible expenses

Significant Planned Uses of Funds

- **\$18.6M** - Child Care Direct Stabilization Grants
- **\$2.5M** - CCAP COVID Rate Increase
- **\$1.3M** - Pre-K Expansion
- **\$0.9M** - Stabilization Grant Administration
- **\$0.4M** - CCDF Project Management

Fund Expiration Date

- September 30, 2023

CCDF (ARPA) - \$35.7M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Child Care Access / Stabilization	\$34.2M	\$0.0M	\$34.2M
Child Care Program Improvement	\$1.5M	\$0.0M	\$1.5M
Total	\$35.7M	\$0.0M	\$35.7M

Eligible Uses

- Supplemental CCDF funding to be used on all CCDBG eligible expense:
 - Increase provider payments
 - Improve payment policies
 - Increase wages for early educators and family care providers
 - Increase supply of child care for underserved populations
- Difference from standard CCDF: No allocation requirement withing eligible expenses

Significant Planned Uses of Funds

- **\$27.5M** - CCAP FY22 Enacted Rate Increase
- **\$4.0M** - CCAP Enrollment Reimbursement
- **\$2.8M** - CCAP Copays Capped at 7%
- **\$0.8M** - BrightStars Quality Improvement Assistance
- **\$0.6M** - Child Care Mental Health Support Expansion

Fund Expiration Date

- September 30, 2024

Child Care Stabilization Grants (ARP) - \$57.3M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Child Care Access / Stabilization	\$57.3M	-	\$57.3M
Total	\$57.3M	-	\$57.3M

Eligible Uses

- 90% must be spent on subgrants to child care providers – eligible subgrantee uses include:
 - Wages and benefits, rent and utilities, cleaning and sanitation, and services necessary to maintain/resume child care services
- 10% on administrative expenses

Significant Planned Uses of Funds

- \$57.3M – Grants to Providers

Fund Expiration Date

- September 30, 2023

Timeline of COVID Child Care Actions

Throughout the pandemic, DHS has taken actions designed to support access to and the availability of child care in Rhode Island.



COVID Enhanced Rates (through 12/31/21)		FY 2022 Enacted Rate Increase	
Pay Providers Based On Enrollment Not Attendance (currently 12/31/21)			
Waiving all CCAP Family Co-Payments (through 12/31/21)		Capping CCAP Family Co-Pays at 7% of Income	
Child Care Recovery Grants	CRRSAA Stabilization Grants		ARPA Stabilization Grants
		Pre-K Expansion	
		Quality Improvement Assistance	
		SUCCESS/Children's Mental Health	

Rate Increases and Provider Support

Various reimbursement rate and payment practice policies were altered during the public health emergency to provide support to child care centers and family child care providers

CCAP Reimbursement Rates

- COVID Rate Increase – Increased rates for all providers and added an additional increase for 5-star providers (rates are above the FY22 enacted) to cover added costs associated with COVID mitigation and to encourage re-opening
 - Total CCDF Investment: \$5.2M
- FY22 Enacted Rate Increase – Increased rates for all providers (rates are below the COVID Rate increase)*
 - Total CCDF Investment: \$27.5M

Payment Practices and Other Changes

- Enrollment vs. Attendance – Reimbursing per seat based on the number of enrolled children in a program rather than reimbursing based on daily attendance, through June 2024
 - Total CCDF Investment: \$4.0M
- Background Check Waiver – Covering the comprehensive background check fees at the Attorney General’s Office, relieving the providers of that expense, through FY23
 - Total CCDF Investment: \$173K

Family Support

Actions taken to reduce the cost of child care on CCAP families

- Depending on the income of the eligible family, DHS requires a percentage share from families to participate in state-administered programs such as CCAP and Rhode Island Works, the State’s cash assistance program
- From early 2020 to the end of 2021, DHS waived all family co-payments entirely
- The FY22 Enacted Budget contained a 7% family co-payment cap beginning January 1, 2022
 - 7% is recognized as the federal affordability standard by the U.S. Department of Health and Human Services
- 7% Cap: \$2.8M
- Waiving Co-Payments: \$3.5M

Level	Federal Poverty Level	% of Countable Gross Income Paid	w/ 7% Co-Pay Cap
0	Up to 100%	0%	0%
1	100% - 125%	2%	2%
2	125% - 150%	5%	5%
3	150% - 180%	8%	7%
4	180% - 200%	10%	7%
5	200% - 225%	14%	7%

Quality Support

Quality improvement initiatives and mental health support in response to social and emotional stressors resulting from the COVID-19 pandemic

Technical Support for BrightStars

- Funding additional scope with the existing quality vendor, BrightStars, to assess the impacts the pandemic have had on the quality framework and determine what recommendations may exist to update the framework
- Intended to both increase the availability of quality programming by increasing quality in those providers already participating in QRIS while simultaneously recruiting and engaging previously unrated programs
- Total CCDF Investment: \$842K

Mental Health Support

- Funds will expand and complement the existing early childhood mental health consultation services (through Bradley Hospital) and programming to expand the model to Family Child Care programs, implement workforce development training in Reflective Practice and Supervision to increase responsive and supportive work environments, and implement a Coordination of Care team, to address provider, classroom, and programmatic issues related to the social, emotional, and behavioral needs of children families, staff and programs.
- Total CCDF Investment: \$636K

Child Care Stabilization Funds (CRRSAA and ARPA)

Grants to child care providers for operating expenses, payroll, PPE, COVID-19 mitigation, or mental health supports for children and employees

Provider Type	Stipend Amount	Total Amount
Child Care Centers	\$4,500 per classroom	Differs based on licensed capacity; centers receive 2 separate awards
Family Child Care Homes	\$1,500	\$3,000 (2 stipends issued in one award)
Group Family Child Care Homes	\$2,250	\$4,500 (2 stipends issued in one award)
License-Exempt Providers	\$400	\$800 (2 stipends issued in one award)

*The above table is representative of the CRRSAA Stabilization Grant program. ARPA Stabilization dollars will be administered similarly but will provide grants intended to cover six months of operating costs associated with reduced enrollment, CRRSAA covered two months.

- During fall 2020, Rhode Island administered a series of statistically-valid surveys to child care programs to assess the financial and operational impact of COVID-19 on their businesses. On average, DHS-licensed child care providers reported a 25% reduction in enrollment due to COVID-19.
- CRRSAA CCDF: \$19.5M, including the cost of the fiscal intermediary
- ARPA: \$57.3M for specifically stabilization grants, including the cost of the fiscal intermediary

Various DCYF Grants 1/2 - \$2.1M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Independent Living Program – Chafee (CAA)	\$1.8M	\$0.3M	\$1.4M
Chafee Education & Training Vouchers (CAA)	\$0.3M	\$0.1M	\$0.2M
Promoting Safe & Stable Families (CAA)	\$0.0M	\$0.0M	\$0.0M
Total	\$2.1M	\$0.4M	\$1.7M

Eligible Uses

- Chafee and Independent Living
 - Supplemental funding under Chafee program to support older foster care youth in their transition to independence
 - Supplemental placed a moratorium on aging out of foster care until 10/1/2021 and removed match requirements
- Promoting Safe and Stable Families: Supplemental funding for the Court Improvement Program to address COVID related issues (backlogs, etc.)

Significant Planned Uses of Funds

- **\$1.8M** - Case management and other supports to youth aging out of foster care (Chafee)
- **\$0.3M** - Education and training Vouchers

Fund Expiration Date

- Chafee – September 30, 2022
- Promoting Safe and Stable Families – September 30, 2022

Various DCYF Grants 2/2 - \$0.5M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Title IV-B Investment – Foster Care (CAA)	\$0.2M	\$0.0M	\$0.2M
Community-Based Child Abuse Prevention (ARP)	\$0.2M	\$0.0M	\$0.2M
Child Welfare Services (CARES)	\$0.0M	\$0.1M	(\$0.0M)
Total	\$0.5M	\$0.1M	\$0.4M

Eligible Uses

- Title IV-B Investment Foster Care
 - Family support, family preservation, family reunification and adoption promotion and support services
- Community-Based Child Abuse
 - Supplemental grant funding with same eligible uses as standard CBCAP program – child abuse and neglect prevention
 - Distinction from standard award: No state match

Significant Planned Uses of Funds

- \$0.2M** – Various programs related to community-based family support, family preservation, family reunification and adoption promotion and support services (IV-B)
- \$0.2M** – SEN Patient Care Navigator and Domestic Violence Liaison (Child Abuse Prevention)

Fund Expiration Date

- IV-B MaryLee Allen Promoting Safe and Stable Families – December 31, 2022
- Community Based Child Abuse - Obligated by September 30, 2025; expended by December 31, 2025

IDEA Part C – Infants & Toddlers (ARP) - \$1.2M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
Special Needs	\$1.2M	\$0.0M	\$1.2M
Total	\$1.2M	\$0.0M	\$1.2M

Eligible Uses

- Direct provision of early intervention services to infants and toddlers with disabilities /families
- Implementing a statewide, comprehensive, coordinated, multidisciplinary, interagency system to provide early intervention services
- Ensuring continuity of services including child find, public awareness, referral and evaluation, communications and service delivery options, and other areas

Significant Planned Uses of Funds

- **\$1.1M** - Early Intervention Providers Hiring & Retention
- **\$0.1M** - RIEICCS System Improvements

Fund Expiration Date

- IDEA Part C Supplemental funds eligible for use between July 1, 2021 and September 30, 2023
- Must be liquidated by January 28, 2024

FEMA - \$1.8M

Area of Spend	Planned Expenditures	Expenses	Planned Exp. Remaining
DCYF Q&I	\$1.8M	\$1.6M	\$0.0M
Total	\$1.8M	\$1.6M	\$0.0M

Eligible Uses

- Non-Congregate sheltering to mitigate the spread of COVID-19

Significant Planned Uses of Funds

- \$1.3M - Youth and Families Facility
- \$0.3M - DCYF Intake Facilities
- \$0.1M - DCYF Covid Positive Facility

Fund Expiration Date

- December 31, 2021 (Current end of 100% reimbursement period)

FEMA Funds

FEMA may provide assistance for the following measures implemented to facilitate the safe opening and operation of eligible child care facilities in response to COVID-19 declared events

- Reimbursement is specifically for COVID-19 emergency and disaster declarations through FEMA's Public Assistance program for actions performed from January 21, 2021, through December 31, 2021. Eligible items include:
 - Purchase and distribution of face coverings and other Personal Protective Equipment (PPE)
 - Cleaning and disinfection, in accordance with CDC guidelines
 - COVID-19 diagnostic testing
 - Screening and temperature scanning, including the purchase of temperature-measuring devices
 - Purchase and installation of portable temporary physical barriers and signage for social distancing
 - Purchase and storage of PPE and other supplies listed above on projected needs

SFRF Eligibility and Metrics

State & Local Fiscal Recovery Fund

Expenditures related to children could be eligible under Services for Disproportionately Impacted Communities: Healthy Childhood Environments, Public Health & Negative Economic Impacts

Services to disproportionately impacted communities: Promote healthy childhood environments

- New or expanded high-quality child care to provide safe and supportive care for children;
- Home visiting programs to provide structured visits from health, parent educators, and social service professionals to pregnant women or families with young children to offer education and assistance navigating resources for economic support, health needs, or child development; and
- Enhanced services for child welfare involved families and foster youth to provide support and training on child development, positive parenting, coping skills, or recovery for mental health and substance use challenges
- Services in **Qualified Census Tracts (QCT)** are presumed eligible

Public Health: Other Public Health Services

- Eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency

Negative Economic Impact: Aid to Other Impact Industries

- Individual projects must clearly show with data (1) how the industry was disproportionately impacted by COVID; and (2) how the particular aid is responsive and proportional to those impacts. The child care industry could be eligible under this category for certain programs.

SLFRF: Education Assistance Performance Metrics

Internal/state metrics, and U.S. Treasury metrics

State metrics

U.S. Treasury requires all projects funded with State or Local Fiscal Recovery Fund dollars to report internally-derived key performance metrics (to be reported quarterly).

Performance indicators should include both output and outcome measures. Output measures, such as number of students enrolled in an early learning program, provide valuable information about the early implementation stages of a project. Outcome measures, such as the percent of students reading on grade level, provide information about whether a project is achieving its overall goals.

Recipients are encouraged to use logic models to identify their output and outcome measures.

U.S. Treasury metrics

U.S. Treasury also requires its own performance metrics based on the Expenditure Category assigned to each agency project by the Pandemic Recovery Office. For the Health Childhood Environments category, Treasury requires that all projects report **the number children served by child care and early learning (pre-school/pre-K/ages 3-5) and number of families served by home visiting.**

Treasury also encourages recipients to provide data disaggregated by race, ethnicity, gender, income, and other relevant factors.

Governor's Down Payment Proposals

Child Care Initiative

The Governor requests \$13.0 million in federal funds from the State's allocation of the State Fiscal Recovery Fund for the purpose of providing necessary funding to the child care industry in order to retain existing providers, attract new providers, and meet the immediate needs of this essential industry.

- Bonuses to full- and part-time staff of state-licensed child care staff – \$12.7 million
 - \$2,000 cap annually per recipient
- Startup grants and support for providers seeking to open new family child care provider sites – \$300,000
 - \$2,000 startup grants, technical assistance, and fee forgiveness
- This investment provides a cost-effective means of expanding the State's child care capacity and addresses critical needs resulting from labor shortages in the industry
- The child care industry provides an essential service to Rhode Island families, and the uninterrupted operation of child care providers is critical in getting Rhode Islanders in all industries back to work

DCYF Provider Workforce Stabilization

The Governor requests \$12.5 million in federal funds from the State's allocation of the State Fiscal Recovery Fund for the purpose of providing workforce stabilization payments to the direct care staff of the service provider organizations in contract with the Department of Children, Youth, and Families (DCYF).

- Provide one-time supplemental wage payments to direct and support care staff, from both congregate care and community-based providers, to incentivize retention and recruitment
 - \$694.50 per month for 12 months to eligible staffers
- Organizations report a 36% vacancy rate in direct care positions
 - Capping and reduction of census of youth is widespread, reducing the capacity of providers and putting youth at risk
- Only employees earning less than \$75,000 would be eligible for supplemental wages
 - There are currently 37 DCYF-contracted organizations employing up to 1,500 eligible workers

Early Intervention Recovery

The Governor requests \$5.5 million in federal funds from the State's allocation of the State Fiscal Recovery Fund for the purpose of assisting Early Intervention (EI) providers mitigate the economic impact of the pandemic, avoid further closures, and provide continued services to children with developmental needs.

- Stabilization grants – \$4.5 million
 - Award amounts dependent on revenue losses in FY 2021 and FY 2022, as well as increased cost of service delivery
 - Uses of grant would include funding for staff salaries and bonuses, technology for outreach and engagement, professional development, and COVID-19 safety supplies
- Performance-based bonuses – \$1 million
 - Awarded based on performance targets/metrics including retaining staff, expanding access to services for families in need, and reducing disparities in coverage for Medicaid families and minority families
- Due to lack of staff, four of nine EI providers are currently closed to new referrals. Referrals between FY 2019 and FY 2020 decreased by 15.3%, and 24% of families meant to receive services in 2020 lost contact or exited from EI before completion of program goals

Pediatric Healthcare Recovery

The Governor requests \$7.5 million in federal funds from the State's allocation of the State Fiscal Recovery Fund for the purpose of pediatric relief programming. These funds will provide for stabilization grants to pediatric primary care practices as well as finance a pay-for-performance program to incentivize recovery.

- Stabilization and performance-based incentive funding – \$6 million
 - Within three months of funding approval, release program guidance and applications for pediatricians
 - Engage a shared fiscal intermediary to track use of stabilization funds, implement the pay-for-performance components, and provide regular data updates to the State to support operations and policy
- Enhanced socio-emotional and social determinants of health screenings – \$1.5 million
 - Throughout the public health emergency, many children with behavioral health conditions and related developmental delays were unable to access services and family supports. This initiative would address the delay in receiving health services for children and respond to the additional behavioral health needs created and exacerbated by the public health emergency
 - Immediate appropriation of these funds will boost critical preventative care, such as vaccines and developmental screens, and engage services to address the trauma induced by the pandemic