



**May 2022 Caseload  
Estimating Conference**  
**RI Department of Human Services**  
**April 25, 2022**

Caseload Testimony

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# May 2022 Caseload Conference

## Rhode Island Department of Human Services

The members of the Caseload Estimating Conference have requested that the Executive Office of Health and Human Services (EOHHS) and the Department of Human Services (DHS) provide written answers to various questions in addition to the presentation of their estimates. These answers are provided throughout the document and highlighted in red text.

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## Rhode Island Works (RIW) Program

RI Works is Rhode Island's name for the federal Temporary Assistance to Needy Families (TANF) program. Authorized under Public Law 104-193 in 1996 (the welfare reform legislation "Personal Responsibility and Work Opportunity Reconciliation Act" or PRWORA), the TANF program is a block grant to states to achieve the following purposes:

- Assisting needy families so that children can be cared for in their own homes;
- Reducing the dependency of needy parents by promoting job preparation, work and marriage;
- Preventing out-of-wedlock pregnancies; and
- Encouraging the formation and maintenance of two-parent families.

States create their own programs within the parameters of TANF. RIGL § 40-5.2 authorizes RI Works. It was previously known as the Family Independence Program (FIP) when enacted in 1997. In 2008, it was revised as the RI Works program to align with TANF's employment goals and policies and to help recipient families become employed and self-sufficient. The goal of RI Works is to eliminate or reduce the harmful effects of poverty on families and children by fostering employment and opportunity as a means to economic independence (RIGL § 40-5.2-6 (a)); and to eliminate the stigma of welfare by promoting a philosophy and a perception that the purpose of welfare is to eliminate or reduce the harmful effects of poverty on families and children by promoting work opportunities for all Rhode Island residents (RIGL § 40-5.2-6 (c)).

All activities and services provided through the RI Works program are intended to promote stability and economic progress for families through the provision of supportive services, the development of employment skills and intensive work readiness services. The RI Works Program supports adult family members to work by offering the following benefits and services:

- **Cash Assistance** is provided to families experiencing poverty that meet certain regulations
- **Comprehensive Assessment and Service Planning** for families receiving cash assistance
- **Child Care Assistance** is provided to support the family, when needed
- **Employment Supports** which includes assistance with job training, adult education and obtaining employment at livable wages
- **Food Assistance** is provided by Supplemental Nutrition Assistance Program (SNAP)
- **Transportation:** reimbursement and/or bus passes are available to support preparation for employment
- Parents are strongly encouraged to apply for **Health Care** while on RI Works

The TANF Block Grant is the sole funding source for RI Works. In order to draw Rhode Island's \$94.7million federal grant, the State is required to maintain a historic level of investment in programs that serve low-income families. This investment is called Maintenance of Effort (MOE), and these expenditures are calculated each fiscal year and must be at least 80 percent of historic "qualified" state expenditures under the former Aid to Families with Dependent Children (AFDC) Program. In Rhode Island, 80 percent MOE is \$64.4 million.

**Profile of RI Works**

Household Breakdown	Household Breakdown	
	Households with 1 parent	62.09%
	Households with 2 parents	3.81%
	Households with child-only cases	34.10%

Race and Ethnicity	Race and Ethnicity	
	American Indian or Alaskan Native, Non-Hispanic	1.2%
	Asian, Non-Hispanic	0.8%
	Black or African American, Non-Hispanic	13.8%
	Native Hawaiian or Other Pacific Islander, Non-Hispanic	0.1%
	White, Non-Hispanic	18.1%
	Hispanic, including Mexican, Puerto Rican, and Cuban	25.6%
Unable to Determine the Ethnicity or Race	40.4%	

Age	Age	
	Adults age 18 and older	28.4%
	Children under age 18	71.6%

Recipients per Household	Recipients per Household	
	1 individual	22%
	2 individuals	33%
	3 individuals	24%
	4+ individuals	21%

**Profile of RI Works (Continued)**

Self-Reported Education Levels for Adults		
Education Levels	Less Than 8th Grade	1.6%
	8th Grade	2.7%
	9th Grade	5.9%
	10th Grade	7.2%
	11th Grade	14.0%
	12th Grade or GED Completed	42.4%
	Some College, Not Graduated	17.2%
	Two Year Degree	4.4%
	Four Year Degree	2.1%
	Post Four Year Degree	0.5%
	Unknown	2.2%

**RI Works Cases by City/Town**

City/Town	City/Town	Cases	Individuals
City/Town	Barrington	7	23
	Bristol	17	37
	Burrillville	21	50
	Central Falls	114	310
	Charlestown	2	4
	Coventry	31	56
	Cranston	118	283
	Cumberland	25	68
	East Greenwich	12	26
	East Providence	108	253
	Exeter	3	9
	Foster	5	12
	Glocester	5	13
	Hopkinton	7	11
	Jamestown	4	8
	Johnston	48	113
	Lincoln	28	69
	Little Compton	1	2
	Middletown	28	73
	Narragansett	5	10

New Shoreham	0	0
Newport	96	285
North Kingstown	31	73
North Providence	62	149
North Smithfield	8	20
Pawtucket	303	751
Portsmouth	9	26
Providence	1066	2877
Richmond	2	4
Scituate	6	12
Smithfield	13	38
South Kingstown	17	42
Tiverton	17	38
Warren	12	29
Warwick	93	228
West Greenwich	3	3
West Warwick	77	200
Westerly	19	41
Woonsocket	304	821
Undetermined	6	17
<b>Total</b>	<b>2733</b>	<b>7084</b>

**Question:** Please provide a profile of current 1-parent, 2-parent, and child only cases by demographics (such as age and residence) and by duration of benefits.

**Question:** Please provide a profile of hardship cases by similar criteria as listed above.

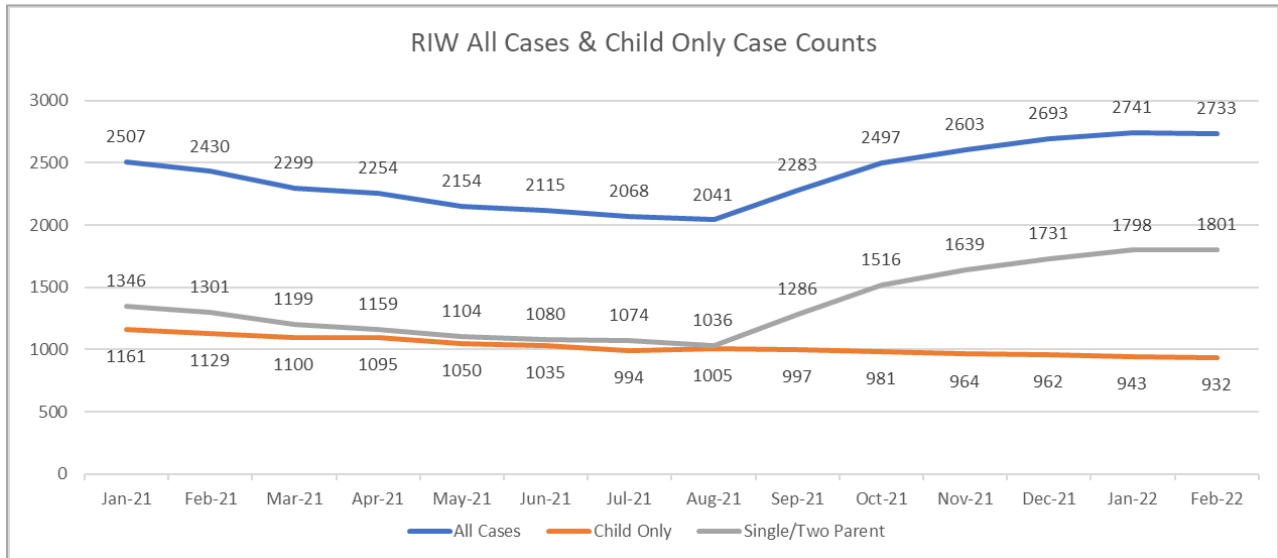
**Answer:** Please see charts below.

Family Type	Months on RI Works				
	0-24	25-48	49-60	>60	Total
Single-Parent	609	775	209	105	1698
Two-Parent	119	66	15	7	207
<b>Total</b>	<b>728</b>	<b>841</b>	<b>224</b>	<b>112</b>	<b>1905</b>

City/Town	Cases		
	Child-Only	Single-Parent	Two-Parent
Barrington	1	6	0
Bristol	2	14	1
Burrillville	8	11	2
Central Falls	47	63	4
Charlestown	1	1	0
Coventry	17	14	0
Cranston	41	72	5
Cumberland	10	13	2
East Greenwich	5	7	0
East Providence	36	70	2
Exeter	1	2	0
Foster	0	5	0
Glocester	1	4	0
Hopkinton	2	5	0
Jamestown	2	2	0
Johnston	21	24	3
Lincoln	8	20	0
Little Compton	0	1	0
Middletown	7	20	1
Narragansett	4	1	0
New Shoreham	0	0	0
Newport	24	68	4
North Kingstown	10	21	0
North Providence	17	41	4
North Smithfield	0	8	0
Pawtucket	95	198	10
Portsmouth	3	6	0
Providence	373	656	37
Richmond	1	1	0
Scituate	2	4	0
Smithfield	2	10	1
South Kingstown	12	4	1
Tiverton	5	12	0
Warren	4	8	0
Warwick	26	61	6
West Greenwich	2	1	0
West Warwick	28	46	3
Westerly	11	6	2
Woonsocket	103	185	16
Undetermined	0	6	0
<b>Total</b>	<b>932</b>	<b>1697</b>	<b>104</b>

**Question:** How many child-only cases are included in the estimate for FY2022 and FY2023? How many families receive the payment(s)?

**Answer:** 34 percent of the caseload is projected to be child only cases for FY2023 and 35 percent for FY2024. The percentage of child only cases prior to COVID had been stable at 35 percent. The percentage of child only cases since COVID have varied from 26 percent to 48 percent. The projection was created using a weighted average of the past 24 months.



**Question:** How many parents are currently without a plan due to:

- a. Exemption from employment planning

**Answer:** 147 cases are currently active with exemptions

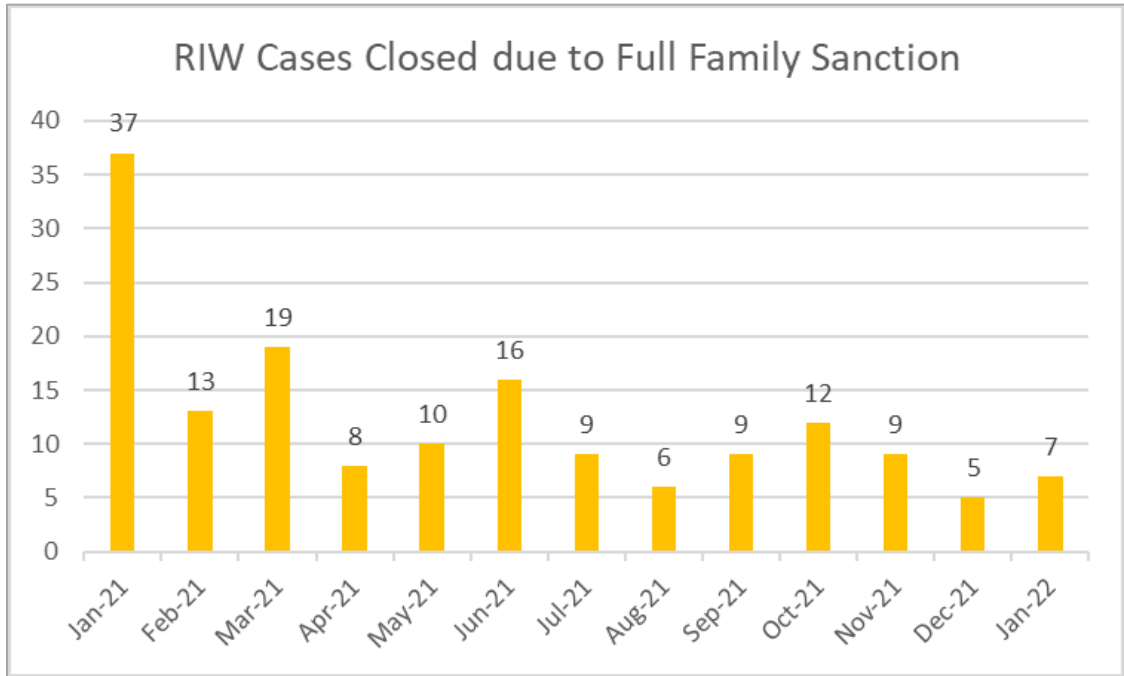
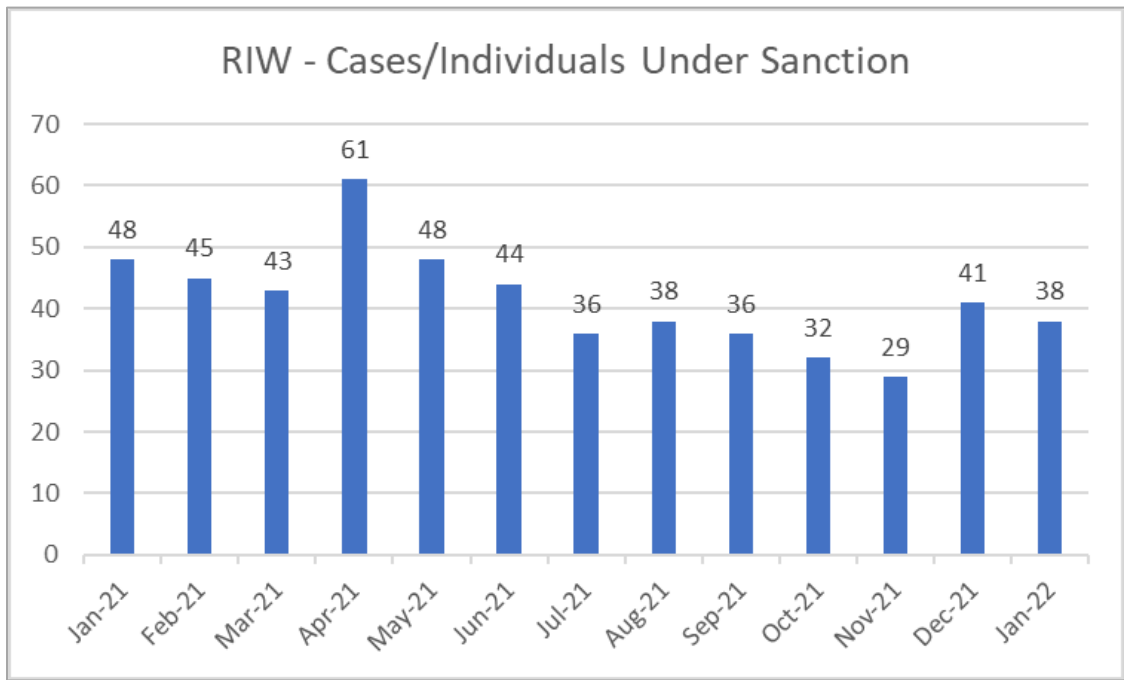
- b. Being between plans

**Answer:** 66 cases are currently active without a plan

- c. Sanction—by month, the number of parents sanctioned for not complying with work requirements in FY2022

**Answer:** Please see graphs below





*This chart does not represent the number of cases actively participating in RI Works while receiving a FFS, but rather the number of non-compliant cases who closed due to a FFS.*

**RI Works Trends**

Over the past decade the number of families participating in RI Works program tended to decrease, especially when the economy improved, and more Rhode Islanders went back to work. During the COVID-19 pandemic, the RI Works caseload had greatly reduced due to opportunities for the RI Works families, specifically the Pandemic Unemployment Assistance (PUA). PUA had

made individuals, who would not otherwise qualify for Unemployment Insurance (UI), eligible to receive unemployment assistance due to the pandemic. The DHS lobby closures for the safety of customers and staff may have also contributed.

During COVID, the Department utilized leniencies for RI Works families to prevent families from losing their benefits. Cases had been held open, good cause or excused absence were expanded and sanctions were applied only when families were non-responsive to communications. Most of the remedial measures to preserve the RI Works population and caseload have been lifted. Throughout COVID, RI Works benefits continued to close for reasons like families being over income or not returning required documentation.

Since the end of PUA on September 4, 2021, DHS has seen a RI Works caseload increase of thirty-five percent or over 700 cases. Additionally, there has been a steady increase of RI Works applications at about a monthly increase of seventy-eight percent from August 2021. The Department estimates that for the remainder of state FY2022, the caseload will increase consistently at 1.4 percent based on statistical projections from 24 months of data. In FY2023, the caseload is projected to continue the gradual increase by 1.3 percent over time.

Additionally, DHS has partnered with community agencies to conduct outreach to families who had become unengaged in RI Works. Partnering agencies have increased supports for applicants as well as existing RI Works customers. The increased access to assistance for both DHS applications and required documentation will contribute to the gradual increase in RI Works cases through FY2023.

According to the 2021 Rhode Island Kids Count Factbook, 14 percent of children in RI are living in poverty and seven percent of children are living in extreme poverty, which equals more than 13,000 children<sup>1</sup>. The RI Works program is providing benefits to roughly 5,075 children or 39 percent of the children living in extreme poverty. This is only 0.67 percent of the RI population.

RI Works families often require additional wraparound services, above and beyond those required by the typical job seeker, to secure long-term stable employment. Families frequently face many barriers: including unstable housing, mental health and substance abuse challenges, low literacy levels, and other challenges associated with living in poverty. DHS and RI Works providers take the necessary time to develop stabilization services and help residents access long-term employment on their pathway out of poverty.

### ***RI Works Recent Legislative Changes***

#### ***30% Increase to Standard of Assistance***

The increase to the standard of assistance was effective on July 1, 2021 and implemented in August 2021. September 2021 was the first month of the increased standard of assistance. Both July and August 2021 were paid out in August. RI Works projections for FY2022 and FY2023 include the expected increase cost per case as a result of the statute change.

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<sup>1</sup> [6783 LCACT 1st Mailer \(rikidscount.org\)](https://www.rikidscount.org)

*Earned Income Disregard (renamed Earned Income Set Aside)*

RI Bridges is able to calculate the Earned Income Disregard beginning on January 1, 2022. The expected cost for FY2022 is \$175,000, and for FY2023 is \$400,000. These projections include the increased standard of assistance. RI Works recipients eligible for this disregard must be compliant with their employment plan, under the 48-month time limit and making under 185-percent of the Federal Poverty Level (FPL). So far, thirteen cases have taken advantage of the Earned Income “Set Aside”, with an estimated cost of \$22,800 for three months.

*Age Simplification*

The statutory change for dependents who are 18 allow for full-time high school students or high school equivalency students to remain in the RI Works household even if they will not graduate by their 19<sup>th</sup> birth month. This was implemented in October 2021, and the Department estimates that this statutory change will affect 100 individuals in FY2022 and currently 74 individuals have utilized the age simplification.

*Clothing Allowance*

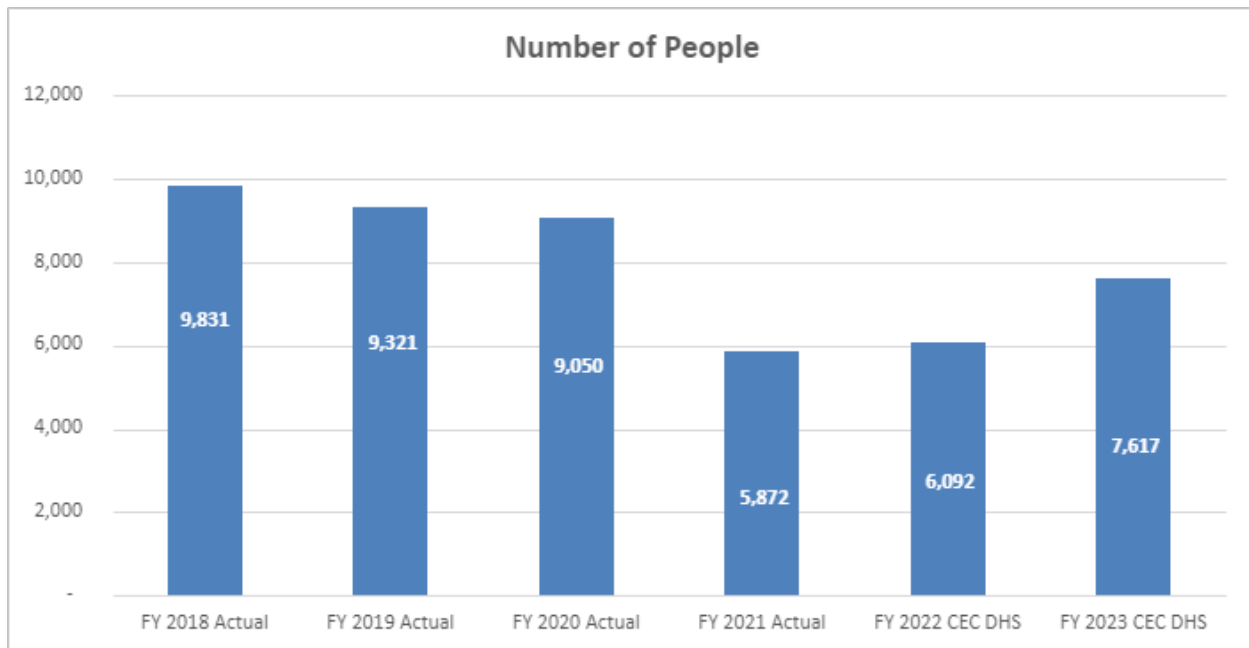
The RI Works Clothing Allowance was expanded to include children in a RI Works home, including those under the age of four. The amount was statutorily locked at \$100 per child. To accommodate the statutory change, two clothing allowances were run in FY2022. FY2023 will have a standard run in August, followed up by two standard “catch up” runs, to ensure those eligible in August all receive the Clothing Allowance.

*Veteran’s Disability Benefits*

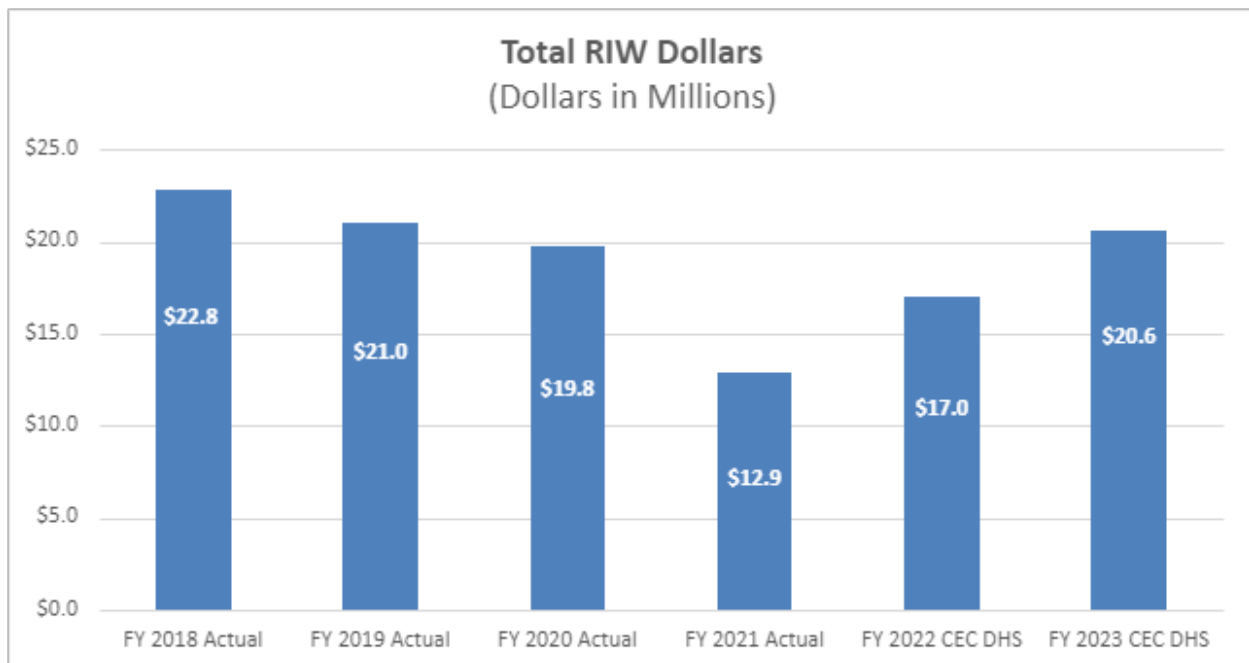
There are no existing applications or RI Works recipients with this type of income.

**Question:** Previous DHS testimony noted the impact of closed field offices on enrollment. Please provide a detailed update on the recent reopening of field offices including the timeline and the observed impact of field offices and customer service changes on enrollment.

**Answer:** RI Works recipients were the first group eligible for in-person appointments in November 2021. DHS offered additional in-person services at six customer facing lobbies beginning January 18, 2022. Offices were open with an emphasis on meeting growing customer needs, the choice of in-person services added to the multiple ways to connect with DHS. Those openings were shortly followed by the opening of the One Reservoir Avenue office in Providence on February 28, 2022. RI Works recipients can now choose if they want to have their appointment in the office or over the phone. In office usage for RI Works services has been small, averaging forty in person statewide visits per week. DHS has found that adding additional support, provided by the RI Works vendors has significantly helped customers filling out the application and obtaining the required documentation.



Total expenditures in FY2022 have increased, especially in the second quarter where cases jumped over 11 percent, then followed by a steadier 1.4 percent increase due to a projected slowed economic recovery and field offices opening. Community agencies that have partnered with DHS will continue to provide support to families applying for RI Works. Estimates for FY2023 include a constant increase of 1.3 percent, and DHS expects to slowly regain the RI Works eligible families lost during the COVID-19 pandemic.



**Question:** Please provide the underlying assumptions the Department is utilizing to assess the impact of COVID-19 on the RI Works program with respect to caseload and costs.

- a. How has the end of the Pandemic Unemployment Assistance program (on September 4, 2021) impacted the trends of enrollment in the RI Works program, and what are the anticipated impacts of this policy change?

**Answer:** As outlined in “RI Works Trends” above, there has been a 78 percent increase to applications in September 2021. This correlates with the expected caseload increase through the second quarter of FY2022.

- b. How has COVID-19 impacted catastrophic expenses?

**Answer:** Fewer RI Works recipients had been requesting catastrophic expenses or assistance due to a lower caseload and previously due to the offices being closed. These expenses are expected to stay low during both FY2022 and FY2023.

- c. Please note any changes in assumptions compared to the November caseload estimate.

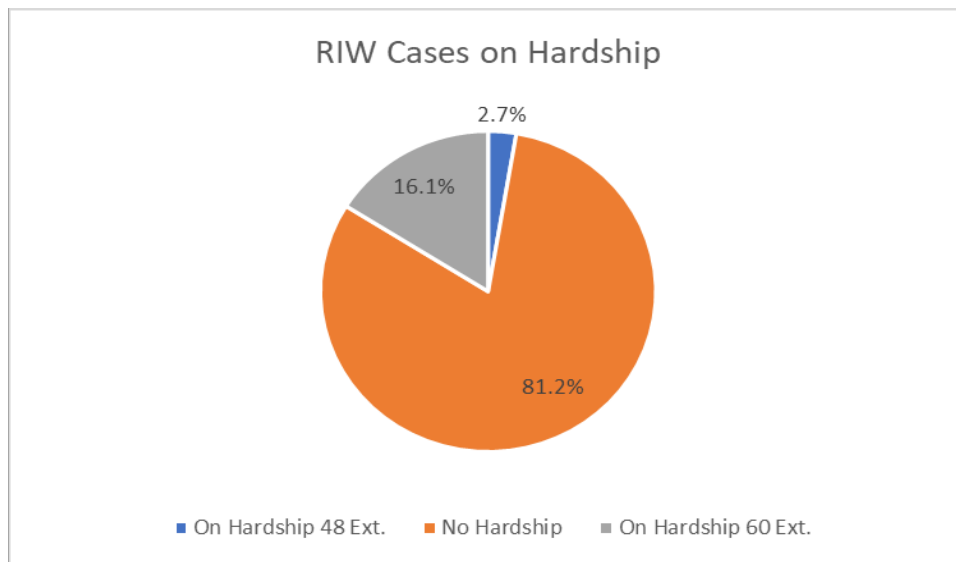
**Answer:** The changes from the November caseload are largely based on the projections assumed from PUA ending. The existing projection used herein are formulated from a statistical regression model built with support from DHS Information Management and the DHS finance team.

- d. Please provide the expenditures from COVID-19 RI Works emergency payments that have been made. Please provide an estimate of expected future emergency payments.

**Answer:** The American Rescue Plan Act provided a Pandemic Emergency Assistance Fund (PEAF), which are additional COVID-19 funds. These federal funds, totaling \$2,703,236.98, are specifically for Non-Recurrent, Short Term Benefits (NRST) that support TANF-eligible populations. NRST benefits mean cash payments or other benefits that meet the regulatory definition (45 CFR 260.31(b)(1)) but are limited to those that fall into the specific expenditure reporting category mentioned in the legislation (line 15 of the ACF-196R, the state financial reporting form for the TANF program). The use must satisfy TANF rules including Income Eligibility Verification System (IEVS) and citizenship requirements. DHS’ application to ACF is for a one-time NRST payment to SNAP households with children who earn at or under 100 percent of the FPL. PEAF must be spent by September 30, 2022. The Department expects to spend the funds in the fourth quarter of FY2022.

### ***Hardship Extensions***

Hardship extensions are available for various reasons to families reaching time limits. Currently, hardship extensions are granted for six-month increments. Cases classified as “hardship” cannot have employment plan exemptions, cannot be “between plans” and cannot be under sanction.



The number of hardships as a percent of total caseload remains below the federal statutory ceiling of 20 percent. Rhode Island’s hardship cases constitute approximately 18.8 percent of the state caseload. Rhode Island’s hardship cases constitute approximately 16.1 percent of the federal limit in the current caseload. The recent increase of hardship cases is largely due to a disproportionate increase to RIW cases who have months exceeding 48 months. RI Works Vendors have begun additional programming to target the cases exceeding 48 months on their state timeclock.

**Work Participation Rate (WPR) Overview**

RI Works parents are required to participate in employment preparation activities and must do so for a minimum number of hours per week on average for the month, per Federal TANF regulations. Those required minimum hours differ based on the age of the youngest child and whether there is a second parent in the household.

- Parents whose youngest child is under the age of 6 must participate for a minimum of 20 hours per week.
- Parents whose youngest child is six or older must participate for a minimum of 30 hours per week.
- Two-parent families must participate for a minimum of 35 hours per week.

Not all RI Works parents are required to participate in employment-related activities. Some are exempt for reasons including being disabled, caring for a child under one-year-old, caring for a disabled child or family member, or are in the third trimester of pregnancy and medically unable to work. Others are exempt because they are “child-only” cases where the parents or caretaker relatives do not receive a cash payment for themselves (i.e., parent on SSI or children in kinship care).

Unless exempt, parents receiving a cash payment are required to comply with an employment plan. Parents can be sanctioned or closed if they are not meeting the minimum required

employment plan hours without good cause. If parents can provide good cause for a failure to comply with their employment plans, then their case will not be sanctioned or closed. Occasionally parents have ended their planned activities without new employment plans, also referred to as “between plans.”

**Question:** Please provide the “all families” and “two-parent families” work participation rate for FY2022, along with a work participation rate target.

**Answer:** WPR for 2014, 2015, 2016, 2017, 2018, 2019 and 2020.

- FY2014: Required all families: Required 0.0 percent (met 12.1 percent)  
Required 2-parent families: Required 39.8 percent (not met 8.7 percent)
- FY2015: Required all families: Required 0.9 percent (met 14.9 percent)  
Required 2-parent families: Required 40.9 percent (not met 11 percent)
- FY2016: Required all families: Required 0.0 percent (met 14.9 percent)  
Required 2-parent families: Required 34.8 percent (not met 12.0 percent)
- FY2017 Required all families: Required 0.0 percent (met 8.5 percent)  
Required 2-parent families: Required 29.5 percent (not met 5.8 percent)
- FY2018 Required all families: Required 0.0 percent (met 8.2 percent)  
Required 2-parent families: Required 30.2 percent (not met 7.1 percent)
- FY2019 Required all families: Required 0.0 percent (met 8.9 percent)  
Required 2-parent families: Required 31.2 percent (not met 11.8 percent)
- FY2020 Required all families: Required 0.0 percent (met 6.8 percent)  
Required 2-parent families: Required 27.6 percent (not met 7.3 percent)
- FY2021 is not yet available.

*Federal Work Participation Rate (WPR) data is derived from a quarterly data interface that is reviewed by the Administration for Children and Families (ACF). The State cannot currently calculate WPR. Instead, ACF provides the State with feedback based on data submissions.*

**Question:** Please provide an update on the status of current or potential federal penalties associated with the work participation rate.

**Answer:**

<b>Penalty Year</b>	<b>Reason</b>	<b>Status</b>	<b>Amount</b>
2013	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 258,715.00
2014	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 129,635.00
2015	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 98,545.00
2016	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 29,587.00
2017	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 80,264.00
2018	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 69,094.00
2019	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 64,231.00
2020	Met overall WPR, did not meet 2-parent family WPR	Pending Appeal, Waiting on ACF	\$ 61,614.00
2021	Not Yet Available		



**TANF Balances By Quarter with Cumulative Unspent Amounts in column 4**

		col 1	col 2	col 3	col 4
Fiscal Year	TANF - by quarter	block grant award by quarter	Expended by quarter per RIFANS	Variance between block quarterly award and RIFANS quarterly expended: col (1) + col (2)	Cumulative Balance of TANF Block Grant: col (4) from prior quarter + col (3)
SFY 2018	Jul 17 - Sep 17 **	\$22,962,866	(\$13,109,314)	\$9,853,552	(\$7,626,596)
	Oct 17 - Dec 17	\$24,127,153	(\$22,426,027)	\$1,701,126	(\$5,925,470)
	Jan 18 - Mar 18	\$24,126,753	(\$25,923,996)	(\$1,797,243)	(\$7,722,713)
	Apr 18 - Jun 18	\$23,174,351	(\$31,597,343)	(\$8,422,992)	(\$16,145,705)
SFY 2019	Jul 18 - Sep 18 ***	\$23,279,759	(\$13,034,617)	\$10,245,142	(\$5,900,563)
	Oct 18 - Dec 18	\$24,384,884	(\$27,560,602)	(\$3,175,718)	(\$9,076,281)
	Jan 19 - Mar 19	\$24,048,466	(\$19,323,440)	\$4,725,026	(\$4,351,255)
	Apr 19 - Jun 19	\$23,128,577	(\$33,031,439)	(\$9,902,862)	(\$14,254,117)
SFY 2020	Jul 19 - Sep 19 **	\$22,729,909	(\$11,942,662)	\$10,787,247	(\$3,466,870)
	Oct 19 - Dec 19	\$24,368,651	(\$21,512,479)	\$2,856,172	(\$610,698)
	Jan 20 - Mar 20	\$24,051,704	(\$20,205,333)	\$3,846,371	\$3,235,673
	Apr 20 - Jun 20	\$23,143,841	(\$31,989,589)	(\$8,845,748)	(\$5,610,075)
SFY 2021	Jul 20 - Sep 20 **	\$23,143,820	(\$11,331,774)	\$11,812,046	\$6,201,971
	Oct 20 - Dec 20	\$24,368,648	(\$20,073,310)	\$4,295,338	\$10,497,309
	Jan 21 - Mar 21	\$23,548,050	(\$19,971,203)	\$3,576,847	\$14,074,156
	Apr 21 - Jun 21	\$23,548,153	(\$17,828,331)	\$5,719,822	\$19,793,978
SFY 2022	Jul 21 - Sep 21 **	\$23,243,165	(\$8,184,006)	\$15,059,159	\$34,853,137
	Oct 21 - Dec 21	\$24,368,702	(\$17,625,552)	\$6,743,150	\$41,596,287
	Jan 22 - Mar 22	\$24,063,846	(\$14,390,706)	\$9,673,140	\$51,269,427
	Apr 22 - Jun 22 (est)	\$24,000,000	(\$30,384,922)	(\$6,384,922)	\$44,884,505
SFY 2023	Jul 22 - Sep 22 (est) **	\$22,275,468	(\$12,776,333)	\$9,499,135	\$54,383,640
	Oct 22 - Dec 22 (est)	\$24,000,000	(\$21,883,178)	\$2,116,822	\$56,500,462
	Jan 23 - Mar 23 (est)	\$24,000,000	(\$22,582,986)	\$1,417,014	\$57,917,476
	Apr 23 - Jun 23 (est)	\$24,000,000	(\$43,257,704)	(\$19,257,704)	\$38,659,772
SFY 2024	Jul 23 - Sep 23 (est) **	\$22,708,016	(\$12,464,230)	\$10,243,786	\$48,903,558
	Oct 23 - Dec 23 (est)	\$24,000,000	(\$21,839,917)	\$2,160,083	\$51,063,641
	Jan 24 - Mar 24 (est)	\$24,000,000	(\$22,396,359)	\$1,603,641	\$52,667,282
	Apr 24 - Jun 24 (est)	\$24,000,000	(\$43,799,695)	(\$19,799,695)	\$32,867,587
SFY 2018		\$94,391,123	(\$93,056,680)	\$1,334,443	
SFY 2019		\$94,841,686	(\$92,950,098)	\$1,891,588	
SFY 2020		\$94,294,105	(\$85,650,063)	\$8,644,042	
SFY 2021		\$94,608,671	(\$69,204,618)	\$25,404,053	
SFY 2022		\$95,675,713	(\$70,585,186)	\$25,090,527	
SFY 2023		\$94,275,468	(\$100,500,201)	(\$6,224,733)	
SFY 2024		\$94,339,314	(\$100,500,201)	(\$6,160,887)	

**Question:** Please update FY2022 and FY2023 TANF block grant estimates. Include the balance of any unspent funds from prior years and report any plans for its use.

**Answer:** See above. Additional expenditures due to outreach and application supports will occur in the 2275116 account. These measures are necessary to support this population.

a. How much of the TANF funding is being used for UHIP in FY2022 and FY2023?

**Answer:** The total federal UHIP TANF funding for FY2022 and FY2023 is \$738,905 and \$519,572, respectively.

2022 TANF Budget					
Line Seq	Agency	LIS Name	FY22 Budget Governor's Recommended (BR3)	FY23 Budget Governor's Recommended (BR3)	Description of the Services Funded by TANF
1710174	073	WPGN Res-Care	\$ 111,596	\$ 111,596	DLT Res-Care support RIW families
2018109	028	TANF-Child Care	\$ 5,849	\$ 5,849	EOHHS salary expenses thru ALLOCAP supporting DHS
2025105	079	TANF/EA-CM Program- Federal Share	\$ 1,088,764	\$ 1,108,595	DCYF for TANF eligible youth to be served
2075106	079	TANF/EA-CW Program- Federal Share	\$ 6,738,299	\$ 6,793,178	DCYF for TANF eligible youth to be served
2075145	079	TANF Grant	\$ 1,135,325	\$ 1,135,325	DCYF for TANF eligible youth to be served
2075148	079	TANF - HCBS	\$ 1,232,348	\$ 1,232,348	DCYF for TANF eligible youth to be served
2075150	079	SSBG-TANF Transfer	\$ 1,604,669	\$ 2,891,686	DCYF for TANF eligible youth to be served
2170182	075	DHS Home Visiting Coop	\$ 164,000	\$ 164,000	RIDOH for RIW parents in the Family Visiting
2275116	069	C-Job Opport & Basic Skills Jobs	\$ 6,965,000	\$ 7,100,000	Contracted vendors engaging in direct services for RIW parents
2275121	069	Assistance Payments Admn	\$ 4,985,113	\$ 5,178,959	Administrative funds for DHS
2275177	069	TANF - Subsidized Employment Enhancement	\$ 200,000	\$ 200,000	Crossroads contract to provide services to homeless families
2275186	069	UHIP - TANF Federal Allocation	\$ 738,265	\$ 518,932	Administrative funds for UHIP
2275202	069	UHIP- Non Iapd TANF Federal	\$ 640	\$ 640	Administrative funds for UHIP
2400101	069	Fip/TANF - Regular	\$ 17,889,761	\$ 26,711,320	Cost for TANF/RIW benefits to families
2400107	069	AFDC Catastrophic Aid	\$ 7,000	\$ 2,400	Costs for families who have experienced a catastrophic event like fire or flood
2400110	069	Child Care - SSBG Reallocation	\$ 7,560,000	\$ 7,560,000	Funding of low income child care with TANF funds
2400112	069	Child Care - TANF Funds	\$ 31,216,639	\$ 31,360,869	Funding of low income child care with TANF funds
2400114	069	RIPTA Transportation Benefit	\$ 1,262,000	\$ 1,487,960	Funding of bus passes for RIW parents
2400115	069	Child Care Assistance Enhancement	\$ 936,544	\$ 936,544	Funding of low income child care with TANF funds
2725162	072	Project Opportunity	\$ 1,000,000	\$ 1,000,000	Adult Education (ABE, ESL, GED)
			<b>\$84,841,812</b>	<b>\$95,500,201</b>	

### TANF Maintenance of Effort (MOE)

The TANF Maintenance of Effort (MOE) is a requirement that a state must spend at least a specified amount of state funds for benefits and services for families in need each year. A broad array of benefits and services for low-income families with children can count toward satisfying a state's MOE obligation. A state may count any state funds used for TANF program services or any funds that meet the federal TANF purposes as TANF MOE toward the required \$64 million benchmark.

Federal Law allows six types of expenditures that can be counted toward MOE requirements:

1. Cash assistance;
2. Child care assistance;
3. Educational activities designed to increase self-sufficiency;
4. Job training and work;
5. Any other use of funds reasonably calculated to accomplish a TANF purpose; and
6. Administrative costs in connection with other allowable purposes.

The consequences for not meeting the MOE are that the TANF grant will be reduced the following year on a dollar-for-dollar basis and the state will be required to expend additional state funds in its TANF program to the amount by which the state fell short of meeting the MOE.

The tables below show MOE expenditures by category and community organizations that receive TANF funding:

	FFY 2018 Reported to ACF	FFY 2019 Reported to ACF	FFY 2020 Reported to ACF	FFY 2021 Reported to ACF	FFY 2022 Projected to ACF
RIW Admin - DHS	\$941,339	\$1,656,013	\$2,913,488	\$4,740,191	\$3,000,000
Child Care MOE DHS	\$5,351,046	\$5,351,126	\$5,351,126	\$5,351,126	\$5,300,000
Emergency Assistance - DCYF	\$18,580,236	\$20,734,069	\$2,180,682	\$1,635,450	\$1,500,000
DCYF Other (a)	\$655,238	\$621,757	\$16,235,585	\$16,084,231	\$15,000,000
DEFRA (Child Support Pass-Thru)	\$305,986	\$277,647	\$268,957	\$208,803	\$200,000
RIDE Adult Ed	\$1,050,000	\$1,050,000	\$1,050,000	\$1,050,000	\$1,000,000
CAP Agencies (leg grants)	\$213,614	\$229,260	\$214,200	\$287,820	\$235,000
Head Start	\$1,190,000	\$1,190,000	\$1,190,000	\$1,190,000	\$1,190,000
SSI	\$2,758,468	\$2,654,551	\$2,613,169	\$2,472,240	\$2,600,000
GWB-DLT Youth Work Readiness	\$553,620	\$739,689	\$529,777	\$442,080	\$500,000
Earned Income Tax Credit	\$22,515,504	\$22,577,639	\$22,094,812	\$15,963,386	\$22,000,000
Property Tax Relief Program (Circuit Breaker)	\$189,099	\$137,718	\$118,980	\$120,234	\$115,000
DCYF Residential	\$13,688,409	\$12,694,648	\$4,178,130	\$2,982,641	\$4,000,000
Weatherization	\$6,320,988	\$7,835,733	\$6,488,963	\$6,979,035	\$6,000,000
Rhode Island Food Bank	\$3,401,525	\$3,523,303	\$3,136,951	\$3,218,941	\$2,500,000
Community Organizations (Listed Below)	\$890,269	\$2,908,915	\$2,801,769	\$2,338,768	\$3,180,000
<b>Total</b>	<b>\$78,605,341</b>	<b>\$84,182,068</b>	<b>\$71,366,589</b>	<b>\$65,064,947</b>	<b>\$68,320,000</b>

	FFY 2018 Reported to ACF	FFY 2019 Reported to ACF	FFY 2020 Reported to ACF	FFY 2021 Reported to ACF	FFY 2022 Projected to ACF
Roman Catholic Diocese of Providence	\$90,269	\$40,884	\$25,036	\$25,036	\$25,000
United Way of Rhode Island	\$0	\$1,355,336	\$692,548	\$310,145	\$1,000,000
Boys and Girls Club	\$800,000	\$800,000	\$800,000	\$1,000,000	\$1,250,000
Rhode Island Foundation	\$0	\$103,074	\$444,840	\$480,709	\$400,000
Sstarbirth	\$0	\$44,087	\$36,612	\$35,363	\$35,000
Crossroads	\$0	\$136,154	\$737,909	\$390,104	\$350,000
Dorcas International Institute	\$0	\$104,835	\$0	\$24,170	\$50,000
RI Coalition Against Domestic Violence	\$0	\$136,154	\$2,439	\$2,427	\$20,000
Com CAP	\$0	\$0	\$0	\$70,814	\$50,000
<b>Total</b>	<b>\$890,269</b>	<b>\$3,089,156</b>	<b>\$2,801,769</b>	<b>\$2,338,768</b>	<b>\$3,180,000</b>

**Question:** Please indicate how the State will meet its Maintenance of Effort (MOE) requirement and identify which MOE items are State costs and which are in-kind contributions.

**Answer:** DHS seeks MOE from both state agencies and other philanthropic agencies statewide. MOE is calculated using the methods provided by a previous vendor. DHS exceeded the MOE requirement by \$0.7M in 2021.

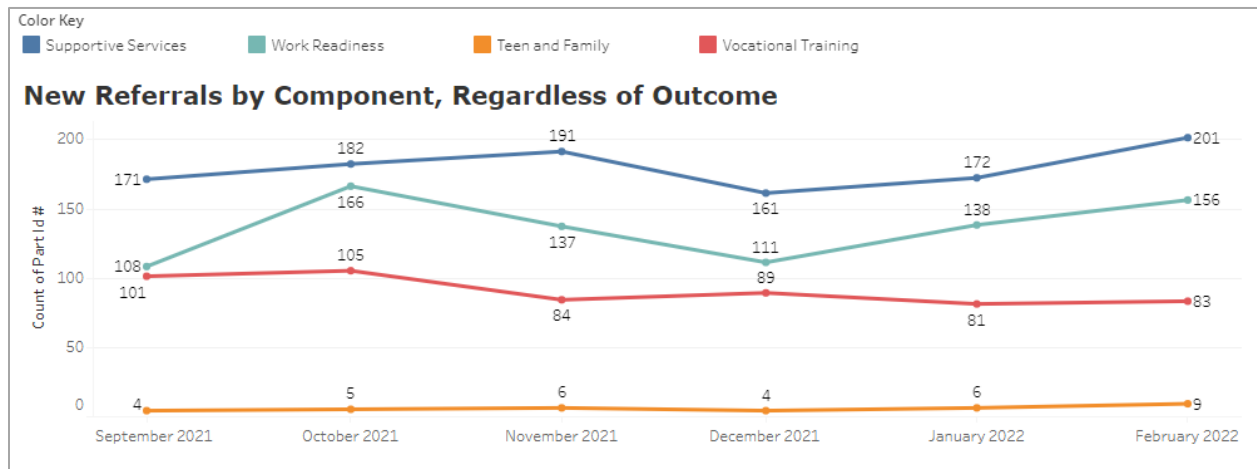
State Costs: \$51,101,182

In-kind: \$13,992,251

For FY2020 and future years, the Department has been instructed by ACF to calculate MOE differently by removing a provision previously allowed due to a prior law grandfathering. The grandfathering has ended. This significantly reduces the amount of allowable expenditures and MOE allowed from DCYF Residential. The Department is working on utilizing other avenues to collect the MOE, including reengaging with outside support through an RFP.

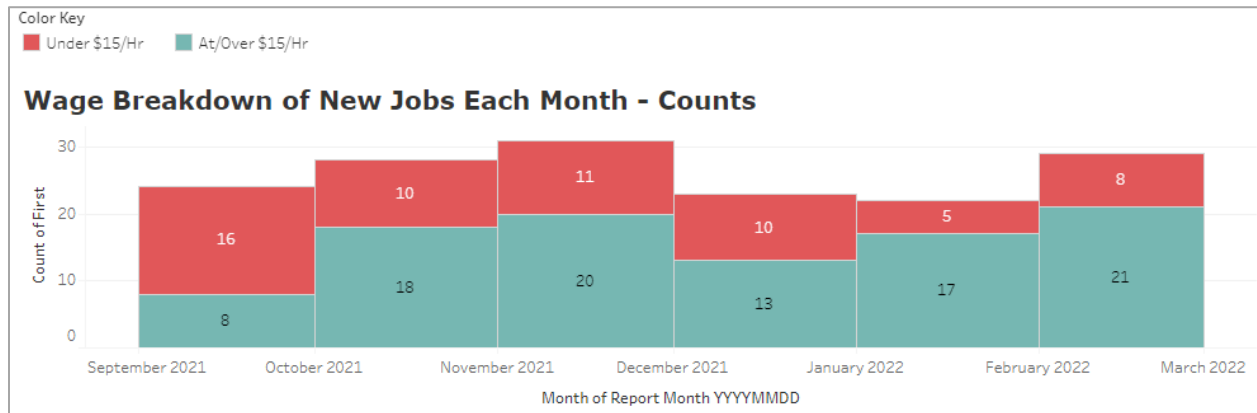
**RI Works Contracted Vendors**

Three contracted vendors support the RI Works customers with their employment plans. These vendors provide support to customers through the four program components: Supportive Services, Youth Services, Vocational Training and Job Readiness, Employment & Retention. The programs provided to RI Works families streamline supportive services, education and/or training programs with the goal of stabilizing families. The vendors’ programs result in more parents being engaged in work activities that would be reflected in higher wage and assisting them in obtaining successful employment outcomes.



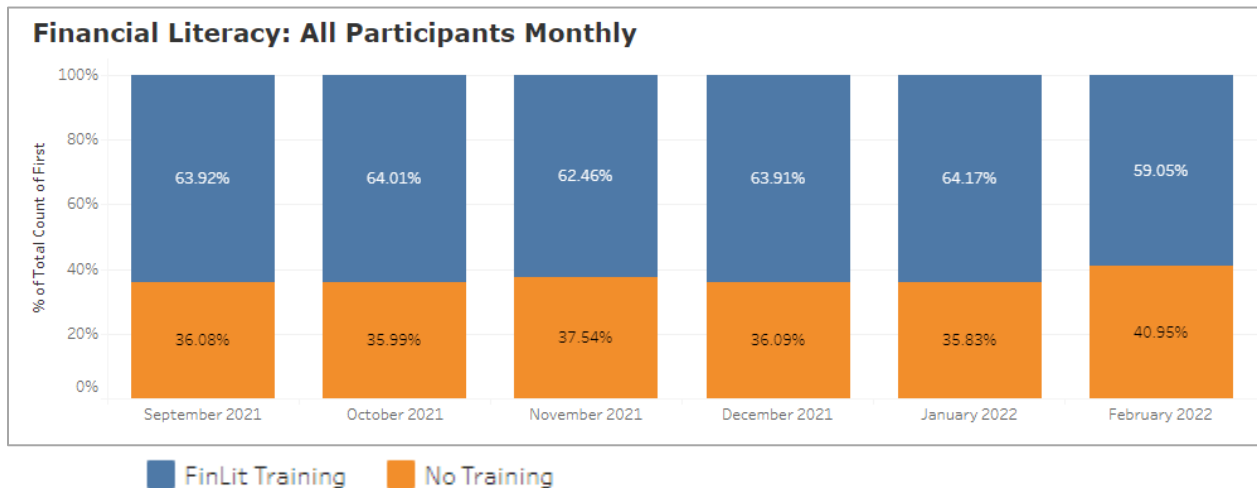
The contracts are based on Performance Metrics that incentivize the vendors to assist parents in obtaining long-term employment at a living-wage. On October 1, 2021, vendors entered their fourth contract period under “active contract management.” Active contract management uses data to analyze vendor services for RI Works families, and DHS requested our vendors to provide

extensive data to the Department on a monthly basis so our progress and trends could be tracked and changes could be put into effect as needed.



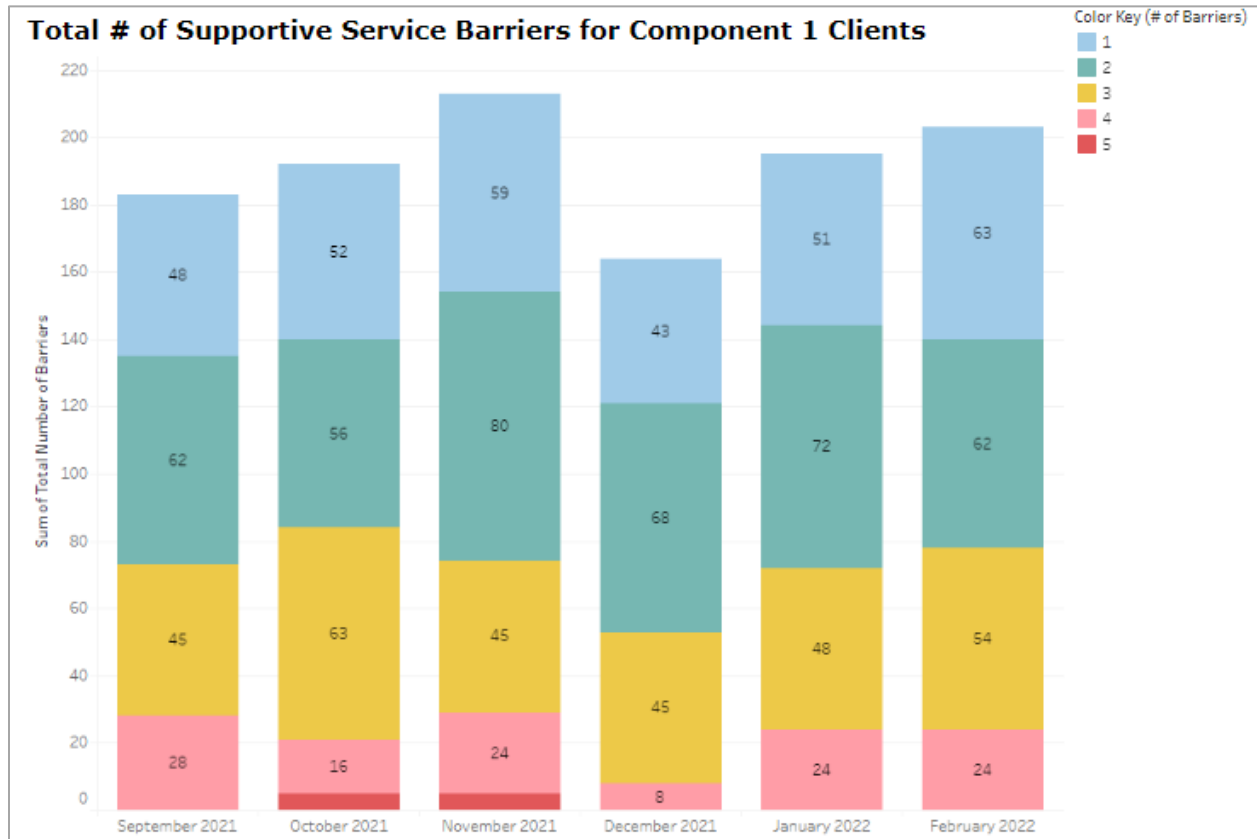
Since the roll-out of these new contracts, two very important new services have been implemented:

- Financial Literacy** to ensure that RI Works families become more aware of financial issues on their path to self-sufficiency. DHS has required all service vendors to integrate Financial Literacy into their curriculums. As of February 2022, approximately 59 percent of the RI Works population attending one of our three providers’ programs has started or received Financial Literacy Training.



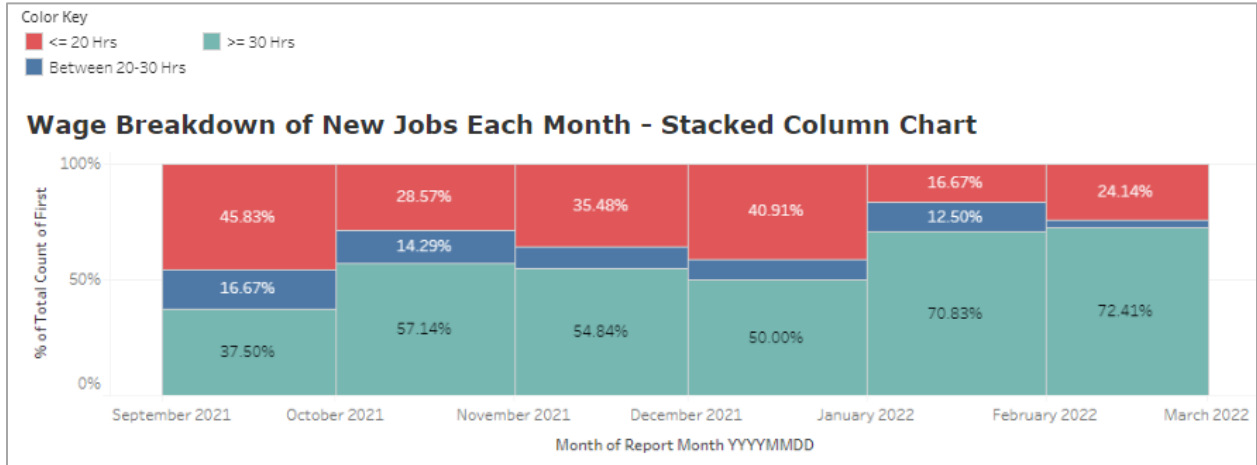
- Supportive Services** to assist RI Works families in resolving barriers and issues that may be hindering them from becoming employed and on a path to self-sufficiency. The most common problems faced by RI Works customers include:
  - Mental Health Challenges
  - Unstable Housing/Homelessness

- Domestic Violence/Intimate Partner Violence
- Low Education Attainment
- Unaddressed Disabilities
- Substance Use Disorder



RI Works staff analyze vendor data monthly and can provide immediate feedback to vendors who are either struggling or being highly effective with working with RI Works families. A significant role in obtaining long-term, sustainable employment is the completion of vocational training programs.

Since March 2021, 291 parents have entered employment. Even during the pandemic, fifty-eight percent of parents were able to retain their employment for more than six months. Wages for these placements vary from minimum wage to \$28.50 per hour, 62 percent of job placements are for wages at or over \$15 per hour. Since 2018, there have been 412 customers who stayed employed for a minimum of six months. Vendors were paid more than \$110,000 in performance payments due to job retention. Additionally, 68 participants have completed their Vocational Training Program. A total 158 RI Works parents have been referred to vocational training programs this past year.



**Potential Federal Law Changes**

TANF has again been temporarily authorized by a continuing resolution. There has been communication from federal partners that continuing resolutions will eventually lead to the replacement of the current TANF law. There is no current movement on the TANF bills in Washington.

## **Child Care Assistance Program (CCAP)**

The Starting Right Child Care Assistance Program (CCAP) supports the dual purpose of promoting children’s healthy development and school success and supporting low-income families who need child care to work or attend approved training. Eligibility for CCAP is comprised of two components: categorical eligibility for recipients of RI Works and income-based eligibility for families working or enrolled in an approved training program.

Families receiving RI Works benefits who need child care to comply with their employment and training plan receive child care with no co-payment requirements. Income-based eligibility for child care consists of a two-tiered eligibility structure, with initial eligibility available to families with incomes of up to 180 percent of the Federal Poverty Level (FPL), (~43 percent of State Median Income (SMI), or \$39,528 for a family of 3). The initial eligibility threshold of 180 percent of the FPL does not change when the Federal Poverty Level (FPL) is updated April 1, 2022; however, under the 2022 FPL, the dollar amount increases to \$41,454 for a family of 3. Families that are determined eligible at the first tier may then utilize Transitional Child Care to continue to access child care subsidies if their income rises above the initial eligibility threshold of 180 percent FPL but remains under 225 percent of FPL (approximately 54 percent of State Median Income (SMI), or \$49,410 for a family of 3). Income-eligible families are subject to a graduated co-payment based on family income ranging between zero (for those earning 100 percent FPL or less) to a maximum of 7 percent of a family’s income (for those earning between 150 percent FPL to 225 percent FPL). As of January 1, 2022, the Department lowered the copay cap from fourteen percent to the Health and Human Services general affordability guideline and the national standard of seven percent. These family co-payments were waived, however, from February 21, 2021, through March 5, 2022, in response to COVID-19. This will be further described below.

### ***Office of Child Care’s Ongoing Response to COVID-19 and the State of the Sector***

The Office of Child Care (OCC) continues to track child care trends closely to measure the ongoing impact of the pandemic and the initial stages of recovery. This includes regular reviews of CCAP enrollments, licensed capacity, and movement within the quality framework. The Department continues to support providers as the industry moves towards the “new normal” and have worked on numerous short- and long-term practices to support them during this time. Despite stabilization of existing enrollments during the later months of the pandemic, the number of CCAP enrollments are approximately 40.9 percent less than what they were pre-pandemic. The number of licensed child care providers, specifically family child care providers, have decreased when compared to pre-pandemic numbers, although they are beginning to trend upwards again since the start of 2022.

It is also important to note that many of the Department’s emergency child care regulations specific to COVID-19 expired on February 28, 2022, and were not extended. While continuing to manage and mitigate COVID-19 risks, the Department remains committed to helping providers and families navigate challenges associated with COVID-19 and other communicable diseases disruptive to child care settings. DHS included general pandemic language for child care centers



and family child care homes in its regulations in January 2022, which incorporated items that the Department may ask for in the event of a national state of emergency. These new regulations are meant to allow DHS to adjust the implementation and monitoring of specific regulations based on national or state mandates, while also allowing child care providers to make programmatic decisions based on the needs of their program. Throughout the month of March 2022, the Department coordinated with RIDOH to develop updated guidance related to testing and monitoring options within child care. This has been critical to ensure that every measure has been taken to keep children in school, parents in the workplace and providers open and operating.

One of the main COVID-19 related decisions that influences caseload projections and trends was to align with the Centers for Disease Control and Prevention (CDC) new community levels. Because Rhode Island is in low COVID-19 community level, RIDOH and DHS implemented a Monitor to Stay approach for asymptomatic close contacts starting March 14, 2022. This is with the understanding that providers could implement an enhanced level of mitigation to meet the needs of the community the provider serves. To support providers that want to implement enhanced mitigation, the Department is providing free at-home test kits through June 2022 to enable implementation of the Test to Stay protocol.

**Question:** Please provide the underlying assumptions the Department is utilizing to assess the impact of COVID-19 on the CCAP program with respect to caseload and costs as well as the financial health and stability of child care providers. Please note any changes since the November conference, including details on rates being paid, assumed capacity (including seats and staff lost), and any other impact on providers.

**Question:** Please provide part-time and permanent closures trends for providers. Are there any new providers that have been or are waiting to be licensed?

**Question:** Please provide the disenrollment trends impacted by COVID-19.

**Answer:** Please refer to the following narrative and charts.

The underlying assumptions the Department is utilizing to assess the impact of COVID-19 is based on two sets of child care related data: the number of child care centers and family child care programs licensed by the Department of Human Services, as well as the number of these programs that are accepting CCAP children and the number of CCAP children in those sites.

The table below shows the current number of DHS-licensed providers as of March 2022, and their total capacity, compared to previous years at the same time. The number of providers has decreased by 109 over the last two years (a decrease of almost 12%), and the number of slots in licensed child care had decreased by 8 percent in 2021. In recent months, DHS regained licensed child care capacity, bringing total capacity to 5 percent below pre-pandemic levels. The Department has also seen the number of licensed providers stabilize.

	March 2020 Number of Providers (Pre-Covid)	March 2020 Capacity	March 2021 Number of Providers	March 2021 Capacity	March 2022	March 2022 Capacity
Child Care Centers	446	32,435	406	29,853	410	31,083
Family Child Care Providers	465	3,084	396	2,726	392	2,670
<b>Total</b>	<b>911</b>	<b>35,519</b>	<b>802</b>	<b>32,579</b>	<b>802</b>	<b>33,753</b>

As of March 31, 2022, DHS closed 34 providers since the last caseload in November 2021. There have been 21 closings in Family Child Care, largely due to retirement as they have been a provider for several years (52 percent) with the second reason being a location move (14 percent). There have been 13 center closures in the last six months, largely due to change of ownership resulting in almost immediate re-opening of the program (46 percent) followed closely by programs that did not operate in the school for the current year (23 percent). Alternatively, DHS has opened a total of 27 providers, and of those, 15 were child care centers and 12 were Family Child Care providers.

Provider type	Provider Opening and Closings in Child Care October 2021 – March 2022		
	Openings	Closings	+/-
Family Child Care providers	12	21	-9
Center providers	15	13	+2
<b>Total</b>	<b>27</b>	<b>34</b>	<b>-7</b>

The Department is seeing an influx of providers who are looking to start a Family Child Care center home, largely due to the start-up funding being providing to support this specific child care type. Many families choose licensed Family Child Care programs because of their home-like environment. The Department received \$300,000 dollars in funds through the American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF), as appropriated by Governor McKee and the General Assembly. This program is intended to support up to 100 newly licensed FCC providers in establishing their businesses, obtaining licensure, and enrolling families by offering \$2,000 one-time start-up grants to support with the following allowable costs:

- Quality improvement items
- Fire-related repairs and/or health and safety items (fire extinguisher, plug covers, etc.)
- Lead and radon inspections
- Liability insurance

More information on this ARPA SFRF Funding initiative can be found in Appendix B.

Currently, there are several pending licensures. There are 4 pending child care providers (3 Family Child Care, 1 Center-based) at the end of the process. DHS has 10 potential Family Child Care providers in its current cohort of First Steps as well as 4 center-based providers who are in the

middle of construction to open new locations. There are also 4 active providers who are in the process of changing ownership; they will be “closing” and “reopening” on the same day.

In order to keep providers open and operating, the OCC supported CCAP providers with the following payment practices:

- CCAP services are reimbursed based on enrollment rather than attendance. (Providers are reimbursed for the children enrolled in their program rather than the children reported as attending.) This is still in effect currently and we are hoping to continue this practice through 2024.
- The allowable absence policy continues to be waived for CCAP families.
- CCAP providers received a temporary rate enhancement to support reopening costs and quarantine/isolation costs through December 2021.
- Family copayments were waived from February 21, 2021, through March 5, 2022.

These flexible payment practices under the Child Care Development Fund (CCDF) ensure the most vulnerable CCAP families can maintain their slots without fear of programs/providers prioritizing private-pay families as they navigate return to care for children too young to be immunized and to ensure providers can meet basic operating costs despite pandemic related absences.

Another way the Department is supporting providers is through Early Educator Pandemic Retention Bonuses. As essential workers, early educators continue to play a crucial role in keeping licensed child care programs open and serving Rhode Island families throughout the ongoing COVID-19 pandemic. The Department was awarded \$18.7 million dollars in funds through the American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF), as appropriated by Governor McKee and the General Assembly. This program is intended to invest in early educators by offering bonuses to direct care staff employed at DHS-licensed child care providers. Educators are eligible to receive a maximum of 2 semiannual bonuses of \$1,500 each, depending on eligibility in each application window. These retention bonuses will supplement educators’ compensation to support retention and recruitment in the early learning sector, as well as recognize the vital work that early educators do in supporting the State’s youngest learners.

### ***The Quality Rating and Improvement System***

**Question:** Please provide the number and type (family-based/center-based) of child care providers within each tier established through the quality rating system and how estimated costs reflect those tiers. If possible, please provide a list of the providers who have changed tiers.

**Answer:** Please refer to the following narrative and charts.

- a. Please provide the number of children enrolled in CCAP by age group, provider type, and star rating

**Answer:** Please refer to the following narrative and charts.

DHS implements a tiered reimbursement rating system for all center-based child care programs to ensure high quality programs (rated at a 4- and 5-Star) receive higher reimbursement to cover the additional costs associated with delivering high quality care. The State’s Quality Rating and Improvement System (QRIS), BrightStars, uses a combination of standardized assessment tools and a formalized review of staff qualifications and credentials to award programs with a quality rating. Child care licensing (health and safety regulatory requirements as governed by DHS) represents the first, foundational building block of the State’s QRIS. In response to the changing needs of child care providers, the workforce and family needs as a result of the pandemic, DHS worked with BrightStars to create a governance structure related to the QRIS framework. This structure includes an advisory board made up of key partners and current providers, as well as a steering committee made up of representatives from the Governor’s office, RIDE, DHS, and Rhode Island Association for the Education of Young Children (RIAEYC). This structure allows both providers and other key stakeholders to submit proposals for changes to the framework. These proposals are vetted by BrightStars, shared with the advisory board (who jointly holds a vote of the steering committee) and then shared with the Steering Committee (who hold the final four votes).

This quality rating system incentivizes providers to improve the quality of their program to better support children at a time when brain research indicates child development is at its most important: the first four years of life. Low rates of reimbursement (or rates that do not take quality into account) limit families’ access to high quality care and limit the resources available to providers to maintain higher quality programming and employ highly qualified staff.

The percentage of CCAP enrolled children attending 4- and 5-star programs has more than doubled since the tiered system was first implemented in 2018. The most recent data, as of December 2021, is included in the chart below and does reflect an increase in the number of CCAP children enrolled in high quality programs. This may be due, in part, to a temporary decrease in child care enrollment across the state which allowed for more accessibility to higher rated programs than pre-pandemic demand.

December 2018	December 2019	December 2020	December 2021
10%	16%	21%	24%

Additionally, BrightStars has secured additional state funding through ARPA aimed at assessing and supporting all licensed child care provider types over the next two years (through December 2023). These efforts are aimed at assessing the true quality landscape of childcare post pandemic while also encouraging higher ratings for those programs already participating in BrightStars while simultaneously increasing recruitment and assessment of those providers who have not traditionally participated in QRIS. It is anticipated that through this work, called LearnERS, there will be an increase in both the number of rated programs as well as the number of high-quality providers, therefore increasing access to high quality child care for CCAP families.

<b>Total Participation in BrightStars by Provider Type</b> (As of February 28, 2022)		
Star Rating Level	Center	Family Child Care
1 Star	84	202
2 Star	96	120
3 Star	44	4
4 Star	68	4
5 Star	24	0
<b>Total Participants</b>	<b>316</b>	<b>330</b>

Due to additional demands presented by the pandemic, such as managing compliance to COVID-19 health and safety regulations and guidelines as well as the expired enhanced rate to support CCAP reimbursement, there has been limited incentive for providers to pursue an increased star rating in the past 12 months. There has also been a drastic priority shift in ensuring health and safety demands are met at a higher level than ever before and as a result, moving up the quality continuum has been a secondary priority. Despite this, the following table outlines the number of increased ratings by provider type that have taken place since September 2021.

<b>Provider Type</b>	<b>Number of Providers with an increase in BrightStars September 2021- February 2022</b>
Family child care providers	2
Center providers	10 (includes School Age)

Twelve (12) licensed child care providers have increased their star rating level since August 2021. Three (3) school age programs, seven (7) centers and two (2) family child care providers. Those are outlined below.

<b>Program Type</b>	<b>Previous Rating</b>	<b>New Rating</b>	<b>Reason for Increase</b>
School Age	2	5	Standard 1 (A Child's Daily Experience)
School Age	3	4	Standard 2 (Teaching and Learning) and 6 (Program Management)
School Age	1	2	All standards
Child Care Center	1	2	Standard 4 (Self-Assessment)
Child Care Center	1	3	All standards
Child Care Center	1	2	All standards
Child Care Center	1	2	All standards
Child Care Center	1	2	All Standards
Child Care Center	4	5	All standards
Child Care Center	1	2	All standards
Family Child Care	2	3	Standard 1(Learning Environment)
Family Child Care	1	2	Standard 4 (Self Assessment)

**Question:** Please provide the number of children enrolled in CCAP by provider type, age group, and star rating.

**Answer:** Please refer to the following narrative and charts.

The following charts illustrate the number of CCAP enrollments by provider type (Center based and Family Child care) and BrightStars rating (as of February 2022). Enrollments are further broken down by age group (Infant/Toddler, Preschool and School-Age). For example, of the 1,873 preschool aged children in center-based care who have CCAP benefits, 468 are enrolled in a center with a BrightStars rating of 4 Stars. 120 are enrolled in a center with a BrightStars rating of 5 Stars. The third chart adds an additional breakdown by time enrolled (Full time, Three-quarter time, Half-time and Quarter time). The majority of children in all age groups attend full time.

CCAP Enrollment by BrightStars Rating CEC						
Center-Based Child Care						
Age Group	1 Star	2 Star	3 Star	4 Star	5 Star	TOTAL
Infant/Toddlers	253	472	90	272	56	<b>1143</b>
Preschoolers	483	649	153	468	120	<b>1873</b>
School-Age	606	686	229	317	31	<b>1869</b>
<b>TOTAL</b>	<b>1342</b>	<b>1807</b>	<b>472</b>	<b>1057</b>	<b>207</b>	<b>4885</b>

CCAP Enrollment by BrightStars Rating CEC						
Family Child Care						
Age Group	1 Star	2 Star	3 Star	4 Star	5 Star	TOTAL
Infant/Toddlers	226	143	7	3	0	<b>379</b>
Preschoolers	244	186	7	6	0	<b>443</b>
School-Age	265	209	1	8	0	<b>483</b>
<b>TOTAL</b>	<b>735</b>	<b>538</b>	<b>15</b>	<b>17</b>	<b>0</b>	<b>1305</b>

Brightstars Rating -->	No Rating (LE)	1	2	3	4	5	Grand Total
<b>Full Time</b>							
Infant/Toddlers	1	408	539	84	240	53	<b>1325</b>
Preschoolers		568	705	117	359	87	<b>1836</b>
School-Age		401	417	80	115	1	<b>1014</b>
<b>Half Time</b>							
Infant/Toddlers		7	7				<b>14</b>
Preschoolers		26	28	15	29	14	<b>112</b>
School-Age	2	115	180	67	39	9	<b>412</b>
<b>Quarter Time</b>							
Infant/Toddlers		1					<b>1</b>
Preschoolers		4	2		3	5	<b>14</b>

School-Age		7	18	6	2		<b>33</b>
<b>Third Time</b>							
Infant/Toddlers	1	63	68	13	35	3	<b>183</b>
Preschoolers	2	129	98	28	83	14	<b>354</b>
School-Age	3	348	280	77	169	21	<b>898</b>
<b>Grand Total</b>	<b>9</b>	<b>2077</b>	<b>2342</b>	<b>487</b>	<b>1074</b>	<b>207</b>	<b>6196</b>

<b>Center Based Providers</b>				
	Infant/Toddler Enrollments	Preschool Enrollments	SA Enrollments	Total Enrollments
Sep-21	729	1792	1943	4464
Oct-21	813	1747	1921	4481
Nov-21	842	1721	1888	4451
Dec-21	877	1711	1891	4479
Jan-22	930	1720	1863	4513
Feb-22	900	1657	1779	4336
Trend: Sep to Feb	171	-135	-164	-128

<b>Family Based Providers</b>				
	Infant/Toddler Enrollments	Preschool Enrollments	SA Enrollments	Total Enrollments
Sep-21	239	454	481	1174
Oct-21	276	448	474	1198
Nov-21	286	438	471	1195
Dec-21	315	440	466	1221
Jan-22	343	439	485	1267
Feb-22	350	430	467	1247
Trend: Sep to Feb	111	-24	-14	73

***Federal Funding and Initiatives to Support Child Care Recovery***

**Question:** Please provide FY2022 and FY2023 Child Care and Development Block Grant (CCDBG) estimates, including the balance of any unspent funds from prior years and report any plans for use.

**Question:** Please provide the minimum general revenue match required for the block grants.

**Question:** Please provide a list of federal awards received or anticipated for activities in response to the coronavirus emergency, or other stimulus funding, as well as any planned uses and how much of each award will be used for such activity. Please provide the total cost, actuals to date, projected FY2022 and FY2023 costs, and funding source for each of the following COVID-related actions and associated time periods:

- a. Covering child care co-pays
- b. Freezing CCAP co-pays January through February 2022 (March 5<sup>th</sup> payment cycle)
- c. Payments based on enrollment rather than attendance
- d. COVID rate increase (monthly cost), for both DHS and DCYF
- e. Child Care Recovery Fund
  - i. FY 2021 final budget includes \$5.0 million
- f. Child Care Stabilization Fund
- g. Any other COVID-19 related initiatives
- h. COVID-related current and planned initiatives, taking into consideration the American Rescue Plan Act (ARPA) child care federal funds

**Answer:** Please refer to the following narrative and charts.

Fiscal Year	Mandatory	Matching	Discretionary
FY2022 Carryforward	\$3,118,022	\$3,800,731	\$14,146,000
FY2023 Based on President's Proposed Budget	\$6,633,774	\$5,880,226	\$17,335,000

The above table represents estimated CCDBG amounts available for FY2023 funding. CCAP administrative and systems costs, quality contracts, and various CBA payment practices such as reimbursement for paid sick time utilizing DHS-approved emergency assistants are funded with discretionary funding. Section 9801 of the ARP Act increased the CCDF mandatory and matching appropriation. This is the first increase to CCDF mandatory and matching appropriations since 2006. This funding increase will be applied to the FY2021 annual funding and because it is a statutory amendment to the Social Security Act and not subject to annual appropriations, this increase is permanent and will be maintained in future years. Because the state CCDF mandatory fund amount remains fixed in law, the increase in funds appropriated to the state by the ARP Act are awarded as CCDF matching funds. However, states are not required to match the additional funds awarded in section 9801 of the Act in FY2021 and FY2022. For the government fiscal year beginning October 1, 2022, the requirements for state CCDF matching funds remain the same and are subject to the current quarterly FMAP rate. With the public health emergency being extended through July 15, 2022, the State will continue to take advantage of the 6.2 increased federal match rate through September 2022.

FY22 (Based on President's Proposed Budget)	Amount
Maintenance of Effort (MOE)	\$ 5,321,126
State Match	\$ 2,757,900
<b>General Revenue Total</b>	<b>\$ 8,079,026</b>

The State has been in receipt of pandemic-response federal funding specifically dedicated to child care programming since March 2020. The table below shows the four primary federal funding sources for child care, their obligation and liquidation timelines, allowable uses, and the total award amount.



Funding Source	Timeline	Allowable Use	Total Award
Coronavirus Aid, Relief, and Economic Security Act (CARES)- Child Care and Development Fund (CCDF)	Must be liquidated by 9/30/23	The supplemental funding must be used for activities authorized under the CCDBG Act that prevent, prepare for, and respond to COVID-19.	\$8,165,854
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) CCDF	Must be liquidated by 9/30/23	In addition to the activities allowed under CCDF, the CRRSA Act offers new flexibility to lead agencies to meet the needs of families and child care providers during the COVID-19 pandemic, such as serving essential workers regardless of income and covering copayments for all eligible families.	\$23,867,232
American Rescue Plan Act (ARPA) CCDF	Must be obligated by 9/30/23 and liquidated by 9/30/24	The discretionary funds in the ARP Act present an opportunity to expand access to high-quality child care and move toward a more equitable child care system. The system should meet the developmental needs of children, provide parents with true choice and equal access to child care services that best suits their family's needs, appropriately compensate an essential and skilled workforce, and facilitate a robust child care sector. Lead agencies are strongly encouraged to use funds in a manner that will work toward each of these goals and thereby build stronger and more equitable high-quality child care systems for America's families. Lead agencies may use supplemental funds for any activities allowable under the CCDBG Act and CCDF regulations.	\$35,723,344
ARPA Child Care Stabilization Grants	Must be obligated by 9/30/22 and liquidated by 9/30/23	The lead agency shall use no less than 90% of their total award to make subgrants to qualified child care providers, regardless of such a provider's previous receipt of other Federal assistance, to support the stability of the child care sector during and after the COVID-19 public health emergency. Administrative fees may not exceed 10%.	\$57,251,352

The Department's COVID-19 initiatives and CCAP payment practices are listed below with the anticipated funding source to be charged as well as the associated cost and status. DHS will work closely with OMB to allocate funds across the initiatives to ensure both cost efficiency and federal compliance. In addition to the CCDBG funding, the other federal stimulus funds received will ensure continuation of the CCDF-approved flexible payment practices.

Funding Source	Item + Total Budget	Status	Amount Obligated	Amount Liquidated
CRRSA CCDF	Fiscal Intermediary for Stabilization Grants (Public Consulting Group):	Complete	\$893,549	\$893,549
	Child Care Stabilization Grants:	Complete	\$18,583,200	\$18,583,200
	CCAP- COVID Rate Increase (7/1 – 12/31/21)	Complete	\$833,645	\$833,645
	Interdepartmental Project Manager: \$400,456 through 2024	In Progress	\$400,456	\$137,158
	Pre-K Expansion: \$1,300,000	In Progress	\$1,300,000	\$305,943
	CCAP Co-pays (10/1 – 3/5/22): \$1,736,627	Complete	\$1,701,073	\$1,479,265
	DOA Administration Charges	In Progress	17,867	17,867
<b>Total</b>			<b>\$23,729,790</b> <b>(\$137,442 remaining to be obligated)</b>	<b>\$22,250,627</b>
ARPA CCDF	CCAP- Reimbursing based on enrollment not attendance [projected through 2024]:	In Progress	\$4,249,885	\$0
	CCAP- Gov. Rec. Rate Increase (1/1/22 – 6/30/24):	In Progress	\$27,218,915	\$1,746,568
	CCAP- Cap co-pays at 7%:	In Progress	\$2,776,643	\$0
	BrightStars LearnERS (Job-embedded PD) and Quality Grants: \$841,600	In Progress	\$167,776	\$64,034
	SUCCESS/Children’s Mental Health: \$636,301	In Progress	\$636,301	\$0
<b>Total</b>			<b>35,723,344 (Includes Learners/Quality Grants)</b>	<b>\$1,810,602</b>
CARES CCDF	LISC Child Care Grants:	Complete	\$1,860,519	\$1,860,519
	CCAP co-pays (through 6/30/21):	Complete	\$1,045,517	\$1,045,517
	CCAP co-pays (7/1/21 – 9/30/21):	Complete	\$996,504	\$996,504
	ECCE Background Check Fee Waiver:	In Progress	\$172,800	\$29,600
	COVID Rate Increase (7/1 - 12/31):	Complete	\$2,648,677	\$2,648,677
	Interdepartmental Project Manager	Complete	\$22,531	\$22,531
	Test to Stay Protocol – COVID-19	In Progress	\$1,418,248	\$0
	DOA Administration Charges	In Progress	\$1,058	\$1,058
<b>Total</b>			<b>\$8,165,854</b>	<b>\$6,604,406</b>

Please see attached Appendix B for data associated with the Child Care ReInnovate Stabilization Grant program.

**Question:** How has the 7.0 percent co-pay cap impacted the overall budget for CCAP and the cost per subsidy?

**Answer:** The 7 percent cap on family co-payments impacted approximately 1,290 children from families with household incomes above 150 percent of FPL. The remaining copay levels remained the same, meaning families at or below 100 percent of FPL continued to pay no family share, families above 100 percent and below 125 percent are paying a 2 percent copay, and families

above 125 percent and below 150 percent are paying a 5 percent copay. The fiscal impact is less than 1 percent to the total FY2022 budget.

**Question:** How has the FY 2022 enacted rate increase impacted the overall CCAP budget and cost per subsidy, and what other changes have the childcare system experienced including number and quality of providers as a result of this rate increase?

**Answer:** Please refer to the following narrative and charts.

***Child Care Caseload Trends and Projections***

The number of CCAP providers with enrollments is down 26.5 percent from October 2020. However, various payment practices and investments in child care have seen this number increase in the past seven months by 10.2 percent. Family-based providers with enrollments increased by 6.5 percent in the past seven months, while licensed based providers increased by 14 percent in the same period of time.

<b>CCAP Providers with Enrollments</b>				
<b>Provider Type</b>	<b>Oct-20</b>	<b>Mar-21</b>	<b>Aug-21</b>	<b>Mar-22</b>
Family Based Providers	442	302	262	279
Center Based Providers	336	243	257	293
<b>Total</b>	<b>778</b>	<b>545</b>	<b>519</b>	<b>572</b>

Staffing shortages and ongoing disruptions from COVID-19 related quarantines continue to impact child care caseload. In FY2022, through payment cycle 21, an average of 5305 children were served/enrolled in the CCAP each week. This represents a 9.7 percent decrease in average enrollment from this same time last year. Proportional declines in average enrollment were experienced in all age categories with infant/toddlers experiencing a 10 percent decline in average enrollment, preschool 10.3 percent and school age 11 percent. While the number of providers enrolling children continues to increase, family-based providers are still struggling with maintaining enrollment. This may be due, in part, to a temporary decrease in child care enrollment across the state which allowed for more accessibility to higher rated programs than pre-pandemic demand. Children enrolled in center-based facilities increased 1.4 percent from last year to 78.4 percent.

<b>Number of Children by Provider Type</b>		
	<b># of Children</b>	<b># of Providers</b>
Family Based	1,146	266
Center Based	4,159	251
<b>Total</b>	<b>5,305</b>	<b>517</b>

*Based on average through Batch 21*

In FY2022, through payment cycle 21, the average number of children serviced by category is as follows:

Category	# of Children	% of Total
Infant	373	7.0%
Toddler	817	15.4%
Preschool	2282	43.0%
School Age	1833	34.6%
<b>Total</b>	<b>5305</b>	<b>100.0%</b>

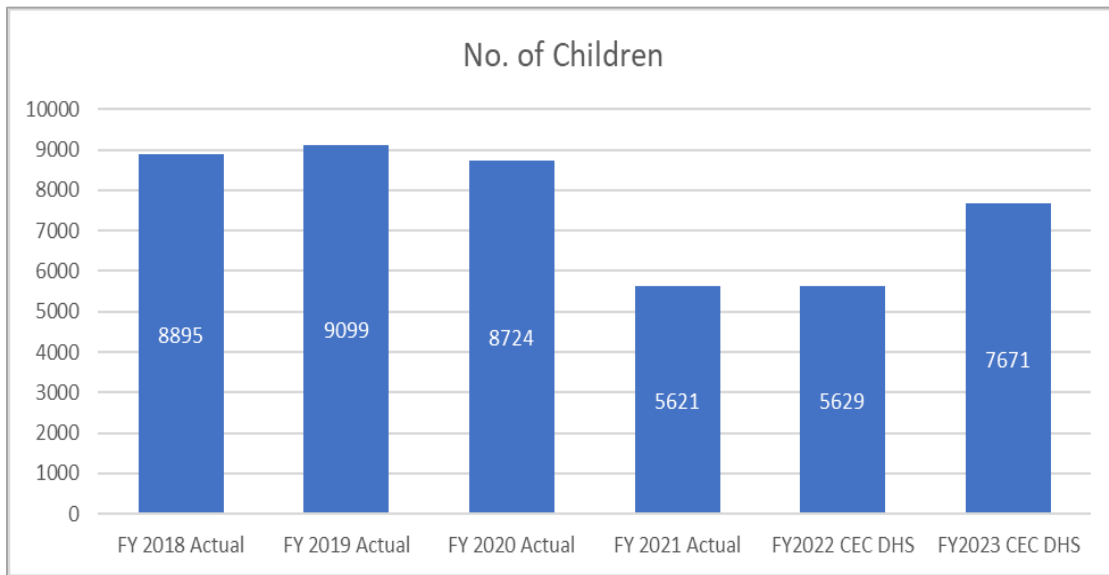
*Based on average through Batch 21*

In general, families utilize child care subsidy programs for relatively short periods of time, but frequently return to the subsidy program after they exit. Exits from the program are likely related to employment patterns of the parents that participate in the program. The number of children enrolled in child care throughout the year in FY22 is 30.9 percent higher than the average amount of children enrolled in any given pay period.

While the State has one of the highest vaccination rates in the nation, and the Rhode Island economy is maintaining a strong economic momentum with a 3.9 percent unemployment rate, the child care industry is still struggling. Due to strong COVID-19 mitigation practices, revised regulations and immediate financial supports available to providers, child care closures and operational gaps have been mostly avoided. Still, the pandemic continues to debilitate an already struggling industry, ripe with high turnover and tight margins before the pandemic. Now, it is dealing with staffing shortages, ongoing disruptions to care from quarantines and threats to workers' health from the virus. In addition, changes to parent employment including job loss or job change, reduction in working hours for hourly employees, or flexibility to work remotely, has contributed to significant reductions in child care enrollment.

The pandemic has prompted people to reassess their priorities, and many workers have gone on to seek new opportunities with greater work flexibility. Child care demands compounded by closures and quarantines, pandemic-related workplace risks or challenges, and a desire for a better job or one with higher pay and more benefits resulted in 16,000 people in Rhode Island quitting their jobs in November 2021. Even with the opening of DHS offices, child care in Rhode Island has changed considerably and more families are continuing to opt for in-home, alternative care arrangements.

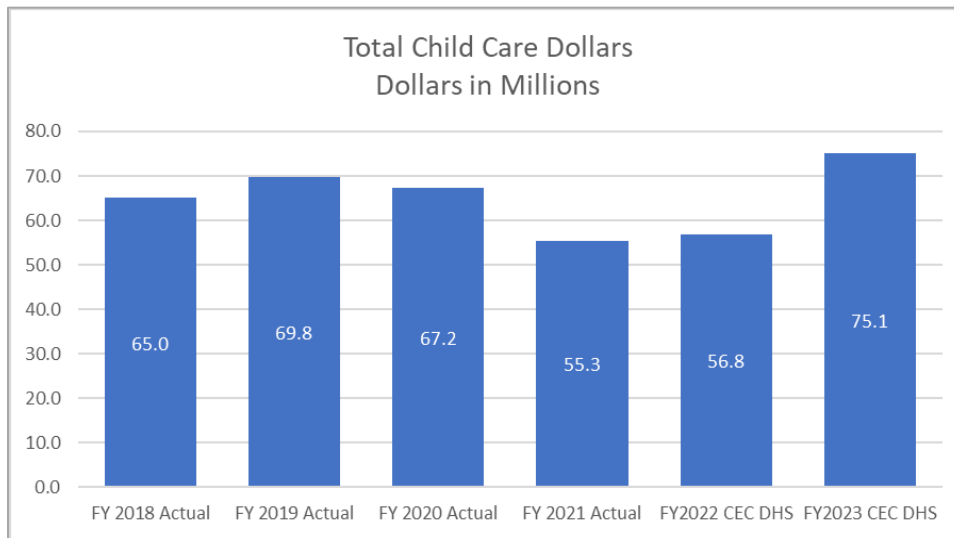
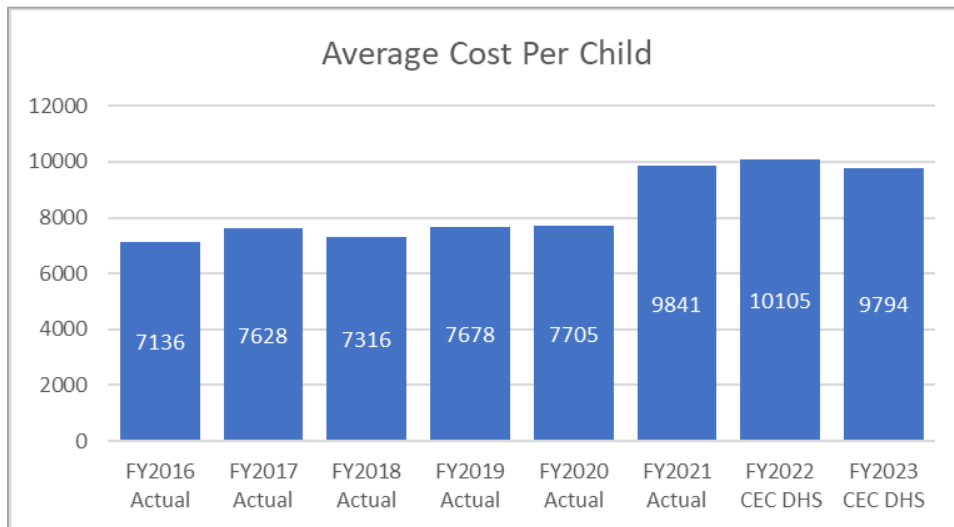
The Department is expecting to see less than a 1 percent increase in the average caseload in FY2022 compared to FY2021. While 83.7 percent of the jobs lost during the pandemic shutdown have been recovered, there are still 3200 fewer Rhode Island residents participating in the labor force. In addition, industries hit hardest by the pandemic are predominantly female dominated and distance learning have forced many women to leave the workforce to care for their children.



Upon reopening child care in June 2020, the Department instituted several flexible payment practices under CCDF to ensure our most vulnerable CCAP families can maintain their slots without fear of programs/providers prioritizing private-pay families. While the Department discontinued the enhanced rate and waiving copays in December and March respectively, OCC continues to support CCAP providers with decreased CCAP enrollment and increased costs associated with COVID-19 with the following payment practices:

- CCAP services are reimbursed based on enrollment rather than attendance. (Providers are reimbursed for the children enrolled in their program rather than the children reported as attending.)
- The allowable absence policy has been waived for CCAP families.

The cost to implement these payment practices increased the average cost per child by 27.7 percent in FY2021. In FY22, the Department extended its waiver of copayments through the first week of March. In addition, licensed centers received statutory rate increases and copays were capped at 7 percent beginning January 2022. These changes are expected to increase the average cost per child another 2.7 percent this year to \$10,105.



A comprehensive plan to transition the management of COVID-19 from a pandemic into an endemic strategy is underway in Rhode Island. Models of prevention, treatment, and healthcare delivery, as well as updates to the State’s vaccination and testing sites are being planned. Most public health officials agree that COVID is here to stay. The uncertainty of the virus and ongoing disruptions from COVID-19 related quarantines will continue to affect child care caseload in the immediate future. However, new quarantine guidance for close contacts and an 82% fully vaccinated rate (98% first dose), as well as in-house monitor to stay and test to stay programs, will aid families and child care providers struggling to maintain participation.

As previously stated, the Department discontinued the enhanced rate and waiving copays in December and March respectively. However, the Department continues to support CCAP providers with decreased CCAP enrollment and increased costs associated with COVID-19 by continuing the practice of paying on enrollment and not attendance and waiving the allowable absence policy.

The below projection includes the cost of the enacted rate increase, capping CCAP co-pays at 7 percent, and funding to pilot the expansion of CCAP to include families who require child care in order to pursue college enrollment. It also includes continuing the practice of paying on enrollment and not attendance as well as extending the copay waiver through March.

	FY2022	
	Average # of Children	Amount
Base	5,629	\$41,405,972
COVID rate increase (7/1/21 - 12/31/21)	N/A	\$5,183,395
Copay Waiver (7/1/21 - 12/31/21)	N/A	\$2,007,377
Copay Waiver (1/1/22 - 3/5/22)	N/A	\$615,598
Cap Copay 7% (6 months)	N/A	\$485,679
FY2022 Enacted Rates (1/1/22 - 6/30/22)	N/A	\$5,635,247
Enrollment v. Attendance	N/A	\$1,344,285
CCAP for College (20 participants)		\$200,000
		<b>\$56,877,553</b>

The Department projects that average enrollment is expected to recover at a slow, yet steady pace in FY2023. In its third pandemic year, the labor market will continue to be unsettled. It is expected that people will continue to quit their jobs at above-average rates in order to seek out a better work life balance and will test new ways of working. Along with this new work life balance, staffing shortages and ongoing disruptions to care from quarantines will continue to cause families to opt for in-home, alternative care arrangements. It is expected that through FY2023, average enrollment will increase 36.3 percent in FY2023 compared to FY2022 but will again remain at record lows for the immediate future.

The FY2023 estimate includes the enacted rate increase, the 7 percent copay cap, and continuing the practice of paying on enrollment not attendance.

	FY2023	
	Average # of Children	Amount
Base	7,671	\$59,321,890
FY22 Enacted Rates	N/A	\$13,212,012
Cap Copay 7%	N/A	\$1,145,482
Enrollment v. Attendance	N/A	\$1,450,332
	<b>7,671</b>	<b>\$75,129,716</b>

**Question:** For the SEIU Collective Bargaining Agreement, please provide an update on any contract negotiations and potential impacts to the CCAP program in FY2022 and FY2023, if applicable.

**Answer:** The most recent agreement between the State of Rhode Island and SEIU District 1199NE covering Child Care Assistance Program (CCAP) Family Child Care Providers expired 6/30/2020. The Rhode Island Department of Human Services and SEIU District 1199NE entered into a memorandum of agreement extending the SEIU agreement through December 31, 2021, further extended the agreement from January 1, 2022, through February 28, 2022, and most recently extended again through May 1, 2022. The State and the Union have been meeting weekly to discuss various proposals and have made progress in prioritizing the Union’s requests. It is expected negotiations will continue through May 1, 2022, with subsequent ratification. Currently, negotiations are well underway, and the Department does not know the potential impact to the CCAP program for FY2022 and FY2023.

The following are estimates based on the current CBA terms.

FY22 Estimate	# of Providers	Rate	Cost
License Exempt Bonus	0	\$500.00	\$ -
Orientation Bonus	2	\$75.00	\$150.00
Direct Deposit Bonus	2	\$100.00	\$200.00
Registration Fee (# of Children)	30	\$50.00	\$1,500.00
Sick Leave	15		\$8,240.00
<b>Total Cost</b>			<b>\$10,090.00</b>

FY23 Estimate	# of Providers	Rate	Cost
License Exempt Bonus	1	\$ 500.00	\$ 500.00
Orientation Bonus	10	\$ 75.00	\$ 750.00
Direct Deposit Bonus	10	\$ 100.00	\$ 1,000.00
Registration Fee (# of Children)	268	\$ 50.00	\$ 13,400.00
Sick Leave	20		\$ 21,845.00
<b>Total Cost</b>			<b>\$ 37,495.00</b>

**Family Based Union Increase**

The State of Rhode Island’s Collective Bargaining Agreement (CBA) expired on June 30, 2020 and has been extended through a Memorandum of Agreement that preserved the existing policies through May 1, 2022. The COVID enhanced rates expired December 31, 2021, at which time the Family Child Care reimbursement rates reverted to the most recently negotiated and approved rates that were effective as of May 2020 prior to the COVID enhancement. As of this report, the Collective Bargaining Agreement including potential rate enhancements is under negotiation.



### ***Union Sick Time***

With the passage of S0290 SubB, all CCAP family child care providers were granted earned sick time, effective July 1, 2018. This law requires sick time to be issued at no less than the state minimum wage. The hourly rate for earned sick leave has not increased since January 1, 2020 at \$15/hour, with an accrual of 40 hours/year. This rate is subject to the current CBA negotiations.

The Department currently has 179 approved assistants. To date, 51 providers have sought reimbursement for paid sick time utilizing 75 DHS-approved emergency assistants. In 2022, the State has paid 16 emergency assistants for 12 providers at a cost of \$6,180. In addition, the State paid registration fees to 6 providers for 15 children at a cost of \$750 in FY2022.

**Question:** The Governor's FY2023 Recommended Budget includes \$375,000 to make the FY2022 pilot to expand child care assistance for individuals enrolled in either URI, RIC, or CCRI permanent. How many families have taken advantage of the program, how many children are impacted by this program in FY2022, and what are the assumptions for FY2023? What are the monthly projected expenses while schools are in session?

**Answer:** With an estimated annual cost for FT CCAP being approximately \$9,000/child, DHS estimated the \$200,000 in pilot funding for CCAP for college would serve approximately 20 families in FY2022. As of March 25, 2022, 10 cases including 21 children have been approved under the pilot. There are 11 children enrolled and billing. With an additional 4 cases pending, the pilot will be closed as the pilot fund \$200,000 has been fully committed. The Department anticipates increased demand should the proposed continuation of the CCAP for College program be approved and a communication and outreach strategy be employed. Under CCAP rules families are authorized for a 12-month period. Eligibility for CCAP for College requires proof of enrollment in a minimum of 7 credits in a degree program at URI, CCRI or RIC at the time of application. In FY2023, the estimated cost per child is approximately \$9,794 for the 12-month certification period.

### ***Office of Financial Management***

To ensure accurate payments are made to child care providers in a timely and efficient basis, DHS maintains a few key metrics to assess, track and report potential payment discrepancies.

Key Performance Indicators (KPIs) of success include:

- Decrease in attendance records included in the off-cycle payments
- Monthly monitoring of CCAP recertifications and improved training across the field on obtaining proper documentation verifying eligibility
- Increase in portal usage by CCAP providers

The Office of Child Care and the Office of Financial Management continues to meet each week with the State's technology vendor, Deloitte, to review metrics on recertification progress, enrollment data, supplemental payroll analysis and portal usage. These metrics provide the Department with information to adopt procedures to ensure CCAP is operating efficiently and

effectively and measure performance to provide context for improvement. A metric is retired when the goal of the Department has been met and monitored for consistency for an appropriate period of time.

To ensure accurate and timely payment to child care providers, the CCAP financial management team also conducts pre-payroll analysis of the data generated for biweekly payment. The data generated includes the status of eligibility, number of records processed and amounts for union, PAC, copay and net benefits. This information is validated across an average of the last 10 batches and provides the Department with additional information to ensure payment integrity. Reports are also generated to review the number of children absent, the number of children enrolled in more than one provider, and the percentage to income of copay cost to the families.

A summarized version of this report is shown below.

	Trial Run – Batch 09	Average from Last 10 Batches
<i>Total Number Of Providers</i>	659	676
<i>Total Amount</i>	\$2,584,681.17	\$2,567,169.28
<i>Total Copay</i>	\$164,632.29	\$168,464.99
<i>Total Union amount</i>	\$8,339.05	\$8,535.23
<i>Total PAC amount</i>	\$1,041.10	\$983.01
<i>Total Recoupment amount</i>	\$0.00	0
<i>Total number of the provider paid with \$0 payments</i>	2	0
<i>Total amount paid to DCYF children</i>	\$217,555.10	\$226,746.17
<i>Total number of DCYF kids</i>	673	698
<i>Number of providers who have been paid with Checks</i>	136	130
<i>Number of providers who have been paid with Direct Deposits</i>	522	536
<i>Total Number of records processed</i>	18728	19216

### **2021 Market Rates and Equal Access**

The 75<sup>th</sup> percentile is recognized by the Administration for Children and Families (ACF) as the equal access standard and states are expected to have base rates that meet this standard. The ACF Office of Child Care placed Rhode Island on Corrective Action in February of 2019 because its CCAP base rates did not meet the equal access standard. During the pandemic, Rhode Island was taken off corrective action while the COVID-enhanced rates remain in effect because these increased rates demonstrated the State’s progress toward meeting the equal access standard. Once the COVID-enhanced rates ended, the State had to amend the CCDF State Plan to reflect the new FY2022 enacted rates. RI may be placed back on corrective action for base rates that do not meet the equal access standard based on the 2021 Market Rates. States on corrective action may be subject to penalty of up to four percent of discretionary funding. The following table maps the FY2022 enacted rates that took effect in January 2022 with the percentiles determined by the 2021 Market Rate Survey.

	1 Star	2 Stars	3 Stars	4 Stars	5 Stars
Infant/Toddler	\$236.36	\$244.88	\$257.15	\$268.74	\$284.39
2021 percentiles*	15 <sup>th</sup> / 30 <sup>th</sup>	20 <sup>th</sup> / 40 <sup>th</sup>	35 <sup>th</sup> / 55 <sup>th</sup>	55 <sup>th</sup> / 70 <sup>th</sup>	70 <sup>th</sup> / 80 <sup>th</sup>
Preschool	\$207.51	\$212.27	\$218.45	\$223.50	\$231.39
2021 percentiles	35 <sup>th</sup>	40 <sup>th</sup>	40 <sup>th</sup>	50 <sup>th</sup>	55 <sup>th</sup>
School Age	\$180.38	\$182.77	\$185.17	\$187.57	\$189.97
2021 percentiles	40 <sup>th</sup>	40 <sup>th</sup>	40 <sup>th</sup>	40 <sup>th</sup>	40 <sup>th</sup>
<i>*rounded to the nearest 5<sup>th</sup> percentile</i>					

Due to the number of states and territories who requested waivers to have additional time to complete their data collection and set payment rates, the ACF OCC will not issue compliance decisions on sufficient payment rates for any state or territory until after those waivers expire on July 1, 2022. At this time, it is likely Rhode Island will be placed back on corrective action.

### **Quality Investments**

ACF requires states to allocate 12 percent of its funding to quality initiatives designed to support and advance the quality of early learning programs serving children and families in the Child Care Assistance Program. To support providers in achieving a higher quality rating, the Department has focused on a comprehensive set of professional development options ranging from pre-service health and safety requirements to apprenticeship opportunities to higher education opportunities funded through its quality set-aside dollars. These quality contracts fund community-based organizations and state institutions of higher education to deliver evidence-based professional development and coursework to the early learning workforce to improve their program quality. All professional development and coursework are aligned to the QRIS, with 70 percent of offerings geared to 1- and 2-Star providers.

**Question:** Please provide an update on the \$250,000 Family Child Care Training and Supports Benefit Fund that is jointly administered by the Department and the Union. Please provide the plan to use the funds and balance of the fund carry forward for FY2023.

**Answer:** From 2019 through March 2022, \$818,366 has been allocated through the CBA between SEIU 1199 and the State to the Education and Support Fund (ESF). Included in Appendix B is the Training Fund’s most recent Quarterly Report detailing deliverables achieved. The ESF Service Agreement has been amended with a 3-month extension January-March 2022 with a second amendment to extend an additional three months from April – June pending CBA negotiations. Should the agreement be renewed with ESF as the training fund vendor, work in FY 2023 will continue to focus on Family Child Care specific professional development and technical assistance. The suite of trainings detailed in the Appendix will continue with a focus on business

skill development for providers, technology skill development for providers and program quality for providers. A primary goal for FY 2023 should the contract be approved is the establishment of two FCC Provider Networks to support Providers in two identified zip codes where the need for additional provider support is clear. The Mentor Program, the Substitute Pool Program and the Business Intern Program would each be continued and expanded as needed. Also included in Appendix B is the Training Fund's most recent Quarterly Report, detailing the deliverables achieved under the Service Agreement.

## **Supplemental Security Income (SSI) Program**

Supplemental Security Income (SSI) is a federal program that provides monthly cash payments to individuals in need. SSI is for people who are 65 or older as well as blind or individuals with a disability of any age, including children. To qualify for SSI, individuals must also have little or no income and few resources.

### ***SSI Payments***

After federal Social Security Administration (SSA) offices closed due to the pandemic in March 2020, SSI participation declined by an average of 701 people from June 2020 through June 2021. Throughout FY2022, cases continued to decline since SSA offices were still closed to in-person appointments. Combining these factors along with DHS and Disability Determination Services (DDS) offices being closed as well as other factors discussed below, the projection of average monthly SSI persons is 32,840 for FY2023.

Due to potential SSI applicants not applying because of Pandemic Unemployment Assistance (PUA), and with DDS offices being closed, there were some in-person activities that could not be completed. We projected that cases would begin to climb precipitously with the cessation of PUA payments in September 2021, but we did not see a continued increase because SSA offices continue to remain closed. It is expected that SSA offices will be open by May 1, 2022. It takes approximately 90 days to process a claim, so DHS expects to see cases begin to increase by August 1, 2022. The FY2023 projection shows the number of cases growing by 50 per month consistent with SSA actuarial projections and current application intake. The projection of 33,117 by June 2023 persons shows continued growth of the program considering the above-mentioned factors, with cases increasing towards pre-pandemic levels.

Rhode Island recently implemented Assisted Living reforms and the FY2022 enacted budget eliminated Category F payments. Effective November 1, 2021, 194 individuals in facilities currently receiving assisted living payments have moved to different tiers.

The administrative transaction fee remains stable at \$63,000 from FY2021 through FY2022. Based on notification from the federal Social Security Administration, the administrative fee will increase to \$66,000 for FY2023. The cost per person is calculated to include transaction fees.

The average moving costs were \$194,754 in FY2021. DHS estimates are \$182,843 for FY2022 and \$193,000 for FY2023. DHS anticipates an increase in moving costs in FY2022 due to lifting of COVID-19 travel restrictions, but has not seen a continued increase. This population was not transient during FY2021 probably due to the inability to find reasonable rent costs and the limit on evictions. Currently RI Housing has a program providing rent and utility assistance to eligible individuals. Through January 2022, over \$100 million in federal funds was awarded to eligible RI residents under this program.

	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted November	FY 2022 May CEC DHS	FY 2023 May CEC DHS
<b>SSI</b>							
Persons	35,118	33,806	33,983	33,184	33,000	32,731	32,840
Cost / Person	\$ 48	\$ 47	\$ 46	\$ 46	\$ 46	\$ 45	\$ 44
Cash Payments	\$ 20,092,846	\$ 19,017,258	\$ 18,798,746	\$ 18,274,447	\$ 18,271,440	\$ 17,533,886	\$ 17,133,509
Transaction Fees	\$ 70,000	\$ 69,000	\$ 65,000	\$ 63,000	\$ 63,000	\$ 63,000	\$ 66,000
<b>Total Dollars</b>	<b>\$20,162,846</b>	<b>\$19,086,258</b>	<b>\$18,863,746</b>	<b>\$18,337,447</b>	<b>\$18,334,440</b>	<b>\$17,596,886</b>	<b>\$17,199,509</b>

The number of SSI recipients receiving their checks by mail has remained stable and only approximately 4.4 percent of SSI recipients receive paper checks. For FY2021, the Department issued 18,687 checks by mail, a decline of 2,775 checks from FY2020 and a \$1,526 savings for total check costs. The FY2022 projection of 17,545 checks is based on the last quarter of FY2021 and the first three quarters of FY2022. To project FY2023 number of SSI checks, DHS used its historical percentage of paper checks.

Month	# of Checks	Amount of Checks	# of Direct Deposits	Amount of Direct Deposits	Total # of Payments	Total Amount of Payments
Jan-21	1,458	\$55,252	32,157	\$1,287,553	33,615	\$1,342,806
Feb-21	1,541	\$59,093	32,385	\$1,297,366	33,926	\$1,356,459
Mar-21	1,539	\$59,090	32,493	\$1,300,399	34,032	\$1,359,489
Apr-21	1,501	\$57,691	32,215	\$1,290,844	33,716	\$1,348,535
May-21	1,510	\$57,412	32,118	\$1,286,028	33,628	\$1,343,440
Jun-21	1,607	\$62,107	31,960	\$1,279,275	33,567	\$1,341,382
Jul-21	1,471	\$55,962	31,913	\$1,276,674	33,384	\$1,332,636
Aug-21	1,502	\$57,680	33,457	\$1,279,892	34,959	\$1,337,571
Sep-21	1,490	\$56,981	32,069	\$1,283,698	33,559	\$1,340,680
Oct-21	1,424	\$54,732	31,861	\$1,275,062	33,285	\$1,329,794
Nov-21	1,488	\$56,882	31,890	\$1,275,074	33,378	\$1,331,955
Dec-21	1,526	\$58,124	32,008	\$1,280,625	33,534	\$1,338,749
Jan-22	1,386	\$52,533	31,473	\$1,258,547	32,859	\$1,311,080
Feb-22	1,312	\$50,053	31,613	\$1,265,592	32,925	\$1,315,645
Mar-22	1,328	\$50,564	31,434	\$1,258,132	32,762	\$1,308,696
<b>Total</b>	<b>22,083</b>	<b>844,157</b>	<b>481,046</b>	<b>19,194,761</b>	<b>503,129</b>	<b>20,038,918</b>
<i>% of Total</i>	<i>4.4%</i>	<i>4.2%</i>	<i>95.6%</i>	<i>95.8%</i>	<i>100%</i>	<i>100%</i>

	# of Checks	Cost per Check	Amount
SFY19	22,336	\$0.55	\$12,285
SFY20	21,462	\$0.55	\$11,804
SFY21	18,687	\$0.55	\$10,278
SFY22 Estimate	17,545	\$0.55	\$9,650
SFY23 Estimate	16,668	\$0.55	\$9,167

### **SSI Questions**

**Question:** Please provide the number of SSI recipients in each category (persons, personal needs allowance, assisted living).

**Answer:** See Appendix A

**Question:** The FY 2022 Enacted Budget eliminated Category F payments. What impact has this had on the total SSI budget in FY 2022 and FY 2023.

**Answer:** Since the elimination of Category F, Category D payments have increased by an average of \$28,000 per month. This represents an average monthly savings of \$75,000 per month, or \$900,000 per year.

a. Please also include the number of individuals receiving the State-only payment in each category

**Answer:** After category F was eliminated on November 1, 2021, approximately 100 individuals receive the state-only payment.

**Question:** Please provide the number of individuals receiving the additional \$206 payment for residing in a non-Medicaid funded assisted living facility or Rhode Island Housing funded facility and the total cost for FY2022 and FY2023.

**Answer:** Please see the table below.

### **Individuals Receiving Assisted Living Payments**

Each month the Department issues cash payments of \$206 for individuals in Assisted Living (AL) facilities. The total payments for FY2021 decreased to \$168,302 from the FY2020 annual total of \$201,047. The FY2022 projection shows this continued decline to \$114,128 using actual quarterly payments paid to each facility for the last quarter of FY2021 and the first quarter of FY2022. The FY2023 projection of \$99,296 shows a continued drop in payment and is based on expected FY2022 payments along with two Assisted Living facilities losing their eligibility status as a result of AL reform. There has been a significant drop in the number of residents at assisted

living facilities receiving this supplemental payment because some facilities closed, individuals moved to other living arrangements and others became Medicaid LTSS eligible.

	ASSISTED LIVING PAYMENTS						
	FY 2021 Q4	FY 2021 Total	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3	FY 2022 DHS Projected	FY 2023 DHS Projected
A Better Day	\$0	\$15,244	\$0	\$0	\$0	\$0	\$0
Bristol Assisted Living	\$2,472	\$10,918	\$2,472	\$2,472	\$2,472	\$9,888	\$9,888
Charlesgate	\$3,914	\$16,892	\$3,296	\$2,472	\$2,472	\$10,986	\$10,986
Community Care Alliance	\$7,210	\$30,694	\$6,798	\$7,622	\$7,622	\$29,389	\$29,389
Forest Farm	\$5,768	\$24,514	\$6,180	\$0	\$0	\$6,180	\$0
Franciscan Missionaries	\$11,742	\$46,968	\$10,712	\$9,270	\$9,476	\$39,276	\$39,276
St. Elizabeth	\$5,768	\$23,072	\$2,678	\$0	\$0	\$2,678	\$0
<b>Total</b>	<b>\$36,874</b>	<b>\$168,302</b>	<b>\$32,136</b>	<b>\$21,836</b>	<b>\$22,042</b>	<b>\$98,397</b>	<b>\$89,539</b>

The number of quarterly cases in each facility is shown below. Our projections align with our methodology for the cash payments in both FY2022 and FY2023.

	ASSISTED LIVING COUNT						
	FY 2021 Q4	FY 2021 Average	FY 2022 Q1	FY 2022 Q2	FY 2022 Q3	FY 2022 Average DHS Projected	FY 2023 Average DHS Projected
A Better Day	0	6	0	0	0	0	0
Bristol Assisted Living	4	5	4	4	4	4	4
Charlesgate	6	7	5	4	4	4	4
Community Care Alliance	12	12	11	12	12	12	12
Forest Farm	9	10	10	0	0	3	0
Franciscan Missionaries	19	19	17	15	15	16	16
St. Elizabeth	9	9	4	0	0	1	0
<b>Total</b>	<b>60</b>	<b>67</b>	<b>51</b>	<b>35</b>	<b>35</b>	<b>40</b>	<b>36</b>



## General Public Assistance (GPA) Program

The General Public Assistance (GPA) program is intended as a program of last resort for the neediest individuals in the State. GPA provides a small cash benefit to adults aged 18 and over who have very limited income and resources and have an illness or medical condition that keeps them from working while they await an SSI determination. To qualify, an individual must earn less than \$327 a month and cannot qualify for other federal assistance programs other than Supplemental Nutrition Assistance Program (SNAP). In addition, the program provides supplemental assistance for funerals and burials. Both the GPA Bridge and Burial programs have been impacted by COVID-19 because of the rise in unemployment and the increase in COVID-19 related deaths.

### ***GPA Projection***

GPA Bridge cases had been declining through the beginning of FY2021 as a result of improved eligibility review standards. The FY2022 adopted number was 61 and the projected annual average is 116 participants. We anticipate a large increase in FY2023 for the following reasons. The DHS Medical Assistance Review Team (MART) disability reviews that were required for all Bridge applicants ended in September 2021. In addition, as the DHS offices reopened, there will be additional GPA Bridge applicants as access to public transportation and in-person appointments become available. Also contributing to the increase is the end of PUA benefits. Bridge projections align with the anticipated growth in SSI. Due to all these factors, FY2023 is projected to increase by 18 participants per month through December 2022. The Department projects a continued increase at a slightly slower rate to 375 individuals by the end of FY2023. The Department predicts caseload to grow higher than the pre-pandemic level as a result of MART reviews ending and with the reopening of DHS offices to service clients.

Due to COVID-19 impacts on the economy as well as the impact on the death rate, there was an increase in GPA burial costs. For FY2020, there were 54 actual COVID-19 GPA deaths resulting in a cost of \$59,400. DHS paid for 94 actual COVID burials in FY2021 for a cost of \$83,689. In FY 2022, the Department has only paid for 27 COVID burials at a cost of \$27,900. This cost will be shifted to Coronavirus relief funds. FY2023 COVID burials are projected to be approximately \$25,000 and consistent with the current trend of COVID burial requests for assistance decreasing.

	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 November Adopted	FY 2022 May CEC DHS	FY 2023 May CEC DHS
<b>GPA</b>						
Persons - Bridge	159	103	61	61	116	314
Cost / Person	\$ 145	\$ 160	\$ 178	\$ 189	\$ 181	\$ 184
Cash Payments - Bridge	\$ 276,356	\$ 197,568	\$ 130,410	\$ 138,348	\$ 252,153	\$ 691,490
Burials	\$ 595,863	\$ 679,746	\$ 569,269	\$ 560,000	\$ 529,700	\$ 599,999
<b>Total Dollars</b>	<b>\$ 872,219</b>	<b>\$ 877,314</b>	<b>\$ 699,679</b>	<b>\$ 698,348</b>	<b>\$ 781,853</b>	<b>\$ 1,291,489</b>

***General Public Assistance Questions***

**Question:** For FY 2022 and FY 2023, please provide an estimate of the expenses for the burial assistance program due to COVID-19.

**Answer:** Through March 2022, DHS reimbursed families for 27 deaths resulting in a cost of \$27,900. With only a few months remaining in fiscal 2022, additional expected cost will be minimal. For FY2023, we project expense of \$25,000 related to COVID deaths.