



RI Department of Human Services

Responses to CEC November 2021 Follow Up Questions

Rhode Island Works

1. Please provide the updated bus pass utilization rate for FY 2022 and FY 2023, and any necessary administrative costs.

Answer: The bus pass cost is \$70 per monthly pass. DHS reimburses \$82.50 per monthly pass (the administrative costs through the transportation contract are \$12.50 per bus pass). Caseload Estimates are made based on the number of persons served in RI Works. The estimates are further broken down into 1) Riders Per Month 2) Non-Medical Recipient Riders per month and 3) DHS takes into account journal entries after reconciliation.

Knowing that not every RI Works eligible individual is going to request a bus pass, the estimate is broken down to \$14.80 per person per month in the appendix. Additionally, \$450 per month accommodates both the Non-Medical rides and the journal entries after reconciliation.

There has been a reduction in requests for monthly bus passes due to COVID and the new electronic WAVE cards. Averages were utilized from all of FY2021 and the first three months of FY2022. For the remainder of FY2022 and FY2023, the cost per person should be sufficient as the population returns to pre-pandemic utilization.

2. **NOTE:** Rental Assistance Correction

The COVID-19 Emergency Rental Assistance program administered by the US Department of Treasury does **not** impact the public benefit programs administered by the RI Department of Human Services whether provided to the renter or the landlord.

The payments are excluded as income from programs per section 501 of Public Law 115-260 (j).

“Treatment of Assistance – Assistance provided to a household from a payment made under this section shall not be regarded as income and shall not be regarded as a resource for purposed of determining the eligibility of the household or any member of the household for the benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.”

Child Care Assistance Program

1. In the table on page 29, can the agency confirm that the state match amount listed will carry into FY 2023?

Answer: Yes. States are not required to match the additional funds awarded in section 9801 of the ARP Act in FY2021 or FY2022. In other words, increased CCDF matching funds available in FY2021 and FY2022 do not require a state match. Otherwise, the requirements for state

CCDF matching funds remain the same and are subject to the current quarterly FMAP rate. The Department uses a blended rate in its projections. The additional FMAP rate is in effect until the end of the public health emergency and has been extended to at least the first quarter of FY2022 with the possibility of being extended further into FY2022.

2. Please provide documentation of the proposed usage of the \$56,081,163 in ARPA funds, as described in the table on page 30.

Answer: The following information outlines the Department’s approach to the ARPA stabilization grant program. Additionally, the Department has included a set of slides that include spending data from the CRRSA stabilization grants.

Overview

The American Rescue Plan Act (Section 2202) earmarked \$23,975,000,000 to be directed by states and tribes and given to eligible child care providers in the form of Child Care Stabilization Grants.² Rhode Island received \$57,251,352 for Stabilization Grants.

- **Allowable Use:** “The lead agency shall use the remainder of the grant funds awarded pursuant to subsection (c) to make subgrants to qualified child care providers described in subparagraph (B), regardless of such a provider’s previous receipt of other federal assistance, to support the stability of the child care sector.” “The amount of such a subgrant to a qualified child care provider shall be based on the provider’s stated current operating expenses, including costs associated with providing or preparing to provide child care services during the COVID–19 public health emergency, and to the extent practicable, cover sufficient operating expenses to ensure continuous operations for the intended period of the subgrant.”
- **Eligibility:** “To be qualified to receive a subgrant under this paragraph, a provider shall be an eligible child care provider that on the date of submission of an application for the subgrant, was either— (i) open and available to provide child care services; or (ii) closed due to public health, financial hardship, or other reasons relating to the COVID–19 public health emergency.”
- **Allowable Spending Categories:** “A qualified child care provider that receives funds through such a subgrant shall use the funds for at least one of the following: (A) Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), employee benefits, premium pay, or costs for employee recruitment and retention. (B) Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance. (C) Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices. (D) Purchases of or updates to equipment and supplies to respond to the COVID–19 public health emergency. (E) Goods and services necessary to maintain or resume child care services. (F) Mental health supports for children and employees.”

Methodology

Grant amounts are intended to cover the cost of demonstrated lost enrollment at the 75th percentile rate (based on the 2021 Market Rate survey). The program will also include an incentive for center-based child care provider allocating funds to workforce bonuses.

The ARPA grant award methodology is built on:

- The reported average decreased enrollment rate of 25 percent from the Fall 2020 COVID-19 Impact Survey series; and
- The 2021 Market Rate Survey (completed in July 2021) 75th percentile private pay tuition rates as the input calculating the lost revenue due to decreased enrollment.

Provider Type	Monthly Grant Award Amount	Payment Amount
Licensed Center-based	Varies based on number of classrooms and licensed capacity. Stipends begin at \$4,500 (per classroom). Monthly grants will be capped at \$50,000, per program.	Varies based on number of classrooms and licensed capacity. Centers will be eligible to receive a 10% add-on if they dedicate 10% of their first three stipends to staff bonuses. Centers are eligible to receive 2 lump sum payments of 3 monthly grants each.
Licensed Family Child Care	\$2,000	\$12,000 (6 monthly grants in 1 lump sum payment)
Licensed Group Family Child Care	\$3,000	\$18,000 (6 monthly grants in 1 lump sum payment)
Active License-Exempt	\$400	\$2,400 (6 monthly grants in 1 lump sum payment)

ARPA stabilization grants allowable spending categories:

Allowable use of funds	Examples
Equipment or supplies related to COVID-19	Purchases of or updates to equipment and supplies to respond to the COVID-19 public health emergency, such as business software upgrades, room dividers, or floor stickers for social distancing.
Goods or services to maintain or resume child care services	Goods and services necessary to maintain or resume child care services. Goods may include: food, equipment and materials to facilitate play, learning, eating, diapering/toileting, and safe sleep. Services may include business automation training, child care management services, food services, or transportation. This may also include fees associated with licensing and costs associated with meeting licensing requirements.
Mental health supports	Mental health supports for children and employees. This may include: infant and early childhood mental health consultation, or mental health consultations for staff.
Personnel costs	Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), employee benefits (such as health, dental, or vision insurance; paid sick or family leave; and retirement contributions), premium or hazard pay, or costs for employee recruitment and retention. Personnel costs may also include: ongoing professional development or training, premium or hazard

Allowable use of funds	Examples
	pay, staff bonuses, and employee transportation costs to or from work.
Personal Protective Equipment	Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
Rent or mortgage	Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance.

3. Please provide detail on the end date of emergency regulations applicable to CCAP, including waived co-pays and COVID-19 enhanced rates.

Answer: The CCAP emergency rule that allows for waiving co-pays and the enhanced COVID-19 rates will expire on December 28, 2021. These policies were originally related to an Executive Order (EO). When that EO ended, the Department created a new emergency rule to allow us to comply with the initiatives that had already been budgeted. The Department intends to extend the current rule for the payment practice of paying based on enrollment rather than attendance.

4. Please describe the assumptions and methodology used to determine periods of enrollment v. attendance for CCAP services in the table appearing on the second page of Appendix A.

Answer: The payment practice of paying based on enrollment instead of attendance began with Batch 22 (week beginning 3/8/20) in FY2020 when mandated closings started. Prior to paying based on enrollment, the State estimates that approximately 4 percent of children pre-pandemic were absent outside the allowable absence policy. If the State had been paying on enrollment and not attendance pre-pandemic, the cost to pay for these absent children is estimated to be \$28,000 per week. The percentage of cost applied is reflected in the number of estimated enrollments for each batch period.

Projections outlined in the batch breakdown table in Appendix A are based on a slow and steady increase to full enrollment in June 2022. The projection also assumes the continuation of the payment practice of paying based on enrollment rather than attendance. Previous years projections (as well as actuals) were based on the number of children enrolled and attending (or absent within the allowable absence policy). Whereas the actuals (beginning Batch 22 FY20 and projections moving forward) reflect paying based on enrollments rather than attendance. In the first five pay periods of FY22, an average of 5,237 enrollments were paid each batch period. However, the average number of children attending care during that same period was actually 12.5 percent higher. This difference in enrollments versus the total number of unique children is factored into the estimate. The State projects that as the circumstances related to the pandemic continue to stabilize further, more families will enter and consistently stay in care, which will ultimately lead to a slow and steady increase of the overall number of enrollments paid by batch.