

ARPA Fiscal Recovery Funds – Governor’s “Down Payment” Proposal 2021 – H 6494, Sub A

Staff Presentation to the House Finance Committee
December 16, 2021

Down Payment Proposal

- On October 7, Governor McKee requested approval for a plan for use of \$113 million ~ 10% of RI 's fiscal recovery fund allocation
 - Business and Tourism - \$45.0 million
 - Services to Children - \$38.5 million
 - Housing and Broadband - \$29.5 million
- Contained in 2021- H 6494
 - **HFC hearings 10-20; 10-28, 11-16**

Down Payment Proposal

- The request contains 2 pages of draft legislation and a 10 page supporting memo further describing the programs
 - As with traditional budget requests discussions with the Budget Office & related agencies enhance understanding of intent & implementation plans for specific proposals
- **Sub A adds**
 - **\$6.0 million more for child care**
 - **Specificity on uses & limits consistent w/intent**
 - **Reporting requirements**

COVID-19 Relief

- 6 federal acts enacted to address crisis
 - Coronavirus Preparedness & Response Supplemental Appropriations – March 6, 2020
 - Families First Coronavirus Response – March 18
 - CARES – March 27
 - Paycheck Protection Program & Health Care Enhancement – April 24
 - Consolidated Appropriations Act – Dec 27
 - American Rescue Plan Act – March 11, 2021

COVID -19 Relief

- Federal acts include funding for
 - State and local budgets
 - Strings and limitations
 - Individuals
 - Direct stimulus payments
 - Optional tax changes
 - Businesses
 - Loans
 - Optional tax changes

COVID - 19 Relief

- American Rescue Plan Act of 2021
 - Signed March 11, 2021
 - Same day Governor submitted his budget
 - \$360 billion to state & local governments
 - \$1,400 refundable tax credits to individuals
 - Extends enhanced unemployment insurance benefits until September 6, 2021
- FMAP enhanced rate through at least end of 2021 – federal admin action

COVID –19: Education

- ARPA adds much more with same waiver as 5th stimulus but additional rules

Education Funds	CARES	CAA	ARPA	Total
Governor's Fund	\$8.7	\$11.0	\$5.1	\$24.8
K-12 Fund	46.4	184.8	415.0	646.2
Higher Education Fund	29.5	51.5	90.8	171.8
Total	\$84.6	\$247.3	\$510.9	\$842.8

\$ in millions

COVID - 19 Relief

Other American Rescue Plan Act Items of Note	RI Share
Students w/ Disabilities & Homeless Youth	\$13.6
Childcare Block Grant & Provider Stabilization	94.4
LIHEAP	30.8
Head Start	3.0
Emergency Assistance for Children & Families	2.7
Supportive Services/Congregate Meals	7.7
Testing/Vaccine	112.0
Mental Health Centers/Behavioral Healthcare	35.3
Transit	29.5

\$ in millions; Data from *Federal Funds Information for States* as of May 25, updated from prior presentation

American Rescue Plan Act

- State & Local Fiscal Recovery Funds
 - RI to get \$1.8 billion over 2 years
 - \$1,131.1 million to the state
 - \$112.3 million for capital project expenses
 - \$536.8 million to locals
- Use spans several state fiscal years
 - Must obligate by Dec. 31, 2024 - **FY 2025**
 - Funded projects must be completed by Dec. 31, 2026 - **FY 2027**

ARPA State Fiscal Recovery Funds Timeline

FY 2021: March 2021 ARPA becomes law

- \$1,131M - fiscal recovery funds
 - May 2021 interim final rule
 - June 2021 compliance & reporting guidance
 - July 2021 (FY 2022) most recent FAQs updated
 - Dec. 31, 2024 funds must be obligated by (FY 2025)
- \$112M capital projects fund
 - Sept. 2021 guidance
 - Sept. 24 application opens
 - December 27, 2021 deadline to request funding (FY 2022)
 - September 24, 2022 deadline to submit grant plan (FY 2023)

FY 2027: All funds must be spent by December 31, 2026

State & Local Fiscal Recovery Funds

A. Respond to the public health emergency (PHE) and its economic impacts

B. Respond to workers performing essential work during COVID-19 PHE by providing premium pay to eligible workers

**ARPA specifies
four eligible
uses**

C. Provision of government services to the extent of the reduction in revenue due to the COVID-19 PHE

D. To make necessary investments in water, sewer or broadband infrastructure

Down Payment Proposal

- 11 distinct proposals within the 3 categories
 - 5 related to housing & broadband proposals

Item #	Name	Amount
1	Broadband Infrastructure	\$0.5
4	Affordable Housing Development	15.0
9	Site Acquisition	12.0
6	Housing Stability	1.5
8	Affordable Housing Capacity	0.5
	Total	\$29.5

\$ in millions

Broadband Infrastructure

- \$0.5 million to make the state eligible for existing federal broadband funding and plan for future
 - Current federal grant programs require a designated coordinating entity
 - RI may receive up to \$100 million with federal Infrastructure Investment and Jobs Act
 - Requires future 25% (\$25M) state match
 - Match is eligible use of ARPA State Fiscal Recovery Funds

Broadband Infrastructure

- Broadband Director - \$0.1M
 - Designated state broadband coordinator
 - FY 2022 cost only – Annualized \$150k
 - Lead multiagency coordinating committee
 - Create, oversee, and implement strategic plan
- State Strategic Plan - \$0.2M
 - Goals and funding needs based on mapping
- Broadband Mapping - \$0.2M
 - Build on work by van Beuren Charitable Foundation based in Newport
 - Original infrastructure maps by Broadband RI

Broadband Infrastructure

- Legislation reads “\$500,000 shall be allocated to broadband services which may include coordination, mapping, & development of a statewide plan to provide broadband access to unserved & underserved households & businesses”
- **Sub A replaces this language with the 3 itemized uses and dollar amounts as proposed**

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Affordable Housing Background

- Recent focus of 2021 session activity
 - Funding
 - Governance and reporting
 - Special topic House commissions

Affordable Housing

- Deputy Secretary of Housing
 - 2021 Assembly established position as state's lead official to coordinate & facilitate housing development
 - FY 2022 budget includes \$0.3 million
 - Required to produce annual reporting on housing units, affordability, healthy housing stock & housing formation trends & recommendations by December 31, 2021
 - **Selection for position announced last week**

Housing Production Fund

- 2021 Assembly established Housing Production Fund recommended by Gov.
 - Administered by RI Housing subject to Coordinating Committee guidelines
 - Financial assistance for the planning, production, or preservation of housing
 - Technical & financial assistance for municipalities
 - Support housing production, regulatory reduction & housing incentives

Housing Production Fund

- Enacted budget establishes a 2nd tax tier of the real estate conveyance tax, effective Jan. 1, 2022
 - Doubles tax to \$4.60 per \$500 (0.92%) for residential properties valued over \$0.8 million
 - Accrues entire \$2.30 increase to restricted Housing Production Fund

Housing Production Fund

- 2nd tax tier effective January 1, 2022

Recipient	Share	FY 2022
Housing Resources Commission	\$0.30	\$6.3
Distressed Community Relief (General Revenues)	0.30	6.3
State General Fund	0.60	12.5
Municipality	1.10	23.0
Housing Production Fund ¹	2.30	1.9
Total	\$4.60	\$49.9

FY 2022 Total \$ in millions; ¹tax effective Jan.1, 2022, half year only

Housing Production Fund

- Housing Production Fund
 - 2021 Assembly capitalized with \$25.0 million from general revenues
 - Budget assumes additional \$19.2 million over 5-year period - from new dedicated source

Source	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	Total
General Revenues	\$25.0	\$ -	\$ -	\$ -	\$ -	\$25.0
Real Estate Conveyance Tax ¹	1.9	4.2	4.3	4.4	4.5	19.2
Total	\$26.9	\$4.2	\$4.3	\$4.4	\$4.5	\$44.2

\$ in millions; ¹Tax change effective Jan.1, 2022; FY 2022 is half year only

Housing Production Fund

- Housing Production Fund update
 - Currently awaiting HRC Coordinating Committee meeting to establish parameters
 - Intended to focus on
 - Gap financing for site acquisition & development of low income up to 80% AMI
 - Flexible funding for extremely low income 30% AMI or less developments
 - Capital & capitalized operating support
 - Resources to locals to reduce barriers to production

Affordable Housing Development

- \$15.0 million supplement to existing affordable housing funding programs
 - Enhanced gap financing
 - To supplement G.O. bonds, federal low income tax credits, new Housing Production Fund sources
 - Subsidy equal to the total project gap
 - Single application w/ Building Homes RI (BHRI)
 - Corresponds to ballot year approvals
 - BHRI: 2006, BHRI II: 2012; BHRI III: 2016; BHRI IV: 2021
 - Application also supports federal low income tax credits

Affordable Housing Development

- Assumes 3 rounds of obligations in FY 2022 of \$27.3 million each from 3 sources
 - Excludes state allocation of federal Low Income Housing Tax Credits (LIHTC) awards
 - To be spent over three years

Funding Source	Total	Est. Split
G.O Bonds - 2021 Ballot	\$50.0	\$16.7
Housing Production Fund	17.0	5.6
ARPA Funds	15.0	5.0
Total	\$82.0	\$27.3

\$ in millions

Affordable Housing Development: LIHTC

- Federal Low Income Housing Tax Credits
Credit values fixed to deliver 10-year subsidy
 - Proposal assumes incentivizing a shift from 9.0% LIHTC to 4.0% LIHTC program
- Subsidy computed consistent w/federal law
 - Equals the present value of the tax credits divided by the qualified basis
 - Qualified basis roughly the cost of construction

Tax Credit	Est. 10-yr Net Present Value	Award Type
9.0%	70.0% property value, less land	Competitive
4.0%	30.0% property value, less land	Non-competitive

Affordable Housing Development: LIHTC

- Federal Low Income Tax Credits
 - 9.0% credit limited to state's annual allocation
 - FY 2021: \$3.2M (committed); FY 2022: \$2.8M
 - Both years are small state minimum
 - 4.0% credit use limited to RI Housing's tax-exempt bond cap set by Public Finance Management Board
 - Bonds issued by RI Housing; not a state obligation
 - Available for acquisition, new construction, rehabilitation
 - Automatically available to projects w/ 50% tax-exempt bond financing

Affordable Housing: G.O. Bonds

- In 2006, 2012, & 2016, voters approved total G.O. bond issuances of \$115.0 million for Affordable Housing
 - Additional \$10 million for blight remediation
- Voters in March 2021 approved new \$65.0 million G.O. bond issuance
 - Assumes unspecified amount for RI Housing Acquisition & Revitalization Program (ARP)
 - or “Blight”
 - EOC reports \$15.0 million

Affordable Housing G.O. Bonds

- 2012 & 2016 bonds specifically for
 - New construction & redevelopment of existing structures
 - 2016 included \$10.0 million for RI Housing Acquisition & Revitalization Program
 - \$4.0 million for residential development – 152 residential units: 147 rental
- 2006 bonds matching funds allocation
 - 80% for deferred loans for rental units
 - 20% for development of home owner units

Affordable Housing G.O. Bonds

FY	BHRI	G.O. Bond	Blight	Afford. Housing	Total Units	Rental	To Own
2006	I	\$50.0	-	\$50.0	1,226	1,077	149
2012	II	25.0	-	25.0	748	726	22
2016	III	50.0	(10.0)	40.0	1,248	1,220	28
2021	IV	65.0	(15.0)	50.0	<i>Not Yet Awarded*</i>		
Total		\$190.0	(25.0)	\$165.0	>3,222	>3,023	>199

\$ in millions

- 2016 & earlier bonds committed; \$19.9 million awaiting disbursement from RI Housing
- *Update – November 30 ~\$31 million awarded**

Affordable Housing G.O. Bonds

FY	2006	2012	2016
Pre-2013	\$50.0	\$ -	\$ -
2014	-	3.1	-
2015	-	6.3	-
2016	-	9.4	-
2017	-	3.1	-
2018	-	3.1	-
2019	-	-	6.5
2020	-	-	13.4
2021	-	-	1.1
2022	-	-	5.0
Total	\$50.0	\$25.0	\$26.0

- G.O. bond funds disbursed to RI Housing incrementally
 - ~\$14.0 million awaiting disbursement to RI Housing from state from 2016 issuance

\$ in millions

Affordable Housing Development

- Legislation cites: “\$15,000,000 shall be allocated under the administration of the Rhode Island Housing and Mortgage Finance Corporation to the development of affordable housing units”
 - **Sub A specifies that funds be allocated in conjunction w/bonds and other sources**
 - **After HRC Coordinating Committee has established guidelines for Housing Production Fund - nothing scheduled yet**

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\$ in millions

Site Acquisition

- Proposes \$12.0 million for RI Housing to continue its site acquisition program
 - For subsidies limited to property purchases
 - To secure site control for future development
 - Response to current competitive real estate environment
 - Allows developers additional time to assemble resources for redevelopment
 - Targeted for households up to 80% AMI
 - To provide project pipeline to be future candidates for affordable housing funding

Site Acquisition

- Governor Raimondo provided \$1.6 million from federal CRF for 2 properties during 2020
 - RI Housing authorized \$2.1 million for 3 sites
 - One property lost site control
 - Cost of another increased nearly 19%
 - For use as emergency shelters - COVID-19
Required commitment to subsequently use property as supportive housing

Site Acquisition

- Legislation cites “\$12,000,000 shall be allocated toward the acquisition of properties for redevelopment as affordable housing and supportive housing”
- **Sub A specifies money is for Rhode Island Housing to finance projects that include requirements for deed restrictions not less than 30 years**

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Housing Stability

- Proposes \$1.5 million to assist 500 people experiencing homelessness
 - Housing navigation, stabilization & mental health services grants to providers
 - Estimate based on 1:15 case manager caseload
 - 500 above baseline; ~33 case managers
 - Existing network reportedly strained
 - Assumes 6 month implementation
 - Through the end of FY 2022
 - Assumes provider training standards & policy support from BHDDH & RI Continuum of Care (RI CoC) during the interim

Housing Stability

- OHCD & RI COC to issue RFP
 - Under existing Consolidated Homeless Fund to existing/new providers
 - Anticipates working w/ BHDDH, EOHHS & “others” to supplement funding
 - \$1.2 million of grants for 500 = \$2,400/person
 - Assumes future requests for funding possible

Housing Stability	
Provider grants	\$1.2
Training Expenses	0.3
Total	\$1.5

\$ in millions

Housing Stability

- **Sub A includes funding and adds language**
 - **Specifying proposed uses consistent with stated intent**
 - **Limiting training costs to \$250,000**
 - **Requiring monthly reporting**

Housing Stability: Pay for Success

- 2021 Assembly authorized pilot program
 - EOHHS contracts w/non-profit investors & service providers for 5 years
 - Contractors provide 125 individuals experiencing homelessness supportive housing & wrap around services
 - Capitalized w/\$6.0 million to repay investors if savings are achieved compared to baseline
 - Baseline outlays ~\$1.5 million annually = ~\$12,000/person

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Affordable Housing Capacity

- Proposes \$0.5 million to hire contracted staff for estimated 6 months
- OHCD's capacity to receive & process new/increased federal & other funding reportedly strained
 - 2021 Assembly provided \$125,000 & 1.0 new FTE
 - Additional financial reporting & administrative processing support for new pandemic-related federal grant activities – Posted June 2021; filled September 2021

Affordable Housing Capacity

- To provide administrative capacity for
 - Operations to ensure timing of contracting
 - Research & data
 - Stakeholder engagement
 - Program director for homelessness programs
 - Development programs director
 - Assist municipalities that identify & expedite housing development opportunities
 - 2-3 service & performance managers
 - For federal compliance & program goals achievement

Affordable Housing Capacity

- Legislation cites “\$500,000 shall be dedicated to expanding programmatic and administrative capacity for affordable housing in Rhode Island”
- **Sub A includes funding and adds reporting requirement**
 - **To ensure capacity is being added as intended**

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3	DCYF Provider Workforce Stabilization	12.5
5	Early Intervention Recovery	5.5
7	Pediatric Healthcare Recovery	7.5
	Total	\$38.5

\$ in millions

- **Sub A adds \$6.0M to bring child care to \$19M and total of \$44.5M for services**

Subsidized Child Care

- State provides subsidized child care
 - Rhode Island Works recipients
 - Low income families
 - At or below 180% of poverty - \$40k family of 3
 - Income can increase to 225% before ineligible
 - 2021 Assembly established pilot expansion to assist those enrolled at URI, RIC or CCRI
 - Fall caseload testimony indicates 8 participants
 - Families have 12-mo. continuous eligibility
 - There is a minimum of three months of continued eligibility when families lose employment

Subsidized Child Care

- Maximum weekly rates set in statute
- Some families have co-pay
 - Families between 100% and 225% of FPL
 - 2021 Assembly capped copay at 7% of family income – had been 14%
 - Families receiving RI Works on behalf of a child
- Families that do not have co-pay
 - RI Works participants with child care as a supportive service
 - Homeless families applying for assistance
 - Those with income below 100% of FPL

Subsidized Child Care

	FY 2019	FY 2020	FY 2021	FY 2022 Nov CEC	FY 2023 Nov CEC
Subsidies	9,099	8,724	5,616	6,272	8,500
Annual cost per subsidy	\$7,678	\$7,705	\$9,843	\$9,700	\$9,500
Total	\$69.9	\$67.2	\$55.3	\$60.8	\$80.8

Total in millions

Subsidized Child Care

CCAP Provider Type	Entities	Children	Entities	Children
	<i>FY 2019</i>		<i>As of 8/2021</i>	
Center Based	347	6,915	257	4,157
Family Based	469	2,184	262	1,258
Total	816	9,099	519	5,415

Child Care Initiative

- Governor proposes \$13.0 million for two components
- **Sub A adds \$6.0 million for retention bonuses**

Child Care Initiative	Gov.	Sub A	Chg.
Pandemic Retention Bonuses	\$12.7	\$18.7	\$6.0
Family Child Care Providers	0.3	0.3	-
Total	\$13.0	\$19.0	\$6.0

\$ in millions

Child Care Initiative

- Pandemic Retention Bonuses - \$12.3M
 - \$2,000 payments available to 8,200 full & part-time child care employees
 - \$1,000 payments over two 6-month periods
 - Assumes 6,150 child care workers will apply
 - 75% of eligible workers
 - Workers must stay in workforce at least 6 months
- Implementation costs - \$0.4 million
 - Technical assistance, marketing supports, compliance & reporting
 - Assumes “fiscal intermediary” hired for all tasks

Child Care Initiative

- Start-up costs for family providers - \$0.2M
 - Assumed to help establish 100 new providers
 - 800 potential new placements
 - Maximum of 8 children per provider
 - Insurance, inspections and related expenses
 - Bill authorizes waiver of \$100 DHS license fee & \$50 background check through DCYF
- Administrative costs - \$0.1 million
 - Technical assistance and support
 - Assumes contracted “fiscal intermediary”

Child Care Initiative

- Legislation reads “... \$12,700,000 shall be allocated to pay semiannual retention bonuses for direct care staff at childcare centers and licensed family providers in response to pandemic-related staffing shortages. ... \$300,000 shall be reserved for family childcare incentive start up and technical assistance grants.”

Child Care Initiative

- **Sub A adds \$6.0 million to bring total to \$18.7 million and further specifies semi annual payments of \$1,500**
 - Higher than proposed \$1,000 with added funding
- **Maintains proposed language**
 - \$0.3 million for family childcare incentive start up and technical assistance grants
 - Fee waivers

Federal Relief Programs

Federal Assistance	CCDF Block Grant	Stabilization Grants	Total
CARES	\$8.2	\$ -	\$8.2
CAA	23.9	-	23.9
ARPA	37.1	57.3	94.4
Total	\$69.2	\$57.3	\$126.4

\$ in millions

Child Care Relief

- \$18.3 million from CAA spent in FY 2021
 - \$17.9 million distributed to child care providers
 - To offset expenses incurred from the pandemic
 - \$0.4 million for fiscal intermediary (PCG)
 - Supported child care providers through the grant process & disbursed funds
 - Funding awarded to 769 providers – 94% of those eligible for funds
- Bulk of CCDF used for caseload
 - Copays waivers, enhanced payment rates

Child Care Stabilization Fund

- FY 2022 budget includes \$57.3 million
 - \$56.1 million for stabilization grants + admin
 - Eligible uses include:
 - Personnel costs, employee recruitment & retention
 - Rent or mortgage, insurance, utilities, facility maintenance & improvements
 - Personal Protective Equipment
 - Mental health supports for children and employees
 - Services that maintain/resume child care activities
 - Equipment or supplies related to COVID-19

Child Care Stabilization Fund

Provider Type	Monthly	Payment Amount
Child Care Center	Varies based on classroom & capacity. Grants start at \$4,500 per classroom	Centers – may receive up to 6 monthly grants. May be a 10% staff bonus in the 2 nd round. Grants capped at \$50,000 per center/per month
Family Child Care Home	\$2,000	\$12,000*
Group Family Child Care Home	\$3,000	\$18,000*
License-exempt provider	\$400	\$2,400*

**6 monthly grants in 1 lump sum payment*

ARPA Child Care Stabilization

- Child Care Stabilization Grants - \$57.3M
 - Round 1: Applications Oct. 20 to Feb. 4, 2022
 - 3 monthly grants in one payment
 - Round 2: January 2022 to April 2022
 - 3 monthly grants and 10% staff bonus in 1 payment
March through May – reporting
 - Funds will be distributed from the fall of 2021 through spring 2022

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Placements & Services- Overview

Division	Populations	Services	Funding
Child Welfare	Children under DCYF direct supervision Families in need of services	<ul style="list-style-type: none"> • Foster Care • Residential <ul style="list-style-type: none"> • VEC • Adoption/ • Guardianship • Home & community based 	State & Federal, incl. Medicaid & Title IV-E
Children's Behavioral Health			
Juvenile Corrections	Youth adjudicated through Family Court	Training School	State & Federal

DCYF Provider Workforce Stabilization

- Governor proposes payments to staff of service providers under contract with DCYF - \$12.5M
 - Assist with staff retention and hiring issues
 - Currently resulting in capped capacity, closed facilities, waiting lists for community-based and congregate care programs

DCYF Provider Workforce Stabilization

- DCYF survey of providers
 - 97% response rate

Provider Staffing	
Number of FTEs w/ salaries under \$75k	1,274
Vacancies in March 2020	183
% of Positions Vacant	14.4%
Vacancies in October 2021	350
% of Positions Vacant	27.5%

DCYF Provider Workforce Stabilization

In-State Residential Placement Capacity - Partial				
Facility Status	# Sites	Feb 2020 Beds	Current Beds	Diff.
Permanent Closure	3	24	0	(24)
Site Suspension	4	29	0	(29)
Temp Bed Reduction	14	170	120	(50)
Site Not Affected	15	120	120	-
Total	36	343	240	(103)

DCYF Provider Workforce Stabilization

- Applies to employee earning < \$75,000
 - Retroactive to July 1, 2021
 - Assumes 1,500 eligible staff of provider organizations
- \$694.50 per employee per month
 - Based on potential for a 3-year program
 - Federal cap of \$25,000 across three years
 - FY 2022 – FY 2024
 - Proposal assumes funding for only FY 2022

DCYF Provider Workforce Stabilization

Basis for Provider Monthly Rate	
Max payment over 3 years (federal)	\$25,000
# of Eligible Months	36
Cost Per Month	\$694.50
# of Eligible Employees	1,500
Annual Cost (Gov. Proposal)	\$12,500,000
Number of Potential Years	3
Three Year Potential Cost	\$37,500,000

DCYF Provider Workforce Stabilization

- DCYF will enter into agreements with providers to effectuate wage increase
 - May also be used for recruitment tools
 - Not permitted for administrative costs
 - Advertising
 - Securing a recruiting agency
 - Quarterly reconciliation with providers
 - Unspent funds returning to the state

DCYF Provider Workforce Stabilization

- Legislation reads *“The amount in its entirety shall be allocated to support workforce stabilization supplemental wage payments to eligible direct care & support care staff of contracted service providers”*
- **Sub A adds reporting requirements & language specifying**
 - **Up to \$700/month & \$75,000 salary limit for eligibility**
 - **Hiring incentives up to \$750 after 90 days of work**

DCYF Provider Workforce Stabilization

Other Provider Support	
Recipient	Description
All Provider Types	\$28.4 million - Paycheck Protection Program loans
Congregate Care Providers	\$537k Workforce Stabilization Loan through EOHHS in summer 2020
Home & Community Based Providers	\$170k through EOHHS modeled after the Workforce Stabilization Loan in winter 2020

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\$ in millions

Early Intervention Program

- Federally required to provide services to children from birth to 3rd birthday
 - RI provide services if child has either:
 - Single diagnosis: low birth weight, visual or hearing impairment, metabolic disorders, Autism Spectrum Disorder, Fragile X Syndrome or Down Syndrome
 - Significant Developmental Delay: Evaluation shows delay in certain areas of development
 - Cognitive, physical, communication, social/emotional, and adaptive development

Early Intervention Program

- Early Intervention services include:
 - Evaluation, case management & nutrition
 - Physical, occupational & speech therapy
 - Nursing services & assistive technology
- Paid by Medicaid or health insurers
 - State law requires private insurers to cover services
 - Cannot pay less than Medicaid rates
 - Cannot charge co-pays or deductibles

Early Intervention Recovery

- Early Intervention - \$5.5 million
 - \$4.5 million - Stabilization Grants
 - Support for revenue losses & increased costs
 - Salaries & bonuses, outreach activities, supplies and professional development
 - \$1.0 million - Pay for Performance Bonuses
 - Based on achieving metrics that may include:
 - Retaining staff & expanding access to services
 - Reducing disparities in coverage for families w/ Medicaid benefits
 - **In December \$3.6M of unallocated excess CRF funds committed to stabilization grants**

Early Intervention Recovery

- FY 2021 - similar program was funded
 - \$2.2 million to the state's nine EI providers

Early Intervention Providers

Children's Friend and Services	Looking Upwards
Community Care Alliance	Meeting Street
Easter Seals	Seven Hills of RI
Family Service of RI	J. Arthur Trudeau Center
Groden Center	

Early Intervention

- Legislation reads
 - “\$5,500,000 shall be allocated to early intervention providers in response to a decline in enrollment for early intervention, family home visiting, & screening programs.”
- **Sub A includes total funding and adds language specifying splits and uses**
 - **Stabilization grants - \$2.6 million**
 - \$6.2 million in stabilization grants with new CRF
 - **Performance based payment - \$2.9 million**
 - **More shifted to this based on new CRF**

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3	DCYF Provider Workforce Stabilization	12.5
5	Early Intervention Recovery	5.5
7	Pediatric Healthcare Recovery	7.5
	Total	\$38.5

\$ in millions

Pediatric Healthcare Recovery

- Pediatric Healthcare Recovery - \$7.5M
 - \$6.0 million - Stabilization and Pay for Performance Programs
 - \$1.5 million - Enhanced screenings for socio-emotional & social determinants of health
- Similar to FY 2021 CRF -funded
 - \$3.1 million for pandemic relief payments
 - \$3.0 million for supplemental payments
 - Monthly incentives to pediatric primary care practices to ensure all children are up to date with essential, preventive healthcare services

Pediatric Healthcare Recovery

- \$6.0 million stabilization fund will be divided among participating providers
 - Based on the number of children in a practice
 - Payments tied to pay for performance measures established by the EOHHS
 - Incentivize identification of developmental delays and social-emotional risks
 - Proposal does not alter rates paid to pediatricians
 - In coordination w/ Early Intervention proposal

Pediatric Healthcare Recovery

- Enhanced screenings - \$1.5 million
 - Adds developmental & psychosocial behavioral screenings to new performance measures – pay for performance
 - Incentivize pediatric primary care providers to increase developmental screenings
 - Performed at age appropriate intervals
 - Developmental delays and risks are identified
 - Referrals to Early Intervention, Early Head Start, First Connections and specialty health care services

Pediatric Healthcare Recovery

- Enhanced Screenings
 - Engage practices & select screening tools
 - Improvements to processes, documentation & reporting to improve quality measures
 - For example, how a practice is using data to identify a patient who needs screening & having someone make an appointment
 - Provide other direct technical assistance to participating providers
 - Fund a pilot screening program focused on toxic stress

Pediatric Healthcare Recovery

- Legislation reads *“to support relief to pediatric providers in response to the decline in visitation and enrollment caused by the public health emergency.”*
- **Sub A includes total, specifies splits & uses**
 - **\$6.0 million for stabilization grants**
 - **Targets to be met by providers**
 - **\$1.5 million to incentivize providers**
 - **Increase developmental & psychosocial behavioral screenings**

Down Payment Proposal

- 11 distinct proposals within the 3 categories
 - 2 related to business and tourism

Item #	Name	Amount
10	Small Business and Impacted Industry	\$ 32.0
11	Tourism, Hospitality, & Events Industry Support	13.0
	Total	\$45.0

\$ in millions

Small Business and Impacted Industry

- Proposed legislation cites only the \$32M total
 - for a “*program of financial and technical assistance to small businesses and COVID-impacted industries*”
- Supporting memo describes three specific uses
 - plus cost to administer

Item 10 - Proposed Uses	Amount
Direct Grants	\$12.5
Technical Assistance	10.5
Public Health Capital Improvements	7.5
Administration	1.5
Total	\$32.0

\$ in millions

Small Business and Impacted Industry

- Direct Grants - \$12.5 million
 - Cash infusion to businesses in need
 - Stated goal of 20% to minority owned entities
 - Small businesses and “impacted” industries
 - Specific entities not defined
 - Legislation & memo silent on max grant amounts & other metrics
 - Appears the expected range is \$5,000 to \$10,000
 - Priority would be given to disproportionately impacted geographic locations

Small Business and Impacted Industry

- Direct Grants - \$12.5 million
 - **Sub A specifies funding splits & eligibility**
 - Have less than \$1.0 million in annual gross revenues
 - Demonstrate a negative impact from COVID-19
 - As determined by RI Commerce Corporation
 - **At least 20% of all funds must be reserved for awards to assist minority businesses**
 - **Sub A includes award limits**
 - Support not to exceed \$10,000 per eligible business
 - \$20,000 aggregate cap from all three programs

Small Business and Impacted Industry

- Technical Assistance - \$10.5 million
 - Grants, vouchers or direct services
 - Build capacity for businesses to respond to changes
 - Examples of assistance
 - Upgrade point-of-sale systems
 - Develop websites and e-commerce platforms
 - Improve other tech infrastructure
 - Digital literacy and tech training
- **Sub A specifies funding & award limits**

Small Business and Impacted Industry

- Public Health Capital Improvements - \$7.5 million
 - Grants/technical assistance to help upgrade ventilation & move programming outdoors
 - Reimburse businesses for eligible expenses
 - Provide necessary assistance directly
 - Examples of assistance
 - HEPA filters and other ventilation equipment
 - Design outdoor spaces
- Business and marketing plans
- **Sub A specifies funding & award limits**

Small Business and Impacted Industry

- Administration - \$1.5 million
 - Funding to implement these proposals as well as the tourism initiative
 - Contracted program administration, legal and compliance work and reporting
 - Previous assistance programs used hired entities to manage application and disbursement
 - Implementation plan includes at least 2 month selection process followed by program setup
- **Sub A specifies funding**

Down Payment Proposal

- 11 distinct proposals within the 3 categories
 - 2 related to business and tourism

Item #	Name	Amount
10	Small Business and Impacted Industry	\$ 32.0
11	Tourism, Hospitality, & Events Industry Support	13.0
	Total	\$45.0

\$ in millions

Tourism, Hospitality, & Events Industry Support

- Proposed legislation cites only the \$13M total
 - for a “program of assistance to the tourism hospitality and events industries”
- Supporting memo describes three specific uses
 - **Sub A identifies the three uses as proposed**
 - **Business must demonstrate a negative impact from COVID-19**
 - **As determined by RI Commerce Corporation**

Item 11 - Proposed Uses	Amount
Direct Grants	\$8.0
Events, Public & Shared Spaces	3.0
Tourism Marketing	2.0
Total	\$13.0

\$ in millions

Tourism, Hospitality, & Events Industry Support

- Direct Grants - \$8.0 million
 - Cash support to tourism, hospitality and events businesses in need
 - Not served by previous program or prior recipients still needing assistance
 - Legislation and memo silent on maximum grant amounts and other metrics
 - Examples of targeted entities
 - Travel industry, Sports/Recreation, Arts/Cultural
 - **Sub A specifies funding allocation**

Tourism, Hospitality, & Events Industry Support

- Events, Public/Shared Spaces - \$3.0 million
 - Support for main street improvements, public art installations, shared spaces, outdoor performances and event venues
 - Help businesses recover from COVID induced losses by facilitating new activity
 - Provided through “intermediaries”
 - Municipalities
 - Chambers of Commerce
 - Business Improvement Districts
 - **Sub A specifies funding allocation**

Tourism, Hospitality, & Events Industry Support

- Tourism Marketing - \$2.0 million
 - Additional tourism marketing efforts in coordination with tourism regions and the Rhode Island Airport Corporation
 - Regional entities and Commerce share in hotel tax revenues as a source of marketing and related operational support
 - These revenues declined significantly in pandemic
 - **Sub A specifies funding allocation**

Prior Relief Programs

State Managed Programs	FY 2021	FY 2022
Hospitality, Arts, & Tourism	\$91.4	\$ -
Restore RI		
Bus Interruption – Restaurants	45.4	-
Small Business Grants	20.7	-
SSBCI	-	57.5
Economic Adjustment Assistance	-	6.8
Total	\$157.5	\$64.3

\$ in millions

Prior Relief Programs

Direct Federal Assistance to date*	Total
Paycheck Protection Program	\$2,906.1
Shuttered Venue	30.4
Restaurant Revitalization Fund	106.4
Economic Injury Disaster Loan	1,332.2
Total	\$4,375.1

\$ in millions ; source SBA most recent official reports for each program – only EIDL still active

Down Payment Proposal

- Governor proposed \$113.0 million
- **Sub A provides \$119.0 million**
 - **Adds specifics, other accountability measures and more funding for child care payments**

Topic	Gov.	Sub A
Business and Tourism	\$45.0	\$45.0
Services to Children	38.5	44.5
Housing and Broadband	29.5	29.5
Total	\$113.0	\$119.0

\$ in millions

ARPA Fiscal Recovery Funds – Governor’s “Down Payment” Proposal 2021 – H 6494, Sub A

Staff Presentation to the House Finance Committee
December 16, 2021
