



SENATE FISCAL OFFICE  
REPORT

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**GOVERNOR'S FY2023  
AND  
FY2022 SUPPLEMENTAL  
ARPA STATE FISCAL RECOVERY FUNDS**

**PROJECT ANALYSIS**

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APRIL 4, 2022

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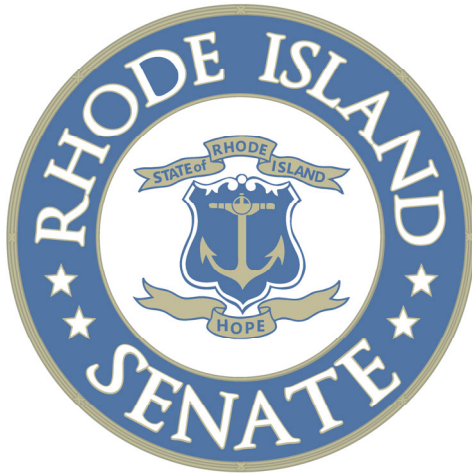
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## OVERVIEW

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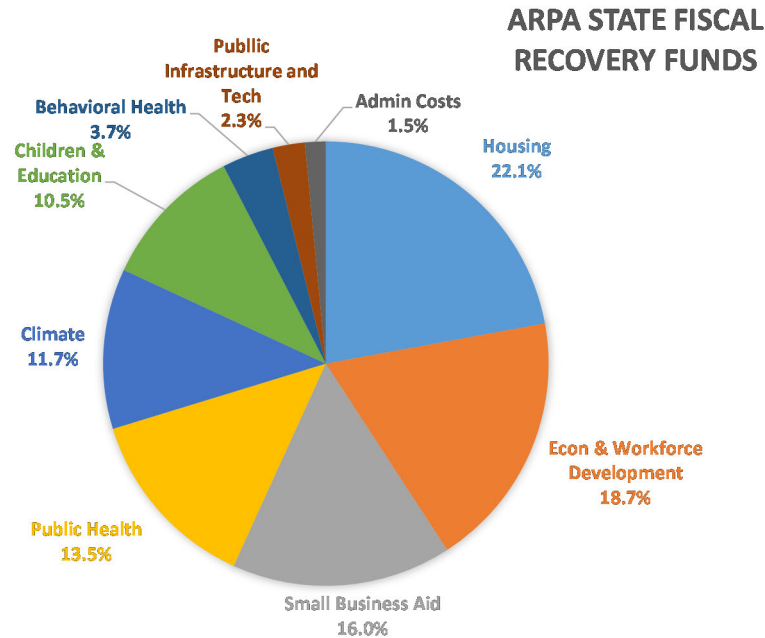




## ARPA State Fiscal Recovery Funds Summary

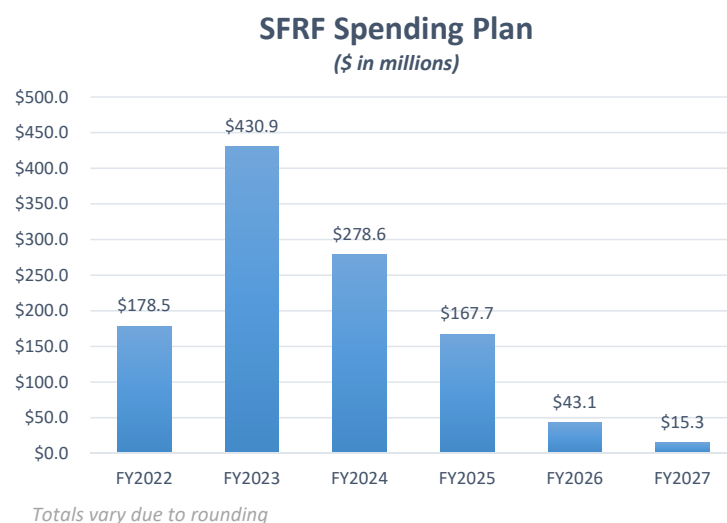
### OVERVIEW

The Governor's proposals appropriate American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in both FY2022 and FY2023, and outline a spending plan for the full \$1.13 billion between FY2022 and FY2027. The single largest component of the Governor's SFRF spending plan is housing, with \$250.0 million proposed, or 22.1 percent of the total funding. The following chart outlines the major SFRF funding buckets.



The Governor proposes allocating SFRF over six years. Under ARPA, SFRF must be allocated by the end of CY2024 and spent by the end of CY2026 (FY2027).

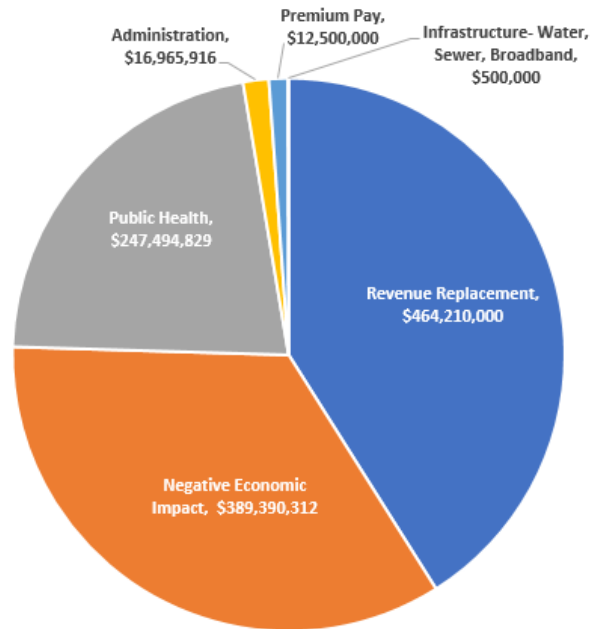
The Governor proposes to use the majority of the funds in FY2022 and FY2023. The multi-year spending plan is presented in detail in the Summary Tables section at the end of this report.



The United States Treasury governs the use of federal SFRF monies. Under guidance issued by the agency, SFRF monies must be applied against the following allowable uses:

- (a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
- (b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- (c) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- (d) To make necessary investments in water, sewer, or broadband infrastructure.

SFRF by U.S. Treasury Eligibility Category



The Governor's proposal makes the largest allocation for the revenue replacement category, followed by investments in public health, and aid to address negative economic impacts and for services in disproportionately impacted communities.

## REVENUE REPLACEMENT

The "revenue replacement" category allows for least restricted uses of ARPA SFRF monies. The U.S. Treasury outlined methodologies for states to calculate lost revenues, as measured by comparing actual revenues against what would have otherwise been expected to be collected (counterfactual revenue) if not for the pandemic and the subsequent economic downturn.

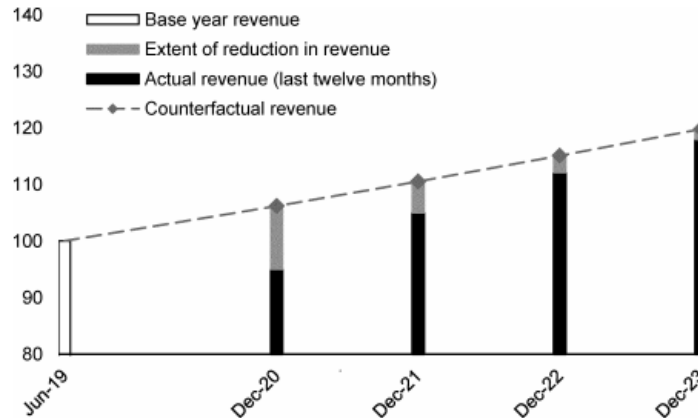
The RI Office of Management and Budget (OMB) calculated the state's calendar year 2020 revenue loss using a cash basis. The Treasury guidance allows the calculation to include state general fund revenues, and certain quasi-public revenues. OMB used FY2019 as the base year to calculate forward.

Treasury allows for an assumed 5.2 percent annual baseline growth, or a state's actual revenue growth rates between FY2017 and FY2019. Rhode Island's actual growth was lower than the Treasury baseline, so OMB used the 5.2 percent to calculate what the state should have collected in CY2020 versus what was actually collected.

|  |                      |
|--|----------------------|
| Base Year (FY2019) Revenue   | \$5,478,193,728      |
| Growth Assumption  | 5.20%                |
| Counterfactual Revenue (5.2% annual growth from 6/30/19 to 12/21/20) | \$5,911,000,500      |
| Actual Revenue 12/31/20  | \$5,397,353,602      |
| <b>Estimated revenue loss due to pandemic in 2020</b>                | <b>\$513,646,898</b> |

Treasury guidance indicates that states may calculate revenue loss at four points in time: As of December 31, 2020; December 31, 2021; December 31, 2022; and, December 31, 2023. The \$513.6 million calculation is as of December 31, 2020, so additional revenue loss is possible in future years. Of note, if actual revenues exceed counterfactual revenues in future years, there is no clawback provision. So, the state could see enhanced allowable revenue loss use of SFRF, but it will not be reduced below the \$513.6 million baseline already established regardless of revenue collection strength in the future.

The overall methodology for calculating the reduction in revenue is illustrated in the figure below:



## PERFORMANCE EVALUATION

A key component of the ARPA SFRF monies is that state's must be able to identify the problems that the funding is being used to address, and then must regularly report progress in meeting defined benchmarks for success. The Office of Management and Budget and the Pandemic Recovery Office issued a project evaluation matrix for state agencies when proposing funding.

When evaluating SFRF proposals, legislators will need to evaluate whether projects define deliverables that meet federal program effectiveness requirements. Testimony from the Pandemic Recovery Office to the Senate Finance Committee indicated that failure to accurately define and measure success could lead to federal funds recoupment.

Senate Fiscal Staff did not alter or paraphrase the Administration's explanations of how proposals meet federal effectiveness requirements. Instead, these components are quoted directly from agency proposal submissions.

American Rescue Plan Act Funding Project/Use Evaluation Matrix

|   | Eligibility   | Administration / Tracking   | Effectiveness  |
|---|---|---|--|
| <b>The Problem to be Addressed</b>            | <p>Not every problem can be addressed with ARPA funds.</p> <p>To be eligible for consideration, a project or use must:</p> <ol style="list-style-type: none"> <li>1. Respond to a problem caused by COVID*,</li> <li>2. Or be related to water, sewer, or broadband infrastructure.</li> </ol>  | <p>Can the problem be measured?</p> <p>Is there a "before COVID" baseline?</p> <p>Can data be gathered to demonstrate a "post project" improvement?</p>   | <p>Do we know how the problem arose?</p> <p>Was the problem caused by one simple factor or by the interaction of many complicated factors?</p>   |
| <b>The Solution to be Applied</b>             | <p>The purpose of ARPA is to keep people from getting sick and to build a solid base for enduring economic recovery.</p> <p>The Act clearly prefers some solutions over others.</p> <p>Is the proposed solution one that is statutorily preferred, or does it need to be justified?</p> <p>Will the solution contribute to investment in productive capacity?</p> | <p>How will the implementation of the solution/project be documented? (This is the who, what, where, when, and how of the project).</p> <p>How will the success or failure of the implementation process be monitored, evaluated and reported?</p> <p>How will mid-course corrections be documented and made if experience demonstrates the need for changes in administration?</p> | <p>Is this solution the best of all possible alternatives? Why? And how do we know?</p> <p>How will the substantive success of the project be determined?</p> <p>How will outcomes be documented and reported?</p> |
| <b>The People and Businesses to be Helped</b> | <p>Some communities and some groups of people were harmed by COVID more than others. The Act is designed to help those who need help the most.**</p>  | <p>Can the participants be adequately communicated with?</p> <p>Will it be expensive, easy or difficult to monitor program or project participation?</p> <p>How many need to be engaged and how often?</p>  | <p>How will questions of equity be handled?</p> <p>Will the project or use be subject to attack because it is perceived of as unfair, inappropriate or unnecessary?</p>  |

\* For the sake of brevity, this summary statement must suffice. The details are covered elsewhere.

\*\* Even beyond the disproportionately impacted classes specifically addressed, the Act's design avoids capital infusions into large institutions and financial markets; it emphasizes assistance to households and small businesses. The Act was designed to stimulate investment in productive assets and sectors rather than fleeting consumption or acquisition of passive assets.

## FY2023 BUDGET PROPOSAL

The Governor's FY2023 Budget proposal allocates funding into 10 bucketed areas. This report is organized based on the Governor's budget categories.

| Governor's Budget Category                      | FY2022               | FY2023               | FY2024               | FY2025               | FY2026              | FY2027              | Total                  |
|---|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|------------------------|
| Administration                                  | \$0                  | \$16,965,916         | \$0                  | \$0                  | \$0                 | \$0                 | \$16,965,916           |
| Aid to Small Businesses and Impacted Industries | 53,370,000           | 77,700,000           | 19,425,000           | 8,040,000            | 2,000,000           | -                   | 160,535,000            |
| Behavioral Health                               | -                    | 37,915,934           | 1,928,759            | 1,997,697            | 550,000             | -                   | 42,392,390             |
| Children, Families, and Education               | 44,500,000           | 60,687,000           | 16,992,000           | 11,900,000           | 4,500,000           | 2,496,000           | 141,075,000            |
| Climate   | -                    | 22,900,500           | 52,593,000           | 37,665,000           | 16,017,000          | 2,824,500           | 132,000,000            |
| Economic and Workforce Development              | -                    | 59,100,000           | 74,100,000           | 54,050,000           | 17,050,000          | 10,025,000          | 214,325,000            |
| Housing   | 29,000,000           | 82,000,000           | 83,000,000           | 53,500,000           | 2,500,000           | -                   | 250,000,000            |
| Public Health                                   | 51,132,711           | 76,107,601           | 25,052,439           | -                    | -                   | -                   | 152,292,751            |
| Public Infrastructure and Technology            | 500,000              | 14,475,000           | 5,500,000            | 500,000              | 500,000             | -                   | 21,475,000             |
| <b>Total</b>                                    | <b>\$178,502,711</b> | <b>\$447,851,951</b> | <b>\$278,591,198</b> | <b>\$167,652,697</b> | <b>\$43,117,000</b> | <b>\$15,345,500</b> | <b>\$1,131,061,057</b> |





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## PROJECT SUMMARIES

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## Administration

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The Governor's budget includes \$17.0 million in administrative reserves. This equates to 1.5 percent of the SFRF allocation. No proposal form was submitted for the administrative reserve.

The U.S. Treasury's Reporting and Compliance Guidance notes "Recipients may use funds for administering the SLFRF program, including costs of consultants to support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements...Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office...If a recipient has a current Negotiated Indirect Costs Rate Agreement ("NICRA") established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA...Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs."

According to the Pandemic Recovery Office, the State has not negotiated a NICRA rate, so the state could have held up to 10.0 percent for administrative costs.

| Administration      | FY2022     | FY2023              | FY2024     | FY2025     | FY2026     | FY2027     | Total               |
|---------------------|------------|---------------------|------------|------------|------------|------------|---------------------|
| Reserve/Contingency | \$0        | \$16,965,916        | \$0        | \$0        | \$0        | \$0        | \$16,965,916        |
| <b>Total</b>        | <b>\$0</b> | <b>\$16,965,916</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$16,965,916</b> |



## Aid to Small Businesses and Impacted Industries

The Governor proposes \$160.5 million in SFRF in the form of six projects for aid to small businesses and impacted industries. According to the Budget Office:

“Small businesses are a major driver of the Rhode Island economy, making up nearly 99 percent of the state’s businesses and employing 52.2 percent of its workers. The small business community has been significantly impacted by the global pandemic. According to recent data from the U.S. Census Bureau’s Small Business Pulse Survey, 65.4 percent of small businesses in Rhode Island continue to experience either a moderate or large negative effect from COVID-19.

From installing improved ventilation systems and moving services outdoors to shifting in-person sales online, small businesses swiftly adapted their operations during the pandemic. To ease the transition and compensate for lost revenue, the State has provided more than \$140.0 million in federal funds to 9,000 small businesses.

Still, uncertainty persists, as new variants emerge and achieving full staffing remains difficult. The State will continue providing relief and support to small businesses, including minority-owned businesses and the tourism, hospitality, and events sectors that have been disproportionately impacted, to help them navigate challenges and serve their customers.”

| <b>Aid to Small Businesses and Impacted Industries</b> |                     |                     |                     |                    |                    |               |                      |
|--|---------------------|---------------------|---------------------|--------------------|--------------------|---------------|----------------------|
| <b>Industries</b>                                      | <b>FY2022</b>       | <b>FY2023</b>       | <b>FY2024</b>       | <b>FY2025</b>      | <b>FY2026</b>      | <b>FY2027</b> | <b>Total</b>         |
| Aid to the Convention Center                           | \$8,370,000         | \$17,700,000        | \$13,425,000        | \$5,540,000        | \$2,000,000        | \$0           | \$47,035,000         |
| Aid to Tourism, Hospitality, and Events Industries     | 13,000,000          | 15,500,000          | -                   | -                  | -                  | -             | 28,500,000           |
| Minority Business Accelerator                          | -                   | 1,500,000           | 6,000,000           | 2,500,000          | -                  | -             | 10,000,000           |
| Small Business Financial and Technical Assistance      | 32,000,000          | 13,000,000          | -                   | -                  | -                  | -             | 45,000,000           |
| Unemployment Insurance Trust Fund Contribution         | -                   | 30,000,000          | -                   | -                  | -                  | -             | 30,000,000           |
| <b>Total</b>   | <b>\$53,370,000</b> | <b>\$77,700,000</b> | <b>\$19,425,000</b> | <b>\$8,040,000</b> | <b>\$2,000,000</b> | <b>\$0</b>    | <b>\$160,535,000</b> |

### AID TO THE CONVENTION CENTER

The Governor proposes to use \$17.7 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to support operations and to finance renovations to the Convention Center and Dunkin Donuts Center facilities that were used during the COVID-19 emergency. The Governor proposes an appropriation of \$8.4 million in FY2022 and additional out-year funding of \$21.0 million from FY2024 to FY2026.

The total proposed ARPA CPF fund investment to the facilities managed by the Rhode Island Convention Center Authority (RICCA) is \$47.0 million, of which \$38.0 million will be used for facility renovations and \$9.0 million will be used to cover operating costs. The appropriations are intended to accelerate the recovery of revenues lost and expected to be lost as the three-venue complex emerges from the pandemic. The following table lists the proposed ARPA investment:

| <b>Revenue Replacement</b>   | <b>FY2022</b> | <b>FY2023</b> | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026</b> | <b>FY2027</b> | <b>Total</b>  |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Operational Revenue Replacement  | \$9.0         | \$0.0         | \$0.0         | \$0.0         | \$0.0         | \$0.0         | \$9.0         |
| <b>Accelerated Capital Projects</b>  | <b>FY2022</b> | <b>FY2023</b> | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026</b> | <b>FY2027</b> | <b>Total</b>  |
| Renovation of the Convention Center 5th Floor                                | \$0.0         | \$2.0         | \$5.0         | \$5.0         | \$2.0         | \$0.0         | \$14.0        |
| Renovation and Control Upgrades of North and South Garages                   | 1.0           | 2.2           | -             | -             | -             | -             | 3.2           |
| Stimulus Funding Program   | 0.5           | 0.5           | -             | -             | -             | -             | 1             |
| Technology Upgrades at the Convention and Dunkin Donuts Centers              | -             | 2.0           | 3.3           | -             | -             | -             | 5.25          |
| <b>Total</b>   | <b>\$1.5</b>  | <b>\$6.7</b>  | <b>\$8.3</b>  | <b>\$5.0</b>  | <b>\$2.0</b>  | <b>\$0.0</b>  | <b>\$23.5</b> |
| <b>Reopening Safely Capital Projects</b>                                     | <b>FY2022</b> | <b>FY2023</b> | <b>FY2024</b> | <b>FY2025</b> | <b>FY2026</b> | <b>FY2027</b> | <b>Total</b>  |
| HVAC Upgrades at the Convention and Dunkin Donuts Centers                    | \$0.0         | \$1.0         | \$0.9         | \$0.0         | \$0.0         | \$0.0         | \$1.9         |
| HVAC Upgrades at the Veterans Auditorium                                     | 0.1           | -             | -             | -             | -             | -             | 0.07          |
| Roof Replacement at the Dunkin Donuts Center                                 | 2.3           | 2.5           | 2.7           | -             | -             | -             | 7.5           |
| Dressing Room, Locker Rooms, and Suites Upgrades at the Dunkin Donuts Center | -             | 3.0           | -             | -             | -             | -             | 3             |
| Restaurant and Hospitality Upgrades at the Dunkin Donuts Center              | -             | -             | 0.5           | -             | -             | -             | 0.5           |
| Convention Center Exhibit Hall Updates                                       | -             | -             | 1.0           | 0.5           | -             | -             | 1.54          |
| <b>Total</b>   | <b>\$2.4</b>  | <b>\$6.5</b>  | <b>\$5.1</b>  | <b>\$0.5</b>  | <b>\$0.0</b>  | <b>\$0.0</b>  | <b>\$14.5</b> |
| <b>Total Renovation Costs</b>  | <b>\$3.9</b>  | <b>\$13.2</b> | <b>\$13.4</b> | <b>\$5.5</b>  | <b>\$2.0</b>  | <b>\$0.0</b>  | <b>\$47.0</b> |
| <i>\$ in millions</i>  |               |               |               |               |               |               |               |

According to the RICCA, estimates for the projects proposed as part of this ARPA request have been derived through extensive consultation with contract vendors, suppliers, construction firms, and architectural advisors, as well as the RICCA's own in-house experience with similar projects. The ARPA request for administrative support has been derived by the RICCA budgets for FY2022 and FY2023 along with projected performance in FY2024 and FY2025. These funds will be utilized to build and support the Authority's infrastructure and organization to accelerate revenue recovery.

The amount of the ARPA CPF funds allocated to each venue during the FY2022-FY2026 period is as follows:

| <b>RICCA Venues</b>   | <b>Capital Estimate</b> |
|-----------------------|-------------------------|
| RI Convention Center  | \$23.3                  |
| Dunkin Donuts Center  | 14.6                    |
| Vets Auditorium       | 0.1                     |
| <b>Total</b>          | <b>\$38.0</b>           |
| <i>\$ in millions</i> |                         |

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** The Governor has been very clear through the Rhode Island 2030 Plan that supporting underserved and marginalized businesses in the State is a priority of the ARPA fund distribution. RICCA sees an opportunity to exceed state requirements for meeting the needs of Minority

Business Enterprises (MBE) and Women Business Enterprises (WBE). The nature of the projects outlined in the attachment lend themselves to partner with the minority community to improve participation and promote success. Specifically, within the \$38.0 million of capital projects listed, the MBE/WBE community can expect at least \$5.0 - \$7.0 million of opportunities for participation.

- **Awareness:** All projects will be publicly advertised, bid and awarded through the Authority. The Authority is committed to communicate directly with the MBE/WBE community to improve awareness and promote success within this area.
- **Access and Distribution:** Not applicable.
- **Outcomes:** Through our commitment to exceed the MBE and WBE goals of the State, the Authority will be doing its part to provide opportunities to marginalized and underserved businesses.
- **Performance Metrics:** Success metrics in relation to this proposal can be identified in the following ways:
  - Increased operational revenues, pertinent key performance indicators (KPI's), metric scorecard, content and quality of events, renewal rate, unit growth, content development, client and customer satisfaction surveys, promoter and tenant satisfaction surveys, work product efficiency, cost saving analysis, energy efficiency, and economic impact force multiplier. In addition, each project will be evaluated to determine the MBE and WBE utilization rate in respect to each individual project.

**AID TO TOURISM, HOSPITALITY, AND EVENTS INDUSTRIES**

The Governor recommends \$15.5 million of federal SFRF funds for aid to tourism, hospitality, and event industries in FY2023. This is in addition to the \$13.0 million that the General Assembly appropriated in December 2021, for FY2022. Total recommended SFRF fund for this aid is \$28.5 million.

| Aid to Tourism, Hospitality, and Events Industries |               |               |        |        |        |        |               |
|--|---------------|---------------|--------|--------|--------|--------|---------------|
| Source   | FY2022        | FY2023        | FY2024 | FY2025 | FY2026 | FY2027 | Total         |
| ARPA SFRF  | \$13.0        | \$15.5        | -      | -      | -      | -      | \$28.5        |
| <b>Total</b>                                       | <b>\$13.0</b> | <b>\$15.5</b> | -      | -      | -      | -      | <b>\$28.5</b> |

*\$ in millions*

According to EOC, the tourism, hospitality, and events industries were the first to close do to the pandemic, most severely impacted, and are expected to be the last to fully return. Citing industry expert Tourism Economics, EOC notes that number of visitors to Rhode Island in 2020 was more than five million below 2019 levels.

Significant aid has been provided to the industries in the state. In FY2021, the EOC and the Rhode Island Commerce Corporation (Commerce RI) administered the CARES Act funded Restore RI, the Hospitality, Arts, and Tourism Grant (HArT), and the Small Business Grants (SBG) programs. Restore RI provided grants up to \$30,000 to assist small businesses with repositioning efforts in a pandemic business climate, financial planning assistance, receivership assistance, training and technical assistance, remote work capabilities, and other non-profit relief. The HArT program provided grants to prevent the closure of arts, culture, hospitality and tourism businesses and institutions. The SBG was a Governor's initiative to provide grants businesses with less than \$1.0 million in revenues. Total funding for the programs in FY2021 was \$112.1 million.

- **State Fiscal Relief Fund Proposal**

The Governor recommends a total \$28.5 million to continue to aid businesses and organizations within the tourism, hospitality, and events industries. According to EOC the component programs in this proposal are based off of prior pandemic relief programs, particularly the HArT and SBG programs, and include:

- Direct grants
- Placemaking, attraction development, and event programming
- Tourism marketing.

The program will continue to be administered by the Commerce Corporation.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts / Public Health
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** "N/A"
  - **Awareness:** "N/A"
  - **Access and Distribution:** "N/A"
  - **Outcomes:** "N/A"
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects

"The metrics for this initiative are directly tied to the success of the other SFRF programs. There is no baseline as the programs proposed under SFRF have not been implemented. "

## MINORITY BUSINESS ACCELERATOR

The Governor recommends \$1.5 million of federal SFRF funds in FY2023, and \$10.0 million in total through FY2025 to advance minority businesses across the state.

| Minority Business Accelerator |        |              |              |              |        |        |               |
|-------------------------------|--------|--------------|--------------|--------------|--------|--------|---------------|
| Source                        | FY2022 | FY2023       | FY2024       | FY2025       | FY2026 | FY2027 | Total         |
| ARPA SFRF                     | -      | \$1.5        | \$6.0        | \$2.5        | -      | -      | \$10.0        |
| <b>Total</b>                  | -      | <b>\$1.5</b> | <b>\$6.0</b> | <b>\$2.5</b> | -      | -      | <b>\$10.0</b> |

*\$ in millions*

According to US Census data provided by EOC, Black- or African American-owned Rhode Island firms represent 1.3 percent of all firms in the state despite Black or African American residents comprising 5.0 percent of the State's population. Hispanic residents comprise 16.6 percent of the State's population while Hispanic-owned firms represent 2.4 percent of all firms. Additionally, EOC indicates that minority-owned businesses have been disproportionately impacted by the pandemic.

According to Department of Administration regulations minority (or women) business enterprises (MBE/WBE) means a "small business concern which is at least 51.0 percent owned and controlled by one or more socially and economically disadvantaged individuals or in the case of a publicly owned business, at least 51.0 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals; and whose management and daily business operations are controlled by one or more such individuals."

State-level public support for minority-owned business enterprises (MBEs) takes place in several ways including the State Minority Business Enterprises Program, which certify MBEs and promote supportive procurement and other policies, and the non-profit business incubator Urban Ventures.

In 2022, the EOC and the Rhode Island Foundation conducted a study that analyzed the factors need to grow minority-owned businesses in the state. The study made recommendations related to capital, workforce and talent development, business assistance, specialized infrastructure, community culture, supportive regulation, and market access. These recommendations informed the Governor's SFRF Minority Business Accelerator proposal.

### ■ State Fiscal Relief Fund Proposal

The initiative includes a \$4.5 million for technical and grant assistance, \$3.5 million investment to build out physical space for a minority business support center and the provision of other infrastructure for minority entrepreneurs. \$1.0 million in loan assistance, \$500,000 for administration, and \$500,000 for planning and capacity building. Programming is to be "aligned with the findings and recommendations of the joint EOC-RI Foundation's Rhode Island Minority Business Eco-system Initiative".

| Minority Business Accelerator Elements |               |
|--|---------------|
| Technical and Direct Assistance        | \$4.5         |
| Physical Space                         | 3.5           |
| Loan Capital                           | 1.0           |
| Program implementation and compliance  | 0.5           |
| Planning and capacity building         | 0.5           |
| <b>Total</b>                           | <b>\$10.0</b> |

*\$ in millions*

Specifically, the program components include:

### ■ Technical and Direct Assistance:

- Provide no-cost management, accounting, and other financial assistance for entrepreneurs and small businesses in partnership with intermediaries.

- Provide entrepreneurship training in collaboration with CCRI, RIC, other credentialing entities
- Provide technology and business solutions (e.g., point of sale systems) to increase the capacity of minority-owned businesses.
- Provide COVID-impacted MBEs with grants to implement adaptation business strategies.
- Outreach, translation, and implementation support for technical and direct assistance efforts.
- Investment in coalitions, alliances, and intermediaries that support MBEs.
- **Physical Space:** Pay for the securing and build-out of a physical space to host these MBE efforts.
- **Loan Capital:** Improve MBE access to capital by providing low-interest loans
- **Program implementation and compliance:** Provide for administration costs including \$250,000 to support 1.0 FTE position to implement the program over 2.5 years and another \$250,000 for additional costs.
- **Planning and capacity building:** Pay for costs associated with program development, capacity building, and facility planning.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “The primary focus and objective of this initiative is to address historical and current inequities in business ownership in Rhode Island. There is ample data to support the finding that minority-owned businesses and communities of color are historically underserved, marginalized, and adversely affected by economic downturns. As examples:”
    - “Whereas Rhode Island’s Black or African American residents comprise 5.0 percent of the population, Black- or African American-owned firms represent a mere 1.3 percent of all firms in the state. Similarly, while Hispanic residents comprise 16.6 percent of Rhode Island’s population, Hispanic-owned firms represent only 2.4 percent of all firms. (Source: US Census data for 2012 and 2019).”
    - “The Rhode Island Office of Diversity, Equity, and Opportunity’s recent Disparity Study underscores the unequal access that minority-owned businesses have to procurement opportunities with the state ([link](#)), highlighting the substantial progress Rhode Island needs to make in advancing a more inclusive and equitable landscape for business ownership. A number of recent reports make clear that minority-owned businesses were disproportionately impacted by the global pandemic.”
    - “As the Federal Reserve Bank of Cleveland concluded in an October 2020 report, ‘data suggest that minority-owned small businesses have been disproportionately impacted by the pandemic, facing higher rates of closures and sharper declines in cash balances as compared to nonminority-owned small businesses’ ([link](#)).”
  - **Awareness:** “A successful minority business support initiative relies upon ongoing and extensive outreach to historically underserved, marginalized, and adversely affected individuals and communities. Outreach and strategic partnerships with existing intermediaries will play a central role throughout this initiative.”
  - **Access and Distribution:** “A successful minority business support initiative relies upon ongoing and extensive outreach to historically underserved, marginalized, and adversely affected



individuals and communities. Outreach and strategic partnerships with existing intermediaries will play a central role throughout this initiative. Additionally, programs will be designed to reduce barriers to accessing supports.”

- **Outcomes:** “Yes. The primary goals and outcomes of this initiative center around reducing barriers, expanding access, and closing historical gaps in business ownership across Rhode Island. Commerce will closely evaluate: (1) the programmatic accomplishments directly related to achieving these equity-related goals and (2) the overarching success in increasing minority-business ownership across Rhode Island (as further detailed in the Performance Metrics section).”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects
 

“The following metrics will be used to measure the program’s success in advancing a more inclusive, dynamic, and equitable economy that provides entrepreneurial, business ownership, and wealth building opportunities to a broader range of Rhode Islanders.”

  - “Number of minority-owned businesses and entrepreneurs served through this programming”
  - “Amount of funds directed to minority-owned businesses and entrepreneurs served through this programming”
  - “Number of minority-owned businesses in Rhode Island”
  - “Percent of Rhode Island businesses that are minority-owned”
  - “Number of employees employed by minority-owned businesses in Rhode Island”
  - “Percent of employees employed by minority-owned businesses in Rhode Island”
  - “Number of state procurement contracts and amount of procurement dollars secured by minority-owned businesses”
  - “Percent of state procurement contracts and procurement dollars secured by minority-owned businesses”

**SMALL BUSINESS FINANCIAL AND TECHNICAL ASSISTANCE**

The Governor's budget amendment recommends \$13.0 million of federal SFRF to provide assistance to small businesses and impacted industries through direct grants and technical assistance.

| Small Business Financial and Technical Assistance |               |               |        |        |        |        |               |
|---|---------------|---------------|--------|--------|--------|--------|---------------|
| Source  | FY2022        | FY2023        | FY2024 | FY2025 | FY2026 | FY2027 | Total         |
| ARPA SFRF   | 32.0          | \$13.0        | -      | -      | -      | -      | \$45.0        |
| <b>Total</b>                                      | <b>\$32.0</b> | <b>\$13.0</b> | -      | -      | -      | -      | <b>\$45.0</b> |

*\$ in millions*

The governmental response to the devastating impact that the pandemic has had on Rhode Island's businesses has been significant. Congress enacted six separate pieces of federal legislation with sweeping relief programming and funds, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Paycheck Protection Program and Healthcare Enhancement Act in 2020, and the American Rescue Plan Act (ARPA) in 2021. Nearly \$4.6 billion in various business supports had been made available in FY2021 and FY2022.

| Relief Program                         | Lead Agency | FY2021           | FY2022        |
|--|-------------|------------------|---------------|
| Paycheck Protection Program            | SBA         | \$2,906.1        | -             |
| Economic Injury Disaster Loan          | SBA         | 1,332.2          | -             |
| Restaurant Revitalization Fund         | SBA         | 106.4            | -             |
| Shuttered Venue Program                | SBA         | 30.4             | -             |
| Restore RI/HArT/SBG                    | CommerceRI  | 112.1            | -             |
| State Small Business Credit Initiative | CommerceRI  | -                | 57.5          |
| Business Interruption Grants Program   | CommerceRI  | 45.4             | -             |
| Economic Adjustment Assistance         | CommerceRI  | -                | 6.8           |
| <b>Total</b>                           |             | <b>\$4,532.6</b> | <b>\$64.3</b> |

*\$ in millions*

- **Small Business Administration (SBA) Programming**

- **Paycheck Protection Program:** The Paycheck Protection Program (PPP) was a small business loan program created by Congress in the CARES Act in March 2020. Small businesses could receive loans equal to their monthly average payroll cost in the year before the pandemic, multiplied by 2.5, up to a maximum of \$2.0 million. At least 60.0 percent of a PPP loan had to be used to fund payroll and employee benefits costs and under certain conditions loans could be forgiven. Rhode Island businesses received \$2.9 billion in PPP loans.
- **Economic Injury Disaster Loan Program:** The Economic Injury Disaster Loan Program (EIDL) is the SBA's standing program to provide relief to businesses affected by an officially-designated disaster. The program provides up to \$2.0 million in assistance for eligible businesses. Repayment terms determined are based on the businesses ability to repay. Rates cannot exceed 4.0 percent and length cannot exceed 30 years. Rhode Island businesses have received \$1.3 billion in EIDL loans.
- **Restaurant Revitalization Fund:** ARPA established the Restaurant Revitalization Fund (RRF) to provide funding to help restaurants and other eligible businesses keep their doors open. The program provides restaurants with funding equal to their pandemic-related revenue loss up to \$10.0 million per business and no more than \$5.0 million per physical location. Rhode Island businesses received \$106.4 million from the RRF.
- **Shuttered Venue Program:** The Shuttered Venue Program (SVP) was an SBA program that provided grants for venue operators, promoters, live-events producers, and museums that were sidelined by the pandemic. Rhode Island businesses received \$30.4 million from the program.

- **Commerce RI Programming**

- **Restore RI /HArT/SBG:** In FY2021, the EOC and the Rhode Island Commerce Corporation (Commerce RI) administered the CARES Act funded Restore RI, the Hospitality, Arts, and Tourism Grant (HArT), and the Small Business Grants (SBG) programs. Restore RI provided grants up to \$30,000 to assist small businesses with repositioning efforts in a pandemic business climate, financial planning assistance, receivership assistance, training and technical assistance, remote work capabilities, and other non-profit relief. The HArT program provided grants to prevent preventing the closure of arts, culture, hospitality and tourism businesses and institutions. The SBG was a Governor’s initiative to provide grants businesses with less than \$1.0 million in revenues. Total funding for the programs in FY2021 was \$112.1 million.
- **Small Business Credit Initiative:** The ARPA provided the State with \$57.5 million in federal in FY2022 from the U.S. Treasury’s State Small Business Credit Initiative (SSBCI) grant. The grant provides small business credit support and investment programs, which the Executive Office of Commerce will administer.
- **Business Interruption and Relief Grants:** Business Interruption grants, funded with \$45.4 million in CARES Act fund, provided grants of up to \$30,000 to assist firms in covering expenses necessary for reopening and operating in a business environment changed by the pandemic, including personal protective equipment and physical alterations.
- **EAA Revolving Loan Fund:** The Budget includes \$6.8 million in federal ARPA funding in FY2022 from the U.S. Department of Commerce’s Economic Adjustment Assistance Revolving Loan Fund (EAA RLF) program. The program supports loans to businesses that cannot otherwise obtain traditional bank financing.

- **State Fiscal Relief Fund Proposal**

The Governor recommends \$13.0 million in federal SRRF funding in FY2023 to assist small businesses recover from the pandemic. This is in addition to the \$32.0 million appropriated by the General Assembly in December 2021, for FY2022, for a total of \$45.0 million.

According to EOC, the component programs are all based on previous business relief programs during the pandemic. These include Small Business Relief Grant Program and Restore RI (Business Interruption and Relief grants) and other direct financial assistance programs; the Take It Outside initiative that funded public health adaptations for businesses; and the technical assistance supports that have been built into these prior programs.

The programs will be administered by the Commerce Corporation and will follow the processes of the previous programs.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact / Public Health
- **Equity Components:** US Treasury guidance related to ARPA SRRF places emphasis on projects that advance economic and racial equity.
- **Population:** “Rhode Island’s small business community has been significantly impacted by the global pandemic. According to the U.S. Census Bureau’s Small Business Pulse Survey, 71.6 percent of Rhode Island small businesses experienced either a moderate or large negative effect from COVID-19 for the week ending December 26, 2021 (link). There is also considerable research showing that minority-owned businesses were disproportionately impacted by the global pandemic. As the Federal Reserve Bank of Cleveland noted in an October 2020 study, “minority-owned small businesses have been disproportionately impacted by the pandemic, facing higher rates of closures

and sharper declines in cash balances as compared to nonminority-owned small businesses” (link). This initiative will have a strategic approach to engaging minority-owned small businesses in Rhode Island to ensure that they have sufficient access to the supports provided through this program.”

- **Awareness:** “Commerce will direct sufficient resources to raise awareness of this initiative and other programming, with an emphasis on engaging Rhode Island’s minority-owned business community through intermediaries and other strategies.”
- **Access and Distribution:** “In addition to its outreach efforts, Commerce will structure this programming in a manner that reduces barriers to access these financial, technical, and other forms of assistance.”
- **Outcomes:** “This initiative will place a strong emphasis on providing financial, technical, and other forms of assistance to minority-owned businesses—particularly given the disproportionate impacts these businesses have faced throughout the COVID-19 economic downturn. Commerce will evaluate this initiative’s success using several metrics, which will include the number of minority-owned businesses supported.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.
  - “Performance metrics for this program may include the following:”
    - “Federal dollars disbursed (statewide and by municipality)”
    - “Number of projects funded (statewide, by municipality, by type, by sector)”
    - “Number of Rhode Island businesses (including the number and percent of women- and minority-owned businesses) supported or assisted.”
    - “This initiative will be evaluated annually at a minimum.”

## UNEMPLOYMENT INSURANCE TRUST FUND CONTRIBUTION

The Governor proposes to use \$30.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023, to be allocated into the Unemployment Insurance (UI) trust fund on an as needed basis to make up for any lost revenue or address tax schedule shifts. Holding these funds in reserve allows for the ability to rapidly respond if a shortfall is identified in the trust fund and allows them to be put toward other effective uses to support the state's employers if no such need is identified.

For tax year 2022, the state has made a number of administrative adjustments to more accurately determine the health of the trust fund and the rate of UI taxes to be assessed. While these adjustments were made using the most accurate modeling and analysis available, it is possible that the trust fund will experience unexpected shortfalls in the coming tax years. If the funds are put into the trust fund, there will be an impact on the tax rates for the following calendar year.

Article 1 of the Governor's FY2023 Budget states that if the Director of the Department of Labor and Training determines the allocation to the employment security fund is not beneficial for eligible employees in the next calendar year, these funds shall be allocated to the Enhanced Real Jobs initiative.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** This proposal's impact is shared across all of Rhode Island's employers.
  - **Awareness:** Not applicable.
  - **Access and Distribution:** Not applicable.
  - **Outcomes:** Not applicable.
- **Performance Metrics:** Monitor the following:

The only relevant metric would be trust fund balance.



## Behavioral Health

The Governor proposes \$42.4 million in SFRF in the form of five projects to boost resources for behavioral healthcare. According to the Budget Office:

“The pandemic underscored significant challenges for Rhode Island’s health system, such as health disparities, a behavioral health crisis, and unequal access, as well as opportunities for innovation that must be leveraged to address the challenges. The Governor’s proposal invests a total of \$42.4 million in the behavioral health care system to promote mental health and well-being.”

| Behavioral Health                             | FY2022     | FY2023              | FY2024             | FY2025             | FY2026           | FY2027     | Total               |
|---|------------|---------------------|--------------------|--------------------|------------------|------------|---------------------|
| 9-8-8 Hotline                                 | \$0        | \$1,875,000         | \$0                | \$0                | \$0              | \$0        | \$1,875,000         |
| Certified Community Behavioral Health Clinics | -          | 28,100,000          | -                  | -                  | -                | -          | 28,100,000          |
| Crisis Intervention Trainings                 | -          | 550,000             | 550,000            | 550,000            | 550,000          | -          | 2,200,000           |
| Mental Health Court Pilot Program             | -          | 1,390,934           | 1,378,759          | 1,447,697          | -                | -          | 4,217,390           |
| Psychiatric Residential Treatment Facility    | -          | 6,000,000           | -                  | -                  | -                | -          | 6,000,000           |
| <b>Total</b>                                  | <b>\$0</b> | <b>\$37,915,934</b> | <b>\$1,928,759</b> | <b>\$1,997,697</b> | <b>\$550,000</b> | <b>\$0</b> | <b>\$42,392,390</b> |

### 9-8-8 HOTLINE

The National Suicide Prevention Lifeline (NSPL) was established as a single national number. NSPL is made up of an expansive network of over 200 crisis centers located across the United States and receives millions of calls a year. The counselors at these local crisis centers answer calls and chats from people in distress. The Lifeline's crisis centers provide the specialized care of a local community with the support of a national network. Advocates have pushed for a three-digit suicide prevention number, as it would be easier to remember and would promote access and use of the hotline. The current hotline number is an 11 digit number that in times of distress could be difficult to access.

In 2018, the National Suicide Hotline Improvement Act was signed into federal law. The law required Substance Abuse Mental Health Services Administration (SAMHSA) and the Veterans Administration to report to the Federal Communications Commission (FCC) regarding the effectiveness of the existing National Suicide Prevention Lifeline and the potential value of a three digit number being designated as the new national suicide prevention number. The FCC subsequently recommended to Congress that the number 9-8-8 be designated as the new national suicide prevention number. On July 16, 2020, the FCC issued a final order designating 9-8-8 as the new NSPL and Veterans Crisis Line (VCL) number. This order gave telecom providers until July 16, 2022 to make every land line, cell phone, and every voice-over internet device in the country capable of using the number 9-8-8 to reach the existing NSPL. On October 17, 2020, the National Suicide Hotline Designation Act of 2020 was signed into law, incorporating 9-8-8 into statute as the new Lifeline and VCL phone number.

The Budget includes \$1.9 million in federal ARPA funds to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules and regulations.

- **U.S. Treasury Eligibility Category:** Public Health Expenditures
- **Equity Components:**
  - **Population:** Information has not been provided at this time.
  - **Awareness:** Information has not been provided at this time.
  - **Access and Distribution:** Information has not been provided at this time.
  - **Outcomes:** Information has not been provided at this time.
  - **Performance Metrics:** Information has not been provided at this time.



## CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS

The Governor proposes to use \$28.1 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to address gaps in the behavioral healthcare system by developing a statewide network of Certified Community Behavioral Health Center (CCBHC) programs. The funding includes \$25.8 million in assistance and grants for providers and organizations to develop the capacity to operate as a CCBHC and/or participate in service delivery and \$2.3 million to support the necessary state infrastructure investments to establish the program.

The Budget provides one-time support to lead behavioral health providers and partner providers to support start-up costs associated with the implementation of the CCBHC care model. The funding will be authorized for use on initial costs only, and thus will not need to be sustained longer-term. The ongoing cost of maintenance and operations associated with these initial investments will be the responsibility of providers. The Budget assumes that investments made with these infrastructure grants will prepare providers to transition to a state-designed payment model or leverage other federal funding opportunities for CCBHCs available through the Substance Abuse and Mental Health Services Administration (SAMHSA).

The CCBHC program is designed to provide a de-institutionalized, comprehensive range of behavioral health services to vulnerable populations with complex needs. CCBHCs are required to offer crisis mental health services and stabilization coordination and follow-up, screening assessment and diagnosis, patient-centered treatment planning, outpatient mental health and substance use services, primary care screening and monitoring, case management, psychiatric rehabilitation services, peer support, counseling, family support services, and intersystem coordination.

The proposal is intended to relieve the behavioral health system, which has been especially burdened by COVID-19. Since the beginning of the pandemic, there have been increased levels of anxiety and depression, a rising number of fatal overdoses, and the impact of the pandemic itself has had detrimental impacts on behavioral health. The funding will be used to establish infrastructure grants, enabling providers and organizations to develop the capacity to operate as a CCBHC, to equip organizations so they are able to participate in service delivery and collaborations, and support the necessary state infrastructure investments to establish the program.

The original ARPA request submitted by EOHHS included a statewide mobile crisis unit system. EOHHS described mobile crisis services as a core component of the CCBHC model, however, the Governor's Budget did not include mobile crisis units as part of the proposal. As a core component of the model, the estimated impact included Mobile Crisis Units, making it difficult to draw conclusions about the effectiveness of the proposal.

The State currently lacks a comprehensive statewide mobile crisis services system, leaving the State ill-equipped to handle crisis events that occur outside of facility settings. According to EOHHS, the estimated cost of implementing a mobile crisis response system would be \$9.0 million, and would likely result in savings as individuals are diverted away from the emergency room. Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Public Health
- **Equity Components:**
  - **Population:** This proposal builds on the foundation that the health of a community is directly connected to its economic and educational ecosystem. And the disparities in health are due to structural racism and other inequities. Economic inequality and self-reported poor behavioral health are linked, and housing plays a major role as a social determinant of behavioral health. Addressing the behavioral health needs (and underlying factors such as housing) of minorities communities—and the rest of the state—will assist in improving employment opportunities and economic stability.

In Rhode Island, 40.0 percent of adult mental health consumers are unemployed, notably much higher than the statewide unemployment rate.

- **Awareness:** Provider infrastructure grants made available under this proposal will be made widely available to eligible providers serving Medicaid members with behavioral health needs. EOHHS has been actively engaging a broad range of stakeholders on this topic for more than a year and will leverage both established forums and direct outreach to make eligible providers aware of this opportunity.

From a member perspective, this proposal aims to enhance member awareness and ability to access CCBHC services through a focus on partner organizations that have demonstrated experience serving underserved, marginalized, and adversely affected communities. Building the capacity of these organizations to partner with CCBHCs will broaden the population served and provide pathways for underserved members to access comprehensive behavioral health services through the CCBHC model.

- **Access and Distribution:** This proposal will support the expansion of the CCBHC model in Rhode Island with the aim of creating a statewide system that enables all members to access the comprehensive array of behavioral health services provided by CCBHCs. There are currently five SAMHSA-funded CCBHC providers in the state; by expanding the number of providers prepared to participate in the CCBHC model as leads or partners, this proposal will lead to broader, more equitable access to behavioral health services for all members.

The provider infrastructure grants proposed have been designed in recognition of disparities that exist amongst providers in terms of core infrastructural capacity and ability to participate in the CCBHC program. The grant program for DCOs / partners has been specifically designed to enable smaller, more specialized provider and community-based organizations to participate in the CCBHC program as partner organizations. This grant program will provide opportunities for providers with demonstrated competency serving underrepresented communities, individuals with substance use disorder, children/youth, etc. EOHHS recognizes that these types of providers may be less equipped to complete applications and participate in this program and has included technical assistance funding in this proposal to support providers with reporting and implementation supports, and a learning collaborative.

- **Outcomes:** The Behavioral Health System Review includes several measures in which equity improvements are needed. These measures will serve as benchmarks for this proposal and our system reform efforts. These measures are:
  1. Percentage of mental health consumers who are unemployed.
  2. Rates of substance use among racial, ethnic, sexual and gender minorities.
  3. Rates of homelessness and housing cost burden among racial and ethnic minorities.
  4. Rates of justice involvement among racial and ethnic minorities.
  5. Rates of inpatient behavioral health service utilization among low socio-economic status.
  6. Rates of engagement in overdose treatment by race and ethnicity.
  7. Rates of frequent mental distress and life satisfaction among racial, ethnic, sexual and gender minorities as well as older adults.
  8. Rates of sexual, interpersonal, domestic, and community violence among racial, ethnic, sexual and gender minorities.
  9. Rates of depression and anxiety among veterans.

#### 10. Rates of social isolation across all vulnerable populations.

The Behavioral Health System Review specifically identified a need to improve upon race equity outcomes in rates of substance use, homelessness, and behavioral and emotional problems with juvenile justice involvement. Race equity outcomes in suicide and overdose death are also of concern in the state. While these core indicators of incidence, prevalence, and consumer need are important, we lack race equity measures in other areas like indicators of capacity, utilization and cost at present. Under this proposal, we will invest in improving data collection to enable disaggregation by demographics and track progress towards improving gaps in race equity outcomes.

- **Performance Metrics:** This proposal aims to enable the expansion of the CCBHC system in RI through infrastructure grants for large behavioral health providers and community mental health organizations seeking to become CCBHCs, and designated collaborating organizations (DCOs) seeking to partner with CCBHCs. Given that this program is capacity and infrastructure based, participating entities will be measured primarily based on the achievement of milestones in two core CCBHC readiness domains:
  1. **Technology:** the provider has established data collection systems that enable the delivery of quality care, equity-based performance measurement, and the implementation of value-based payment models
  2. **Accessibility:** the provider is equipped to meet CCBHC accessibility and service timeliness standards, inclusive of 24/7 access to support mobile crisis response teams

Each domain will be associated with a set of milestones designed to measure progress over three phases of development: Planning, Infrastructure Building, and Demonstration of Readiness.

Success for this initiative is an increase in the number of providers in the state equipped to operate as CCBHCs, and an expanded array of DCOs/ partners integrated with CCBHCs.

### CRISIS INTERVENTION TRAININGS

The Budget includes \$550,000 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 for a Crisis Intervention Team program. The Governor's proposal includes out-year spending of \$550,000 per year in SFRF funds in FY2024 through FY2026, for a total cost of \$2.2 million. The total cost includes \$1.2 million in salary and benefits for administration of the program, \$720,000 for training costs, \$80,000 for evaluation, and \$21,846 for operating costs.

The Crisis Intervention Team (CIT) program uses a community-based approach to improve outcomes of mental health crises with the use of community partnerships, training, and identification of mental health resources. CIT brings mental health professionals, advocates, elected officials and others together to improve the mental health response system with the goal of reducing encounters with the criminal justice system. Since the COVID-19 pandemic, police departments across the State have reported significant increases in mental health related calls. This initiative will identify and divert people with behavioral conditions to treatment and recovery, increase mental health literacy and develop more appropriate levels and locations of behavioral health care.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Public Health Expenditures
- **Equity Components:**
  - **Population:** Nationwide and locally, the pandemic has resulted in an increase in mental health crises. While over 2,700 communities nationwide have comprehensive CIT programs, prior to 2019, Rhode Island was one of only four states without even one CIT program. Since 2019 a total of three CIT Academies have been conducted in Rhode Island. Populations most at risk for developing serious behavioral health conditions include people with lower incomes, domestic violence survivors, patients with dual diagnoses (mental health and substance use), those with trauma history, and people experiencing homelessness. Given significant service gaps in RI's mental health system, these populations face many barriers to receiving effective behavioral healthcare. These populations are also more likely to be incarcerated, compared to their low-risk peers.
  - These barriers were confirmed in a 2015 statewide study conducted by Truven Health quantifying the full range of behavioral health care services accessible in the state. Among other findings, the study reported a scarcity of mental health professionals and a lack of evidence-based programs to address specific mental health conditions, with 20% of Medicaid beneficiaries discharged after a psychiatric admission not receiving any mental health follow-up at 30 days post-discharge. There are more resources available today than there were in 2015, including BH Link, CCBHCs, and a focus on diversion in the midst of the opioid epidemic, however we have not seen a corresponding decrease in the criminalization of mental illness nor have system improvement efforts yielded improved follow-up and transition of care post emergency department or inpatient hospital stays. In 2020 and 2021, emergency departments across the state are overflowing with record numbers of people experiencing mental health crises who often "board" without treatment for days before they transfer to an inpatient treatment setting. Eighty percent of people who go to the emergency department for a behavioral health crisis go home without treatment or follow up. It is critical to implement more interventions that specifically target law enforcement in an effort to drive the criminalization of behavioral health challenges.
  - **Awareness:** CIT is more than training; it is a Community Program –when done to fidelity CIT must include as a core element a community engagement and outreach plan that ensures that residents, organizations, groups, leaders, elected officials, faith groups, and businesses in the community are aware of CIT and can provide ongoing feedback and input into the effectiveness of the program. Rollout of CIT in Rhode Island has and will continue to include community conversations, focus groups, and facilitated needs and gaps assessments. As CIT becomes more widely embedded into

Police Departments we are working on public relations campaigns, including one starring our first CIT Therapy Dog Stanley. We also work directly with people with lived experience and families via NAMI and other grassroots organizations who serve on our steering committees and planning boards.

- **Access and Distribution:** This program is designed as a mental health crisis response program that would respond to all individuals across the state that would come to need these services. The program is designed to cover the entire state so that all individuals are provided this service. The training is designed to seek to build a diverse group of well-trained first responders. It is expected that larger urban areas, such as Providence, would require more robust programming that could be separate from law enforcement such as the CAHOOTS (Crisis Assistance Helping Out On the Streets) model, in part because the demand for behavioral health crisis services are greater and because different approaches may make more sense in areas where historic distrust of law enforcement is high. The CAHOOTS model mobilizes two-person teams consisting of a medic (a nurse, paramedic, or EMT) and a crisis worker who has substantial training and experience in the mental health field. (BHDDH is planning to fund a CAHOOTS initiative with separate stimulus funding granted directly to it by SAMHSA as noted above.)
- **Outcomes:** Outcomes are focused on creating a universal level of service, or a baseline educational level of all police departments in the state. This in turn is intended to drive the equity goal of ensuring that people experiencing behavioral health crises are less likely to be criminalized than they are today, which is also expected to better achieve race equity in policing.
- **Performance Metrics:** A core element of CIT is research and evaluation. Founded in partnership with the University of Memphis, Memphis Police, and NAMI of Memphis, CIT has been grounded in performance metrics that strive to:
  - Reduce in use of force by police
  - Reduce injury to residents and police officers
  - Divert people with mental illness, substance use disorder and/or other behavioral health issues from criminal justice to treatment and recovery,
  - Promote officer and first responder mental health and wellness.
  - CIT Rhode Island is partnering with Roger Williams University for ongoing evaluation of our developing CIT model to ensure fidelity to national models that have generated positive outcomes.

### MENTAL HEALTH COURT PILOT PROGRAM

The Budget includes ARPA SFRF to create a Mental Health Court pilot program in collaboration with the Judiciary, the Office of the Attorney General, and the Office of the Mental Health Advocate, to better serve defendants struggling with mental illness. Defendants suffering from mental illness will often recycle repeatedly through the criminal justice system without proper treatment. Over decades, the community supports for this population have seen funding diminished to the point where few supports remain in place. Leaving individuals to spiral downward until they land in the court system. Over the past three years, the Pretrial Services Unit has handled 1,593 referrals for mental health counseling with another 737 with co-occurring disorders. According to the Judiciary, these numbers do not reflect the actual number of court-involved defendants suffering from mental illness. While most of these defendants may not be initially sentenced to serve time at the ACI on a misdemeanor, many of them will be incarcerated as either bail violators or probation violators. This program is intended to address the defendant's mental illness and significantly reduce, if not eliminate, incarceration for all these violators.

The Mental Health Treatment Court will be a pre-plea program, with no admission of guilt, to avoid collateral consequences such as limited housing or a negative impact on employment opportunities. A participation agreement will define the expectations of both parties, including duration of the treatment plan and disposition upon completion. The Court will work closely and collaboratively with the community mental health centers and with the Department of Behavioral Health, Developmental Disabilities, and Hospitals (BHDDH), to provide monitoring of the participant in the community consistent with their risk level. Treatment Courts are collaborative, not adversarial. The team will include a designated judicial officer, a designated prosecutor (AG), and defense counsel from the Office of the Mental Health Advocate. The involvement of the Mental Health Advocate will bring both specialized knowledge of mental illness and experience with this population and the treatment providers. A shift in defense court-appointed counsel to the Office of the Mental Health Advocate is an important step toward the decriminalization of mental illness.

The Budget includes \$1.4 million in SFRF in FY2023, and additional planned expenditures in FY2024 and FY2025 for the pilot program. In total, \$4.2 million in planned for the initiative.

|                           | FY2023             | FY2024             | FY2025             | FY2026     | FY2027     | Total              |
|---------------------------|--------------------|--------------------|--------------------|------------|------------|--------------------|
| Attorney General          | \$204,005          | \$210,179          | \$220,687          | \$0        | \$0        | \$634,871          |
| Judiciary- Supreme Court  | 107,900            | 108,732            | 114,169            | -          | -          | 330,801            |
| Judiciary- District Court | 844,582            | 826,969            | 868,317            | -          | -          | 2,539,868          |
| Mental Health Advocate    | 234,447            | 232,880            | 244,523            | -          | -          | 711,850            |
| <b>Total</b>              | <b>\$1,390,934</b> | <b>\$1,378,759</b> | <b>\$1,447,697</b> | <b>\$0</b> | <b>\$0</b> | <b>\$4,217,390</b> |

**Judiciary:** The Budget includes \$952,482 in federal ARPA SFRF and 7.0 FTE positions. Of the total, \$107,900 and 1.0 Senior Monitoring and Evaluation Specialist are within the Supreme Court and \$844,582 and 6.0 FTE positions are within the District Court.

**Office of the Attorney General:** The Governor proposes to use \$204,005 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to support a Mental Health Court Pilot Program. The funds will support an additional 2.0 FTE positions, 1.0 Paralegal and 1.0 Staff Attorney I.

**Office of the Mental Health Advocate:** The Budget adds \$234,447 from the federal American Rescue Plan Act State Fiscal Recovery Fund and 2.0 FTE positions in FY2023 for the Mental Health Court program.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Public Health
- **Equity Components:**
  - **Population:** No information provided

- **Awareness:** No information provided
- **Access and Distribution:** No information provided
- **Outcomes:** No information provided
- **Performance Metrics:** Monitor the following:
  - No information provided

### PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY

The Governor proposes to use \$6.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to renovate a privately-owned facility to establish an approximately 12-bed psychiatric residential treatment facility (PRTF) for female youth age 14 to 20. The original intent was to establish two facilities, but after conferring with the Division of Capital Asset Management and Maintenance (DCAAM) and evaluating existing available facilities, it was decided that \$6.0 million would only fund renovations to one facility.

According to DCYF, there is a shortage of available, in-state, intensive residential treatment options for female youth. As a result, the Department sends many youth out of state, and others are held in psychiatric hospital settings while they await placement options in the community. The Office of the Child Advocate, the Family Court, and Department all acknowledge that housing these youth in-state would allow for smoother community reintegrations and save money on psychiatric hospital costs.

DCYF reports that, on average, approximately 25 to 30 female youth are placed out of state in intensive behavioral health residential facilities at any given time. Additionally, 8 to 12 youth are generally in psychiatric hospitals awaiting out-of-state placements.

DCYF's plan is to establish a PRTF that would be privately managed, Medicaid-reimbursable, campus residential programs. The facility would provide housing and schooling for the youth. While placement at the proposed PRTF could cost more than out-of-state placements in some instances, the State expects to save money from enhanced Medicaid reimbursements for PRTF placements and from reduced inpatient psychiatric hospitalizations.

**Timeline:** DCYF indicates it has already worked extensively with DCAMM to assess the costs and steps necessary to renovate multiple sites. Assuming that one of the previously identified sites can be used and that the services of an outside contractor can be secured relatively quickly, the Department anticipates that planning and final designs can be completed and construction can begin by December 31, 2022, with full renovations completed by June 2024.

Given the strong interest already conveyed by multiple providers, DCYF anticipates that a current behavioral health provider will be ready to start providing ongoing PRTF services as soon as the site is ready.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Public Health
- **Equity Components:**
  - **Population:** The Department intends to work to build or develop facilities in qualified census tract areas. In addition, we anticipate that there will be requests from current Contractors who have expertise in delivering a PRTF program, for renovations to current sites. Of the current contractors the Department is aware of, at least one has a facility located in the city of Providence. Youth who are placed out-of-state are often seriously adversely affected by the distance from their families. Placement out-of-state reduces or prohibits necessary family treatment and visitation—especially for low-income families who cannot afford the transportation or the time away from work. These are critical elements of treatment and their absence can negatively impact treatment outcomes.
  - **Awareness:** Through the RFP process potential vendors will be notified of the initiative.
  - **Access and Distribution:** PRTF services for those with complex mental and behavioral health needs.
  - **Outcomes:** Reducing the number of out-of-state placements and length of stays in hospitals.
- **Performance Metrics:**



- DCYF plans to monitor the following statewide measures to assess the impact on the child welfare and children's behavioral health systems overall:
  - The number of out-of-state placements and length of stays in hospitals, anticipating a reduction in both areas.
  - Additionally, DCYF plans to assess the following lead measures to assess the effectiveness of the individual PRTF site: the number of restraints and elopements and the frequency of family involvement; the lower each is the higher the likelihood of successful outcomes for individual youth.
  - With this, DCYF also plans to assess the following outcome measures for each PRTF site: the average length of stay and the number of successful discharges to a family setting versus re-hospitalization or discharge to another institutional setting.



## Children, Families, and Education

The Governor proposes \$141.1 million in SFRF in the form of 13 projects to boost resources for behavioral health. According to the Budget Office:

“Given that the early years of a person’s life are among the most important developmentally, early childhood services and supports are critical to ensuring every Rhode Islander reaches their full potential. However, even before the pandemic, families too often struggled to access affordable and equitable early learning opportunities and health services. The pandemic has only aggravated these problems and introduced new ones, such as disruptions in regular preventative care that is often the front door to services. Families have faced increased difficulty in accessing needed supports for development, behavioral health, food, and housing. With the right investments, the State can make up for lost time to provide Rhode Island children and families the supports they need to grow and succeed.”

| Children, Families, and Education                                  | FY2022              | FY2023              | FY2024              | FY2025              | FY2026             | FY2027             | Total                |
|--|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|----------------------|
| Child Care Investment: Enhanced TEACH Program                      | \$0                 | \$1,333,000         | \$667,000           | \$0                 | \$0                | \$0                | \$2,000,000          |
| Child Care Investment: Increasing Supply of Family Providers       | 300,000             | 300,000             | -                   | -                   | -                  | -                  | 600,000              |
| Child Care Investment: Retention Bonuses                           | 18,700,000          | 18,700,000          | -                   | -                   | -                  | -                  | 37,400,000           |
| Child Care Investment: Workforce Registry and Quality Improvements | -                   | 950,000             | 550,000             | 500,000             | -                  | -                  | 2,000,000            |
| DCYF Provider Workforce Stabilization                              | 12,500,000          | -                   | -                   | -                   | -                  | -                  | 12,500,000           |
| Early Intervention Recovery  | 5,500,000           | 5,500,000           | -                   | -                   | -                  | -                  | 11,000,000           |
| Higher Education Academies OPC                                     | -                   | 6,504,000           | 4,500,000           | 4,500,000           | 4,500,000          | 2,496,000          | 22,500,000           |
| Lead Abatement & Fire Safety                                       | -                   | 1,500,000           | 375,000             | -                   | -                  | -                  | 1,875,000            |
| Municipal Learning Centers   | -                   | 5,000,000           | 5,000,000           | 5,000,000           | -                  | -                  | 15,000,000           |
| Nonprofit Assistance / Food Insecurity                             | -                   | 10,000,000          | -                   | -                   | -                  | -                  | 10,000,000           |
| Pediatric Health Care Recovery                                     | 7,500,000           | 7,500,000           | -                   | -                   | -                  | -                  | 15,000,000           |
| RI Bridges Mobile Access and Childcare                             | -                   | 2,400,000           | 2,400,000           | 1,900,000           | -                  | -                  | 6,700,000            |
| Support for Survivors of Domestic                                  | -                   | 1,000,000           | 3,500,000           | -                   | -                  | -                  | 4,500,000            |
| <b>Total</b>   | <b>\$44,500,000</b> | <b>\$60,687,000</b> | <b>\$16,992,000</b> | <b>\$11,900,000</b> | <b>\$4,500,000</b> | <b>\$2,496,000</b> | <b>\$141,075,000</b> |

**CHILD CARE INVESTMENT: ENHANCED TEACH PROGRAM**

The Governor proposes to use \$1.3 million in FY2023 and \$667,000 in FY2024 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to expand TEACH funding.

TEACH is a nationally recognized workforce development model for early childhood educators. The Department currently provides \$647,000 in TEACH scholarships supporting approximately 100 educators. The Governor proposes to expand TEACH funding to support additional participants at various credential levels from the Child Development Associate (CDA) to a bachelor's degree. Funding will support TEACH scholarships which pay for the participant's tuition, books, and incentives for credential completion.

TEACH allows participants to complete credit bearing coursework working towards degree credentials while remaining employed at an early learning provider. TEACH guarantees participants an increase in compensation through either a bonus or additional income from their employer sponsor.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts
- **Equity Components:**
  - **Population:** The early childhood workforce is made up primarily of women, and disproportionately women of color. TEACH scholarships directly increase credentialing and compensation for this workforce, which will address the gender pay equity gaps that are persistent in RI and across the nation. For more information on demographics of the workforce, please see: <http://www.kids.ri.gov/cabinet/documents/PDG%20B-5%20Workforce%20Needs%20Assessment%20Final%20Report%2010-19.pdf>
  - In addition, women are the primary caretakers for young children, and lack of access to child care – driven by the workforce shortages and turnover within the sector – directly impact the opportunity for women with children to re-enter and persist in the workforce. By stabilizing and growing the supply of child care, more women will have the opportunity to return to work.
  - **Awareness:** RIAEYC has a strong and well-established relationship with the child care sector in RI and would be well connected with businesses and their employees to share information about this program.
  - **Access and Distribution:** As noted in the Early Childhood Workforce Study linked above, more women of color work in lower wage positions within child care – such as assistant teachers – than white women. Thus, TEACH's structure, which allows for supports for various credentials meets educators wherever they currently are, provides opportunities across the workforce and helps to address the economic disparity that systemically exist for women of color.
  - **Outcomes:** Program outcomes are focused on job retention and increased earnings within the child care field. This is important for children, families, and educators as a more stable workforce ensures that educators can stay in their jobs while raising the quality of programs, families have access to stable, quality care allowing them to work, and children build strong relationships with the same adults.
- **Performance Metrics:** Monitor the following:
 

DHS plans to leverage the existing data collection for TEACH scholarships to track the impact of SFRF funding. The following represent core, immediate success metrics outlined for disbursement of stimulus funds. Current success metrics include:

  - Number of participants in the program each year
  - Total number of enhanced credentials

- Average wage enhancement per program of study per contract term (AA or BA)
- Number of TEACH sponsors who have met the 3-star (or higher) higher education quality level within BrightStars
- Retention rate among TEACH educators in the child care sector

Given that staff credentials are frequently cited as a challenge for providers attempting to progress along the quality continuum, these investments in upskilling the ECCE workforce will promote advancement towards the Department's overall quality goals.

**CHILD CARE INVESTMENT: INCREASING SUPPLY OF FAMILY PROVIDERS**

The Governor proposes to use \$600,000 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$300,000 in FY2022 and \$300,000 in FY2023, to increase the number of family child care providers.

The Governor intends to provide \$2,000 grants and technical assistance for 200 new family child care (FCC) providers. These grants are intended to cover start-up costs that can be a barrier to opening home-based child care. The grants will also include funding for high-quality materials allowing the family providers to achieve a higher Brightstars quality rating as determined by the State's Quality Rating system.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:**
    - FCCs are disproportionately owned and run by women of color, particularly Hispanic women who operate their business in Spanish. This investment is directly supporting the WMBE community and helps to address the economic disparity that systemically exist for women of color.
    - In addition, FCCs are often a preferred care option for families of color and families who speak a language other than English. It is vital that RI invest in ensuring an adequate supply of this in-demand model that meets the needs of communities of color and immigrant communities.
    - Women are the primary caretakers for young children, and lack of access to child care – driven by the workforce shortages and turnover within the sector – directly impact the opportunity for women with children to re-enter and persist in the workforce. By stabilizing and growing the supply of child care, more women will have the opportunity to return to work.
  - **Awareness:** We have included funding within this proposal to do outreach to the community about this opportunity and provide technical assistance to those who apply.
  - **Access and Distribution:** There will be access to benefits and services for new FCCs, which will not be available to Centers. However, all FCCs who participate will receive the same level of benefit and service.
  - **Outcomes:** Outcomes are focused on increasing supply/capacity of a care model that is often the preferred model for families of color and immigrant communities.
- **Performance Metrics:** Monitor the following:

Success Metrics: The following represent core, immediate success metrics outlined for disbursement of stimulus funds:

- Up to 200 new, prospective Family Child Care providers will become DHS-licensed due to the state's increased awareness of and investment in child care in RI (this will increase the current supply of FCC providers by ~50%)
- # of additional child care seats created from the 200 new FCCs which results in additional seats for all children, but specifically increases the number of CCAP-approved providers (a maximum of 1,600 seats can be created)
- # of children enrolled in the new FCC programs; therefore enrolling in quality child care.

- % of 200 FCC providers are 3, 4, or 5-star programs, as measured by BrightStars by 2024.

### CHILD CARE INVESTMENT: RETENTION BONUSES

The Governor proposes to use \$18.7 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in both FY2022 and FY2023, \$37.4 million total, to provide bonuses to staff at state-licensed child care providers.

This initiative is intended to address labor shortages in the child care industry. Full-time and part-time staff at state-licensed providers would be eligible for the awards. In FY2022, \$1,500 semi-annual bonuses will be provided. In FY2023, bonuses would be quarterly in the amount of \$750. Individual bonuses are not to exceed \$3,000 annually.

The applications for FY2022 child care retention bonuses opened on March 18, 2022. In the first few days the Department received 2,500 applications. The review process is underway and the Department anticipates awards will begin to be dispersed in early April 2022.

Providers, both center- and family-based, are suffering from high turnover and trouble retaining experienced staff. Providers are not able to open at full capacity due to staffing shortages, resulting in fewer child care spaces for parents who require child care to continue their employment.

Early childhood education is a unique field in that it is a high-skill, low-wage industry. As wages in other jobs increase workers, chose to move to another higher paying field. Child care providers struggle with the ability to pay their workers more as it would often require them to increase their tuition rates.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** The early childhood workforce is made up primarily of women, and disproportionately women of color. This proposal would directly increase compensation for this workforce, which will address the gender pay equity gaps that are persistent in RI and across the nation. It will also help to address economic disparity that systemically exist for women of color. For more information on demographics of the workforce, please see: <http://www.kids.ri.gov/cabinet/documents/PDG%20B-5%20Workforce%20Needs%20Assessment%20Final%20Report%2010-19.pdf>
  - In addition, women are the primary caretakers for young children, and lack of access to child care – driven by the workforce shortages and turnover within the sector – directly impact the opportunity for women with children to re-enter and persist in the workforce. By stabilizing and growing the supply of child care, more women will have the opportunity to return to work.
  - **Awareness:** We have included funding within this proposal to do outreach to the community about this opportunity and provide technical assistance to those who apply.
  - DHS has proven its ability to design an accessible program and promote it effectively, as 94% of eligible child care providers in the state applied for and received funding from DHS’s CRRSA Child Care Stabilization Fund. The ARPA ReInvigorate Child Care Stabilization Grant program has distributed over \$20M to 68% of eligible providers statewide within the first 2 months of the application window.
  - **Access and Distribution:** By making the retention bonus amount the same for all educators in the field, we are ensuring equity across the workforce regardless of educational attainment. Not only will this simplify the process for applicants by reducing the amount of potential paperwork or attestations needed, but it will also provide a higher rate of compensation increase for lower-wage earners. (The benefit is targeted at increasing wages at approximately \$1.5/hr for a full-time employee, regardless of whether the employee makes \$13/hr or \$17/hr.)



As noted in the Early Childhood Workforce Study linked above, more women of color work in lower wage positions within child care – such as assistant teachers – than white women.

- **Outcomes:** Our outcomes are focused on job retention within the field, which will close the gap for women who need to find stable, quality child care options so they can return to work.
- **Performance Metrics:** Monitor the following:
  - # of applicants to the program
  - # of applicants eligible for first benefit allocation
  - # of applicants eligible for a second benefit allocation
  - % of applicants by race/ethnicity, to ensure equity in access and distribution
  - % of applicants in each job position (i.e. lead teacher, assistant teacher, etc.) and program type (i.e. center, family child care, etc.)
  - Increase rate of retention among early childhood educators

These metrics will be collected by the fiscal intermediary through the application process and will be reported to the state on a biweekly basis, as well as aggregate data. We will use the data to identify best mechanisms to communicate about the initiative and, if needed, to consider changes to the design to increase uptake.

Success Metrics: The following represent core, immediate success metrics outlined for disbursement of stimulus funds:

- Increased retention among child care educators - over grant term period, fiscal year, and 1 year post-program completion.
- 90% of DHS-licensed child care providers will remain open to serve children in-person through 2024.

**CHILD CARE INVESTMENT: QUALITY IMPROVEMENT**

The Governor proposes to use \$2.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$950,000 in FY2023, \$550,000 in FY2024, and \$500,000 in FY2025, to invest in early learning programs in order to increase their Brightstars rating.

Child care facilities who participate in the State's Child Care Assistance Program (CCAP) are awarded a Brightstars level of one to five stars based on the quality rating the provider has achieved within the State's Quality Rating system.

Of the providers who participate only 16.0 percent are considered high quality, with a rating of four or five stars. Providers have identified funding as a barrier to improve ratings. Additional funding will be used to support curriculum, materials, facilities, and staff training/professional development. This will allow providers to achieve higher Brightstars ratings, retain higher CCAP reimbursements, and serve children at a higher quality level.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** Rhode Island's Family Child Care providers are disproportionately owned and run by women of color, particularly Hispanic women who primarily operate their business in Spanish. This helps to address the economic disparity that systemically exist for women of color. In addition, FCCs are often a preferred care option for families of color and families who speak a language other than English. This investment is directly supporting the WMBE community, as Family Child Care will directly benefit from this quality improvement support. Currently, FCCs average a lower Brightstars rating than our centers do, and this support will work to ensure FCCs can increase their star rating.
  - **Awareness:** The vendor that operates Brightstars, RIAEYC, has a pre-existing relationship with the child care sector in Rhode Island as well as the other agencies needed to support long-term improvements in quality. RIAEYC employs bilingual staff and has demonstrated, through other types of outreach during the pandemic (such as PPE distribution), the ability to successfully outreach and support all types of child care providers and staff. This relationship and strong commitment to the work will ensure all willing participants have access to the information and target technical assistance offered under this funding proposal.
  - **Access and Distribution:** This quality improvement support will benefit all sectors of our child care community. The BrightStars QRIS framework is already tailored to each provider type (center and family child care home) due to the nuances related to demonstrating quality within each environment. The accessibility to the technical assistance and intense support offered through this proposal will also be tailored to each provider type, as well as each provider in general to ensure equity in both the support and implementation of quality improvement activities. RIAEYC currently employees a diverse, bilingual workforce that will be able ensure providers and staff, regardless of language of origin, are able to access and receive support.
  - **Outcomes:** Outcomes are focused on increasing the star rating of child care centers and family child care homes across all of Rhode Island, ensuring that every child has access to high-quality child care in Rhode Island near where they live.
- **Performance Metrics:** Monitor the following:

Success Metrics: The following represent core, immediate success metrics outlined for disbursement of stimulus funds:

- Increased number of licensed programs rated 4-5 stars
- Increased number of CCAP programs rated 4-5 stars
- # of programs increasing BrightStars rating

### DCYF PROVIDER WORKFORCE STABILIZATION

The FY2022 Budget includes \$12.5 million in State Fiscal Recovery Funds (SFRF) in FY2022 to provide premium pay for child welfare staff at private, community-based providers that contract with the Department of Children, Youth, and Families (DCYF).

*Analyst Note: The proposal was initially proposed to qualify under the US Treasury “Premium Pay” eligibility category. The premium pay portion of the proposal does qualify under that category, but the sign-on bonus portion of the proposal qualifies under “Negative Economic Impacts.”*

According to the Administration:

- Child welfare providers are facing a staffing shortage that affects DCYF’s placement options. Since the start of the COVID-19 pandemic, the Department has seen a reduction in available beds for youth because short-staffed providers are limiting capacity. This, in turn, impacts access to critical services.
- Under this proposal, workers making less than \$75,000 per year would be eligible for a bonus of up to \$25,000 spread over three years. The bonuses would be paid monthly, totaling approximately \$695 per worker per month. These are not State workers.
- A \$12.5 million appropriation would support pay increases for an estimated 1,500 workers in **FY2022 only**. The amount includes retroactive increases to July 1, 2021. Additional appropriations of \$12.5 million per year would be required if the program continues in FY2023 and FY2024.
- The Governor’s proposed amendment appropriates \$12.5 million to DCYF and includes proviso language requiring that the funding be used to support workforce stabilization supplemental wage payments to eligible direct care and supporting care staff of contracted service providers.

The initiative includes \$12.5 million in FY2022 based on an estimated \$695 monthly bonus for 1,500 eligible workers across 37 provider organizations. For a full-time hourly employee working 40 hours per week, this bonus equates to a raise of \$4.00 per hour. The American Rescue Plan Act (ARPA) limits the amount of allowable premium pay to \$25,000 per worker.

**Timeline:** The \$12.5 million figure accounts for a full year impact for FY2022, meaning that the wage increase would be retroactive to July 1, 2021. No rationale is given for why a retention bonus would be retroactive.

The full program would require additional investments in FY2022 and FY2023. U.S. Treasury guidance indicates that “premium pay may be provided retrospectively for work performed at any time since the start of the COVID-19 public health emergency, where those workers have yet to be compensated adequately for work previously performed.”

DCYF will effectuate the supplemental wage payments by amending current agreements with provider organizations to allow for a temporary rate increase which must be passed through to eligible staff. DCYF reports that this will happen quickly upon funding approval. DCYF also anticipates that services and bed availability will begin stabilizing immediately once pay increases take effect, with noticeable improvements in child and youth outcomes within a year.

**Background:** The Department of Children, Youth, and Families (DCYF) contracts with an array of community-based providers to provide essential placements and services for vulnerable children and youth in Rhode Island. These contracts have not been substantially renegotiated since 2016, and rates have been held constant over the last five years. Provider rates directly translate to staff wages; thus, wages have either remained constant, or have been increased and resulted in an operating deficit for providers.

At the same time, DCYF has been working to maximize placement options to ensure that children and youth get the appropriate level of care. The Department has made progress in recent years to rebalance its

service array to meet children's needs, for example by investing in foster care to reduce its reliance on group homes and other, more restrictive out-of-home care options.

According to DCYF, current staffing shortages are at a crisis level, which jeopardizes the progress DCYF has made in rebalancing its service array. A recent report from the Rhode Island Coalition for Children and Families (RICCF), which represents many provider organizations in the State, indicated an industry average vacancy rate of 31.0 percent. This has forced some providers to limit their capacity or close to new referrals, which has already compromised the availability and quality of care provided to abused and traumatized children. According to DCYF, 25.0 percent of youth in congregate care experienced a negative placement change as a result of the pandemic. In the long term, this could result in youth with complex mental health conditions being discharged from congregate care placements against court orders, or children remaining in psychiatric hospitals past medical necessity or being placed out-of-State due to the lack of other options. An immediate intervention could help ensure that DCYF does not lose progress and children and youth continue to receive the services they need in the appropriate setting. The Department anticipates that, by offering premium pay for staff, it will be able to stabilize placement options by incentivizing existing workers to stay as well as attracting and recruiting new staff. This will also enable the Department to work through a longer-term solution.

This initiative is related to a workforce stabilization loan program that was operated on a short-term basis during FY2020 using Coronavirus Relief Funds (CRF). The former program was administered by the Executive Office of Health and Human Services (EOHHS) and open to all direct care health and human services staff making less than \$20 per hour. The bonus amount was based on the number of hours worked and was paid on a weekly basis. The program guidance utilized baseline payroll data from providers. The loan was provided, and then forgiven once providers demonstrated that the funds were passed through as wage increases. According to DCYF, "this was an effective tool to mitigate staffing crises and increase retention among the frontline workforce."

This proposal is an allowable SFRF use under two expenditure categories: services for hard-hit communities and families and premium pay for essential workers. The U.S. Treasury has identified families and children involved in the child welfare system as a disproportionately impacted community.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Premium Pay
- **Equity Components:**
  - **Population:** This benefit will be available for individuals making at or below the average median income in RI. The model was built to be the same amount of a wage across all provider staff earning \$75,000 or less, but reflects a variable percentage based on the employee's total salary.
  - **Awareness:** All contracted providers will have access to this increase, and eligible employees within the contracted provider are accounted for within the estimate.
  - **Access and Distribution:** Employees will not need to apply for increases, as employers will be responsible for distribution and monitored by DCYF for compliance. The temporary wage adjustment is equal among all eligible employees.
  - **Outcomes:** Staff will be properly compensated for their work
- **Performance Metrics:**
  - Employee vacancy and turnover rates decrease.
  - Increased placement stability for children in congregate care.
  - Decrease in high-needs youth being served in congregate care, by supporting youth in foster care and at home instead. Decrease in the length of stay in psychiatric hospital settings for youth

involved in the DCYF system of care. As of March 2021, a sampling of DCYF providers had experienced 32 percent turnover and a vacancy rate of nearly 30 percent, and providers had lost over 350 staff members. This trend has accelerated sharply since March as the state has opened up. Every single congregate care provider in the state has reported severe staffing shortages, and, at this time, roughly 50 percent of the state's congregate care providers have closed sites, reduced available beds and/or closed intakes for new referrals. An additional 33 percent of providers have notified DCYF that they are at imminent risk (1-2 weeks) of taking similar actions.

## EARLY INTERVENTION

Early intervention (EI) programs serve children with special health care needs from birth through age three. These programs are federally required under the Individuals with Disabilities Education Act (IDEA). Providers connect children with developmental, cognitive, physical, medical, neurological, behavioral, and/or emotional conditions with specialized interventions, clinical treatments, and parent education designed to improve long-term outcomes. Early intervention is proven to reduce the need for special education services when children reach school age, according to the National Early Intervention Longitudinal Study. EI programs serve over 4,000 children in Rhode Island annually, of whom approximately 60.0 percent are covered by Medicaid.

There are currently nine early intervention providers in the State: Children's Friend and Service, Community Care Alliance, Easter Seals, Family Service of RI, Groden Center, Looking Upwards, Meeting Street, Seven Hills RI, and J. Arthur Trudeau. As previously noted, four of these providers have stopped taking new referrals and are limiting capacity to current enrollees, leaving them unable to support the new demands that have surfaced during the pandemic.

The COVID-19 pandemic challenged Rhode Island's early intervention system. Medicaid claims declined by 7.4 percent in FY2020 compared to FY2019, and an additional 6.0 percent in FY2021 compared to FY2020. Enrollment declined 13.3 percent over the same two-year period. According to EOHHS, this is not due to a reduction in need, but barriers to access. Many children who should have been referred to early intervention programs were missed in 2020 due to the disconnection from traditional family supports, such as child care. Additionally, many children who should have received services in 2020 never began or successfully completed the program because of business interruptions. Providers have experienced high levels of staff turnover. According to EOHHS, almost a fifth of all staff leave every six months, which challenges the ability to provide consistent experiences for families and dedicate staff time towards outreach and engagement.

The Governor's proposal seeks to stabilize providers by establishing a grant relief program as well as a supplemental pay-for-performance bonus. In order to be eligible for the funding, providers will need to rebalance their service delivery to ensure that more visits occur in person, with providers committing to 80.0 percent in-person visits.

The proposal assumes \$4.5 million in stabilization grants, based on demonstrated FY2021 losses plus a rate supplement. According to EOHHS, providers experienced a \$3.3 million revenue loss in FY2021. The grants will backfill this loss, which will then be supplemented by an additional 30.0 percent rate increase to account for the increased cost of service delivery and historically low Medicaid reimbursement rate. The additional funding could be used to pay for staff recruitment and retention efforts, outreach and engagement, professional development, or facility investments.

The remainder of the \$5.5 million appropriation, or \$1.0 million, would be used for pay-for-performance bonus allocations. Under this sub-program, providers would receive allocations, in addition to the stabilization grants, if they demonstrate improvement on the following metrics: recovering the referral pipeline to 2019 numbers; reducing staff turnover; increasing the rate of referrals reaching an eligibility evaluation appointment; increasing the number of families choosing to enroll in an individualized family service plan (IFSP); reducing the rate of families exiting the program due to lost contact; reducing disparities in performance metrics for families with Medicaid coverage and families of color; and improving in Early Intervention National Child Outcome #1: Positive Social Emotional Skills.

This program is based on a smaller-scale provider relief program that operated in FY2021 which provided \$2.2 million in stabilization grants to early intervention providers. According to EOHHS, this program demonstrated improvement in outcomes, including an increase in referrals and enrollments. However, it addressed a smaller portion of provider losses and did not increase capacity to pre-pandemic levels. Further, capacity has declined since the termination of the first program in December 2020. For example, staff capacity increased from 77.0 percent in June 2020 to 85.0 percent in January 2021, but is currently at 78.0

percent capacity. As a result, in January, the General Assembly passed a supplemental spending bill, which allocated \$6.0 million in ARPA State Fiscal recovery funds in FY2022 and the Budget adds an additional \$5.5 million in FY2023.

This proposal is designed to work in tandem with the Pediatric Health Care Recovery initiative, where pediatric providers would be incentivized to enhance screenings and refer children to EI programs, and EI providers would be able to increase their capacity to serve these new referrals.

- **U.S. Treasury Eligibility Category:** Public Health Expenditures
- **Equity Components:**
  - **Population:** Low-income children and children of color disproportionately struggle to engage with and complete EI programs. According to EOHHS, a higher proportion of Medicaid beneficiaries and a higher proportion of families of color who are referred to early intervention are not screened because of lost contact. Bolstering services and increasing outreach will seek to close these gaps.
  - **Awareness:** EOHHS will utilize its internal list of providers and communicate directly with them to ensure participation.
  - **Access and Distribution:** Funding will be distributed based on demonstrated need so that it is proportional, and all practices will have the opportunity to engage in pay for performance supports.
  - **Outcomes:** Closing gaps in access to early intervention will improve long-term outcomes. Funding will be targeted to Medicaid-covered children, who are disproportionately children of color.
- **Performance Metrics:** Monitor the following:
  - Decreasing staff turnover.
  - Increasing rate of in-person service delivery.
  - Increasing the percentage of referrals that convert to program enrollment.
  - Decreasing the percentage of families that dis-enroll before meeting child outcomes.



## HIGHER EDUCATION ACADEMIES OPC

The Governor proposes using \$6.0 million in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 (\$22.5 million through FY2027) to create the Higher Education Academy. The COVID-19 pandemic highlighted the education gaps in our state and disproportionately impacted those with no postsecondary credentials. This proposal addresses those gaps to create a more resilient workforce so the next economic downturn will be less severe. The goal of this program is to facilitate participants in receiving postsecondary credentials, in workforce training, associates degrees, and bachelor's degrees, through advising, support, and training. The proposal would create the Higher Education Academy, targeting individuals 16 and older without a postsecondary credential, to coordinate and leverage existing programs such as RI Reconnect, Back to Work/Real Jobs, Advanced Course Network, and Enroll RI, as well as aligning current work at the public institutions of higher education. The following table shows the estimated expenses of the initiative.

| Natural Account Name                | FY2023             | FY2024             | FY2025             | FY2026             | FY2027             | Total               | Brief Description   |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|---|
| Salary/Wages And Other Compensation | \$962,000          | \$962,000          | \$962,000          | \$962,000          | \$481,000          | \$4,329,000         | Cost for 3.0 FTE's associated with this work with additional funds covering cost of consultants   |
| Part time/Seasonal                  | 15,000             | 15,000             | 15,000             | 15,000             | 15,000             | 75,000              | Interns/ Fellows to support outreach of work and research analysis on performance outcomes  |
| Technology                          | 200,000            | 200,000            | 200,000            | 200,000            | 100,000            | 900,000             | Tech platform, upkeep and support for   |
| Training & Educational Services     | 1,600,000          | 1,600,000          | 1,600,000          | 1,600,000          | 670,000            | 7,070,000           | Cost for Administering programing/ training including but not limited to college readiness classes, workforce training and summer Dual enrollment |
| Training Consultants                | 70,500             | 70,500             | 70,500             | 70,500             | 35,000             | 317,000             | Curriculum development/ program evaluation. Staff and navigator training and professional development   |
| Other Contracted Professionals      | 430,000            | 430,000            | 430,000            | 430,000            | 150,000            | 1,870,000           | Cost for administering workforce training programs  |
| Supplies & Equipment                | 15,000             | 15,000             | 15,000             | 15,000             | 0                  | 60,000              | Supplies and cost to support staff and navigators   |
| Program Supplies                    | 1,575,000          | 1,575,000          | 1,575,000          | 1,575,000          | 754,000            | 7,054,000           | Wrap around supports for program  |
| Advertising                         | 150,000            | 150,000            | 150,000            | 150,000            | 20,000             | 620,000             | Outreach, Communication and Marketing of program  |
| Miscellaneous                       | 45,000             | 45,000             | 45,000             | 45,000             | 25,000             | 205,000             | Assessments, supporting convening's of stakeholders, and other materials and support as needed.   |
| <b>Total</b>                        | <b>\$5,062,500</b> | <b>\$5,062,500</b> | <b>\$5,062,500</b> | <b>\$5,062,500</b> | <b>\$2,250,000</b> | <b>\$22,500,000</b> |   |

Source: Office of the Postsecondary Commissioner

The programing will target qualified census tracts (QCT) focusing targeted outreach and programming on vulnerable populations, such as unemployed or underemployed individuals, youth 16 to 24 who are disconnected from school or work, and the formerly incarcerated, in partnership with communities such as Providence, Central Falls, Pawtucket, and Woonsocket whose postsecondary attainment levels are dramatically lower than the state's average. QCTs are neighborhoods where 50.0 percent of households have incomes below 60.0 percent of the Area Median Gross Income (AMGI) or have a poverty rate of 25.0 percent or more.

The proposal includes:

- One-on-one navigation supports to postsecondary and workforce training options by assisting with college enrollment, financial aid processing, and career and credential advising.
- Wrap-around services such as childcare, transportation, as well as food and housing support to remove impediments to postsecondary and workforce training enrollment and persistence.
- Academic readiness and dual credit opportunities to accelerate the transition into postsecondary programs, with emphasis on literacy and mathematics readiness.

- Prior learning assessments to award credit completion for adult students with prior experience and move more adults along the path toward degree completion.

The total funding of \$22.5 million through FY2027, would serve approximately 1,000 individuals annually, roughly 5,000 Rhode Islanders throughout the duration of the program, and will provide up to three Academies, based on demand:

- Summer 2022: An 8-week academy targeting rising high school seniors and recent high school graduates to build skills and provide the support needed to continue seamlessly into existing postsecondary or workforce training programming in the fall of 2022.
- Mini Fall Academy: Targeted outreach including support services and navigation support to get people enrolled in programs for the spring semester through advising, and support services, such as FAFSA, Prior Learning Assessments, and navigating enrollment forms.
- Mini Spring Academy: College readiness coursework (i.e. Digital literacy) and support for enrollment in summer coursework.

The program is modeled after the Summer Bridge program, an evidence-based program designed to ease the transition to college and to support postsecondary attainment by providing necessary academic skills and social resources. <https://ies.ed.gov/ncee/wwc/EvidenceSnapshot/661> In addition, the program will provide services based on the Single Stop model facilitating access to public benefits through application support, wrap-around services, childcare, and other services.

<https://ies.ed.gov/ncee/wwc/EvidenceSnapshot/709>

The program will be delivered through personnel at OPC (Navigators) in partnership with community partners. To deliver this program OPC would need 3.0 new grant-funded FTE positions and 4.0 contracted FTE positions including:

- 3.0 temporary, grant-funded FTE positions (\$100,000 in annual salaries and benefits).
- 1.0 FTE Project Manager (\$120,000 in annual salary and benefits)
- 1.0 FTE Finance Staffer (accountant) (\$100,000 in annual salary and benefits)
- 1.0 FTE Program Support Staff (\$100,000 in annual salary and benefits)
- 1.0 FTE Education Policy Specialist (\$120,000 in annual salary and benefits) to focus on performance and data tracking

*Analyst Note: The Budget provides 3.0 new FTE positions for the temporary, grant-funded Navigator positions. It is assumed that the \$100,000 is the projected annual cost for each position.*

In addition, existing staff would be repurposed to provide the equivalent of 2.0 FTE of work divided between five current positions. The positions impacted included the Director of Strategic Initiatives, the Director of Adult Education, the Business Manager, the Research Specialist, and the Assistant Commissioner. The Budget provides the 3.0 temporary FTE positions.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** This program is targeted to support historically underserved, marginalized populations within the state. The higher Ed Academy will do targeted outreach and programming in the communities with the lowest postsecondary attainment rates in the state

(Providence, Pawtucket, Central Falls and Pawtucket). These are also the Qualified Census Tracts, emphasizing the overlap between low socio-economic status and lacking post-secondary credentials.

- **Awareness:** Part of these program will be to do targeted outreach to ensure awareness of the resources and programing in the communities most in need. OPC will utilize partnerships with community organizations as well as city and town leaders to ensure that messaging is getting out about the support. Programing will be done in partnership with the state’s workforces centers which are located in Providence, Central Falls and soon to be Woonsocket.
- **Access and Distribution:** This program will be able to provide supports to ensure equitable access to programing and removing barriers that may come across from one’s ability to fill out an application. Navigators will have the ability to ensure that participants are receiving services that they are eligible for as it is built into the model of the program.
- **Outcomes:** The intended outcomes of this program is to address the equity gaps in postsecondary attainment by providing the additional supports and removing barriers that often exists for historically unrepresented groups. Outcome data of the academy’s participants, successful enrollment and then completion of program will be looked at in the disaggregate by race, ethnicity and socio-economic status.
- **Performance Metrics:** Monitor the following:

Overall, long term success will be measured through progress made toward the state’s postsecondary attainment goal, an indicator that more Rhode Islanders have the “piece of paper” that employers want, coupled with the skills and education needed to support the state’s growing economy and be prepared to adjust to any further pandemic. As for indicators of progress toward that goal, OPC will track the following metrics:

- Number of high school students who enroll in a summer dual course offering (total and breakdown by race and SES)
- Number of adults who enroll in a college course or job training (total and breakdown by race and SES)
- Number of credits earned through summer enrollment in college courses
- Number of adults who enroll in a readiness course (total and breakdown by race and SES)

### LEAD ABATEMENT & FIRE SAFETY

The Governor proposes to use \$1.5 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to provide financial assistance to foster families for lead remediation and fire suppression upgrades in foster homes. An additional \$375,000 in SFRF are proposed for FY2024.

Rhode Island has lead remediation and fire code standards for placement of youth in foster care settings. Currently there are a number of otherwise-qualified foster families who have applied for placements, but have been denied placements due to a failure to meet lead and/or fire code standards. As a result, youth are placed in higher-cost congregate care settings.

The Department reports that the average cost of lead remediation is \$10,000, and the average cost for installation of a fire suppression system is \$5,000. The Department estimates a demand for upgrades for 25 homes per year, at an average cost of \$15,000 per home. While the Governor allocates funding between FY2023 and FY2024, the Department anticipates spending the funding between FY2023 and FY2025 (three years), for an estimated cost of \$1.1 million. Additionally, the Department indicates that there are approximately two years of backlogs of potential foster homes that also require upgrades (50 homes), requiring another \$750,000. The full proposal would fund upgrades for an estimated 125 additional foster homes at a cost of \$1.9 million.

Outyear operating savings are projected as congregate care settings are more expensive than foster placements. Budget documents indicate that congregate care facilities can cost as much as \$500 per placement per day, versus \$50 per day for foster home placements. The budget proposal does not include any operating savings in FY2023 but some are presumably expected for FY2024 and beyond.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts
- **Equity Components:**
  - **Population:** This benefit will be available for individuals making at or below the average median income in RI or any potential foster family who states money as a barrier to fire and lead as passing the inspection.
  - **Awareness:** All staff will be aware of this service to share with those who we are recruiting and for those families who list this as a barrier.
  - **Access and Distribution:** Each home will only be eligible for one stipend (which could be fire and or lead) barring this is the only barrier to their home becoming approved.
  - **Outcomes:** There is an increase in the number of foster homes, there is also an increase in the utilization of foster families, and there is a decrease in the number of youth going to congregate care facilities because there is not enough foster homes.
- **Performance Metrics:** Monitor the following:
  - The number of foster homes currently available
  - There should be an increase in the utilization of foster families, and
  - There is a decrease in the number of youth going to congregate care facilities because there is not enough foster homes.

## MUNICIPAL LEARNING CENTERS

The Governor proposes to use \$5.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 (\$15.0 million through FY2025) to support the creation of centers, operated by municipalities, providing free or fee-for-service programs such as tutoring, art and music classes, early education opportunities, and nonprofit services. The programs, while operating year-round, will focus on out-of-school time and vacations. The goal is for each city or town to operate at least one program. The proposed investment of \$15.0 million is expected to establish 11 programs including five in Providence, two in Pawtucket, and one each in Central Falls, Cumberland, Middletown, and North Providence.

The proposal supports the administrative costs and the anticipated full cost of implementing the Municipal Learning Center model at full scale within the next three years. In planning, the State support of each center would decrease over Year 4 and Year 5, with the intention being for the community and/or the municipality increasing support each year (Year 4 and Year 5) so that by FY 2027 all Municipal Learning Centers will be fully financed by the municipalities as well as through grants or philanthropic funding. The pilot municipalities include Central Falls, Cumberland, Pawtucket, Middletown, and North Providence. In particular, for Cumberland, the approach is to support the current existing model in place within the municipality. In Providence, the approach will result in five Municipal Learning Centers and centralized State support of the program within the Rhode Island Department of Education's Office of Students, Communities, and Academic Supports. The current plan is to start the formation of the centers in Providence on November 1, 2022, and open the remaining pilot centers in FY2023.

Key components of the proposal include:

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components** (quoted directly from budget documents):
  - **Population:** The intent is to serve students in our most impacted communities across Rhode Island, with a particular focus on areas with low availability of low-cost Out of School Time (OST) programs - which exist in both urban and suburban municipalities. We are working within each municipality to develop a local design team that will have representation of historically underserved populations to ensure that needs are being specifically addressed. Outcomes are focused on closing the achievement gap within communities of different sub-populations based on race, ethnicity, and income levels.
  - **Awareness:** We are committed to open, transparent, and equitable processes for all programming opportunities.
  - **Access and Distribution:** According to the Rhode Island Afterschool Network, "There is a substantial gap between enrichment opportunities for youth from low-income and higher-income families. The highest-income families spend almost seven times more on enrichment activities for their children."

According to the Afterschool Alliance's America After 3PM report, a substantial "56 percent of low-income households report that the cost of afterschool programs was a factor in their decision not to enroll their child in a program and close to half of Hispanic parents (48 percent) and 46 percent of African American parents report that a very important factor in their decision not to enroll their child in an afterschool program is that afterschool programs are not available in their community, compared to 38 percent of Caucasian parents."

  - **Outcomes:** These outcomes will vary from community to community, but will be focused on the identified needs of students and families served.
- **Performance Metrics:** Monitor the following:

- For this project, programmatic metrics related to program availability, access and participation in municipal learning programs will be tracked. We will also track subgroup data to understand the impacts on communities, students and families most impacted by sustained education and opportunity disparities.
- Success metrics will be developed based on the individual municipalities for each community tied to educational outcomes (e.g. those being tracked by LEAs related to learning loss), student engagement, family satisfaction, safety, and opportunity gap closure.
- The methods we will use to evaluate the initiative will include participant and family surveys, focus groups, and data analysis. We will track programming throughout the school year, with summative metrics reported out with program completion at end of each semester and summer.
- Success will be measured by the sustained growth in access and participation in programs, satisfaction with programming by participants, increased academic achievement, and engagement of students and families with the municipality.

## NONPROFIT ASSISTANCE FOOD SECURITY

The Budget allocates \$10.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to the Rhode Island Foundation to distribute to nonprofit organizations (community based organizations or CBOs) that respond to communities and meet the needs exacerbated by COVID-19 pandemic, to reduce housing and food insecurity, treating behavioral health issues, and to meet other basic needs of Rhode Island residents, especially to the Black, Indigenous, and people of color communities. The nonprofit organizations would be required to use the grant funding to continue to serve their communities by providing basic needs and support services.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** The nonprofit recipients should be chosen based upon targeting and serving low-income, racial and ethnic populations that have been underserved and marginalized.
  - **Awareness:** The Rhode Island Foundation awards grants continuously, so nonprofits will be aware of the grant opportunity. In addition, the nonprofits that will be awarded funds have employees with boots on the ground that can get the increased supports and services out to their target community.
  - **Access and Distribution:** None known.
  - **Outcomes:** The intended outcomes are designed to provide for basic needs and supports that are necessary in communities hard hit by COVID-19.
  - **Performance Metrics:** The RI Foundation will track grant awards to nonprofits along with purposes of fund usage, i.e. supporting domestic violence, addressing food and housing insecurity, etc...
    - Number of Nonprofits that were provided funds
    - Number of Community members served
    - Regional diversity of Nonprofits receiving funds
    - Diversity of populations that Nonprofits serve

## PEDIATRIC HEALTH CARE RECOVERY

The Rhode Island Medicaid program provides comprehensive health care coverage for low-income families with children. Benefits include access to primary/preventative care, immunizations, mental health services, early intervention, and more. According to EOHHS, over half of the Rhode Island population under age 19 is covered by Medicaid.

Healthy child development is essential to future positive academic, social, and health outcomes. For example, EOHHS reports a causal relationship between access to health care and academic milestones, such as the ability to read in the third grade. However, during the pandemic, families and children struggled to access services and providers voiced concerns about financial solvency. Continued delays in access to primary care, developmental supports, and behavioral health care services could have a significant long-term impact on child development in Rhode Island. The proposed pediatric provider relief programs are intended to help children catch up on critical preventative care such as vaccines and developmental screenings and engage in services to address the trauma of the pandemic. EOHHS also anticipates an increase in provider responsibilities as the COVID-19 vaccines are approved for and administered to younger age groups.

This initiative duplicates a pediatric provider stabilization program that operated during FY2021 using Coronavirus Relief Funds (CRF). This was a combination of two sub-programs: pediatric primary care relief and pediatric primary care rate supplement. According to EOHHS, the new program will use the same process as the CRF-funded stabilization program.

The relief sub-program, totaling \$3.1 million, provided one-time grant payments to pediatric primary care providers to support system resiliency by keeping providers open and improving immunization rates following pandemic-related disruptions in care and practice cash flow. Awards were based on demonstrated financial shortfalls. The funding was issued based on providers' enrollment of Medicaid-covered children under age 18, not to exceed the amount of need demonstrated on the provider's application.

The relief sub-program was followed by a rate supplement sub-program, based on continued access issues due to social distancing and other business interruptions, limited transportation options, and general hesitancy to visit doctor's offices. EOHHS established a \$3.0 million rate supplement program to bolster Medicaid rates for providers that met particular performance metrics (i.e. a pay-for-performance program). EOHHS established the metrics and provided monthly financial incentives for practices that demonstrated success. The metrics were based on primary care visits with Medicaid-insured children by age group and put providers on a pathway to see at least 70.0 percent of their Medicaid-insured patients by the end of CY2020. Participating providers increased visits from a baseline of 67.7 percent of patients seen by between January 1 and July 31, 2020, to 81.1 percent by October 31, 2020. By comparison, during all of CY2019, 75.2 percent of Medicaid-covered children had a primary care visit.

According to EOHHS, these CRF-funded pediatric provider programs "demonstrated significant success in increasing vaccination and screening rates in the pediatric population." However, since the CRF-funded programs have ended, providers have continued voicing financial solvency concerns and cite inadequacy of Medicaid reimbursement rates as a contributing factor. As a result, in January, the General Assembly passed a supplemental spending bill, which allocated \$6.0 million in ARPA State Fiscal recovery funds in FY2022. The Governor's proposal would fund another iteration of each component of the stabilization programs, at a total of \$6.0 million in FY2023.

In addition to a second round of the \$6.0 million pediatric provider stabilization programs, the Governor's proposal adds \$1.5 million to incorporate more rigorous behavioral healthcare screenings into primary care practices. The pandemic has impacted child development by inhibiting social interactions and increasing exposure to trauma and toxic stress. This program would be an extension of the pay-for-performance provider rate stabilization model noted above, where providers would receive separate financial incentives for meeting behavioral healthcare metrics. This would involve incentives for screenings for toxic stress and developmental, behavioral, and social-emotional needs as well as new referrals for follow-up treatment. A



small amount of funding would be used to support practice facilitation, data support, and technical assistance to implement new practice standards. There is no historical comparison for this initiative, and supporting documentation does not indicate how the \$1.5 million estimate was derived.

This proposal is an allowable SFRF use under the public health expenditure category.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Public Health Expenditures
- **Equity Components:**
  - **Population:** This program bolsters critical supports for low-income families with children that receive healthcare through Medicaid. In addition, there are racial and ethnic disparities in rates of children who receive immunizations and screenings in Rhode Island, driven by a disparate use of pediatric primary care services. The pandemic threatens to widen these disparities, and adds new concerns that can be addressed through these programs.
  - **Awareness:** EOHHS will utilize its internal list of providers to communicate directly with pediatric providers. EOHHS reports that it has also worked with the American Association of Pediatrics and other stakeholders and will continue that engagement to publicize the program.
  - **Access and Distribution:** Funding will be distributed based on the size of the practice so that it is proportional to the need.
  - **Outcomes:** Closing gaps in visits, vaccinations, lead screenings, and referrals to other services will be targeted to Medicaid-covered children, who are disproportionately children of color.
- **Performance Metrics:** Monitor the following:
  - Health services delivered to Medicaid-covered children.
  - Number of well-child visits.
  - Number of vaccinations and vaccination rates.
  - Number of lead screenings.
  - Referrals to Early Intervention services.
  - Participation rates of eligible families.
  - Number of psychosocial-behavioral screenings.

### RI BRIDGES MOBILE ACCESS AND CHILDCARE TRACKING

The Governor proposes to use \$6.7 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$2.4 million in both FY2023 and FY2024 and \$1.9 million in FY2025, to further expand the functionality of the HealthyRhode mobile application and enhance the RI Bridges Child Care Provider Portal.

The HealthyRhode mobile application was released during the COVID-19 pandemic and allowed users the ability to check benefit eligibility and EBT card balances as well as upload required documents. Expanded functionality of the HealthyRhode mobile application would allow users to submit applications, recertifications, and change reports decreasing the need for in-person services and preventing the loss of benefits due to inefficiency.

The RI Bridges Child Care Provider Portal enhancement would create a mobile application for attendance to reduce the administrative burden for child care providers. The enhancements would also allow the department to report enrollment and attendance more easily, reduce errors that can cause late payments and audits, as well as reduce the time needed for the Department to process child care payroll.

Once the HealthyRhode mobile application and RI Bridges Child Care Provider Portal mobile application are delivered, maintenance would be included under the Department's standard M&O rules of the contract with the RI Bridges/UHIP vendor, Deloitte.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** The Department must make considerable enhancements to its mobile app in order to provide equitable access to communities of color as we commit to on-going remote customer service as an option for our customers. Just as COVID disproportionately spread through low-income communities of color, such communities are at risk of being left behind as services continue to evolve. The mobile app's current functionality is good but very limited. In order to apply, recertify, report a change, or read a notice on-line, customers must go to the existing customer portal. The customer portal is not mobile friendly and therefore limits access to low-income Rhode Islanders without computer access and especially our communities of color. The "Computer and Internet Use In the United States: 2018 American Community Survey Report", Issued April 2021 highlights that, nationally, 81% of white households have a laptop or desktop, only 64% of Black and 67% of Hispanic (of any race) households have a laptop or desktop computer. When accounting for smartphones, 81% and 88% of Black and Hispanic households had access respectively. And the Pew Research report, "Home broadband adoption, computer ownership varies by race, ethnicity in the US" indicates that "Black and Hispanic adults in US are less likely than White adults to have a traditional computer, home broadband." In that report 80% of White households report having broadband access while only 71% of Black households and 65% of Hispanic households have broadband access. Smart phone access, however, is nearly equal among the races (85% of White and Hispanic respondents and 83% of Black respondents). By virtue of the income thresholds associated with DHS program participants, most are in households earning less than \$50,000 annually. The American Community Survey Report also highlights the digital divide experienced by low-income households regardless of race or ethnicity. Only fifty percent of households with annual income of less than \$25,000 have a desktop or laptop computer, while 65% of those households have smart phones, and when a household has income between \$25,000-\$49,999, 69% have desktop computers but 79% have smartphone access. We will expand our on-line customer access both due to physical constraints and customer feedback that they prefer these channels of communication, but we must enhance our mobile functionality if we are to equitably serve all Rhode Islanders.

- **Awareness:** A thorough communications and marketing plan will be completed to promote the use of the mobile application as an option for our customers. Child care providers will be engaged in the testing and implementation of the roll out of the child care attendance tracking system.
- **Access and Distribution:** As noted above, there are disparities across income and race to computer access and access to public benefits more broadly. One of the goals of the expansion of the mobile application is to reduce administrative barriers (such as going in-person to an office, eliminating need to print documentation, etc.) to receiving assistance.
- **Outcomes:** As noted above, there are disparities across income and race to computer access and access to public benefits more broadly, and this initiative will assist in closing the gap.
- **Performance Metrics:** Monitor the following:
 

Metrics to be tracked:

  - 1) User adaption;
  - 2) Customer self-service rates;
  - 3) Mobile app rating;
  - 4) Rates of benefit churn across programs;
  - 5) Rates of child care back billing and
  - 6) Child care attendance rates.

Detailed timeframes and targets will be developed as part of the implementation as baselines will need to be established.

## SUPPORT FOR CHILD AND ADULT SURVIVORS OF DOMESTIC VIOLENCE AND SEXUAL ASSAULT

The Governor recommends using \$1.0 million in federal State Fiscal Recovery Funds in FY2023 to fund grants to programs that support the mental health and physical safety of victims of domestic violence and sexual assault.

Rhode Island serves domestic violence and sexual assault survivors through a network of non-profit agencies that are largely supported with public funding. These organizations provide various types of assistance including safe housing, wraparound services, counseling, trauma-related mental health, and other supports to victims. Primary agencies include Day One, the Aubin Center at Rhode Island Hospital, Sojourner House, members of the Rhode Island Coalition Against Domestic Violence, and other community agencies.

According to DPS, demand for services for survivors of domestic violence and sexual assault regularly surpasses the ability of the provider system to meet it. The pandemic significantly exacerbated this demand. Extensive waitlists exist for supportive housing and mental health services. DPS notes for instance, that domestic violence calls to RI Victims of Crime hotline in July and August 2020, increased year-over-year by 93.7 percent and 69.5 percent, respectively.

The State's primary program addressing victims of domestic violence and sexual assault is the Victims of Crime Act Grant (VOCA), a federal formula grant that is funded by the US Department of Justice. The Budget includes \$7.6 million in federal VOCA funds in both FY2022 and FY2023.

### ▪ State Fiscal Relief Fund Proposal

In order to address gaps in funding and services that support the mental health and physical safety of victims, the Governor recommends a new grant program that would complement the VOCA program. The program would receive \$1.0 million in SFRF funds in FY2023 and \$4.5 million in total through FY2024.

| Support for Survivors of Domestic Violence |        |              |              |        |        |        |              |
|--|--------|--------------|--------------|--------|--------|--------|--------------|
| Source                                     | FY2022 | FY2023       | FY2024       | FY2025 | FY2026 | FY2027 | Total        |
| ARPA SFRF                                  | -      | \$1.0        | \$3.5        | -      | -      | -      | \$4.5        |
| <b>Total</b>                               | -      | <b>\$1.0</b> | <b>\$3.5</b> | -      | -      | -      | <b>\$4.5</b> |

*\$ in millions*

DPS' Public Safety Grant Administration Office would administer the program and eligible uses of the funds would include:

- **Safe Housing:** The physical safety of survivors would be addressed by funding transitional housing and wraparound services. Providers would be able to provide rental and utility assistance, to renovate or upgrade existing housing units, and to provide an array of services to stabilize the individual so that they remain in a safe environment.
- **Mental Health Support:** According to DPS, there is an existing network of agencies that provide clinical treatment to victims. Grant funds would support additional capacity at these agencies to reduce waitlists

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** "Minority populations are victimized at higher rates than the white population. Based on the National Crime Victimization Survey (NCVS), between 2003 and 2012 at the rate of 4.7 per 1,000, Black/African/African Americans had the highest rates of intimate partner violence compared to Whites (3.9 per 1,000) and Hispanics (2.3 per 1,000). Approximately 4

out of every 10 women of non-Hispanic Black race/ethnicity have experienced rape, physical violence, and /or stalking by an intimate partner.”

- **Awareness:** “Residents will have access to the program through existing service providers. The planned use of funding would increase the capacity of these organizations to serve more people. An RFP will be conducted, and notice provided to agencies that specialize in domestic violence, sexual assault, and victim services.”
- **Access and Distribution:** “Access and distribution will be based on a competitive process to evaluate an agency’s feasibility and compliance with administrative requirements. Those requirements may not be as strict from the SLFRF funding as they are from sources such as the Office of Violence Against Women, Office of Victims of Crime, Department of Housing and Urban Development, or Community Development Block Grants.”
- **Outcomes:** “The intended outcomes will help to close significant gaps in the state’s response to domestic violence, sexual assault, dating violence, and stalking.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“Agencies already track metrics and statistics as part of their federal grant obligations and enter data into the Department of Justice Performance Measurement Tool (PMT). The PSGAO will require agencies receiving funds to report the same statistics directly to the PSGAO. This includes demographic data, number of victims served, number of new victims, and types of crime. Agencies will also keep track of the number of people and nights served by transitional housing and attempt to quantify the impact on waitlists for both housing and counseling. Agencies are required to have written documentation on how they compile and enter statistics already.”



## Climate

The Governor proposes \$132.0 million in SFRF in the form of three investments in climate projects. According to the Budget Office:

“The consequences of climate change are clear in Rhode Island, with encroaching waters threatening the communities that dot the hundreds of miles of shoreline and those with rivers prone to frequent flooding. While climate change requires collective action, Rhode Island is uniquely positioned to do its part. Under the 2021 Act on Climate, the State is developing a plan to reduce climate emissions to net zero by 2050.

Home to the country’s first offshore wind farm off the coast of Block Island, Rhode Island must leverage its position as a key player in this growing industry by increasing capacity to accommodate what the industry needs, specifically space at ports to offload cargo.

Other solutions involve changes at the household level. The heating sector accounts for approximately one-third of Rhode Island’s greenhouse gas emissions, but the State does not have dedicated, sustainable funding for the transition to thermal energy. Making clean energy more affordable and accessible will not only lower prices for consumers but also help the State reach its climate goals.”

| Climate                    | FY2022     | FY2023              | FY2024              | FY2025              | FY2026              | FY2027             | Total                |
|----------------------------|------------|---------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
| OER Electric Heat Pumps    | \$0        | \$4,900,500         | \$10,233,000        | \$10,665,000        | \$8,377,000         | \$2,824,500        | \$37,000,000         |
| Port of Davisville         | -          | 6,000,000           | 19,360,000          | 27,000,000          | 7,640,000           | -                  | 60,000,000           |
| South Quay Marine Terminal | -          | 12,000,000          | 23,000,000          | -                   | -                   | -                  | 35,000,000           |
| <b>Total</b>               | <b>\$0</b> | <b>\$22,900,500</b> | <b>\$52,593,000</b> | <b>\$37,665,000</b> | <b>\$16,017,000</b> | <b>\$2,824,500</b> | <b>\$132,000,000</b> |

## OER ELECTRIC HEAT PUMPS

The Budget allocates \$4.9 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to support a grant program within the Office of Energy Resources (OER) to assist homeowners and small business owners in purchasing and installing high-efficiency electric heat pumps. The Budget proposes additional out-year funding of \$29.3 million from FY2024 to FY2026.

The purpose of this allocation is to help Rhode Islanders afford the air source heat pumps (ASHP), which are a clean heating and cooling technology that can provide emissions free heating and cooling, when electricity is powered by renewables.

The proposal intends to use 94.1 percent of the funding to provide incentives and grants that enable the installation of heat pumps in homes in qualified census tracts, rental properties, and community-based organizations (CBOs) such as group homes, nursing homes, and homeless shelters. Additionally, funds will be used to set up a 3-year apprenticeship training program that will provide salaries for individuals from disadvantaged backgrounds to train in the installation of clean heating and cooling technologies. The following table illustrates the FY2023 to FY2027 expenditures by the proposed programs.

| Electric Heat Pumps             | FY2023       | FY2024        | FY2025        | FY2026       | FY2027       | Program       |
|---------------------------------|--------------|---------------|---------------|--------------|--------------|---------------|
|                                 |              |               |               |              |              | Total         |
| Apprenticeship Training         | \$0.3        | \$1.0         | \$1.4         | \$1.2        | \$0.4        | \$4.3         |
| Residential Heat Pump Incentive | 2.0          | 4.0           | 4.0           | 2.0          | -            | 12.0          |
| Residential Heat Pump Grant     | 1.1          | 2.1           | 2.1           | 2.1          | 1.1          | 8.4           |
| Commercial Heat Pump Grant      | 1.6          | 3.1           | 3.1           | 3.1          | 1.6          | 12.5          |
| <b>Total</b>                    | <b>\$4.9</b> | <b>\$10.2</b> | <b>\$10.6</b> | <b>\$8.4</b> | <b>\$3.0</b> | <b>\$37.2</b> |

*\$ in millions*

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** Three of the four funding sections of our proposal specifically target the use of funds in marginalized communities. The guidelines we propose for defining disadvantaged communities, are attached in the document “OER ARPA Proposal Targeted Communities”.
    - 1) The criteria to qualify for an enhanced heat pump rebate for lower income families can be determined in several different ways: 1) homes located in a Health Equity Zone (HEZ), 2) those who qualify for Low Income Home Energy Assistance Program (LIHEAP), 3) homes in areas determined to have the lowest air quality, 4) those participating state and federal assistance programs (e.g., SNAP).
    - 2) CBOs that receive financial support for heat pump installations will be determined by the criteria outlined in the “OER ARPA Proposal Targeted Communities” document.
    - 3) The traineeship could be made available to/prioritize: 1) high school graduates of schools with the lowest levels of funding, poorest populations, and/or greatest proportion of non-white students, 2) formerly incarcerated individuals, 3) veterans, 4) individuals with no post high-school education or certification, living in an environmental justice community.
  - **Awareness:** It is likely that the current heat pump incentive program is most known by individuals from higher income communities who are actively seeking out heat pump installers. There is a significant time burden to the customer associated with the installation of a heat pump and receivership of the rebate. A greater effort must be made to make income (or otherwise) eligible individuals aware of the incentives we are proposing. These factors will be considered and included in the project design.



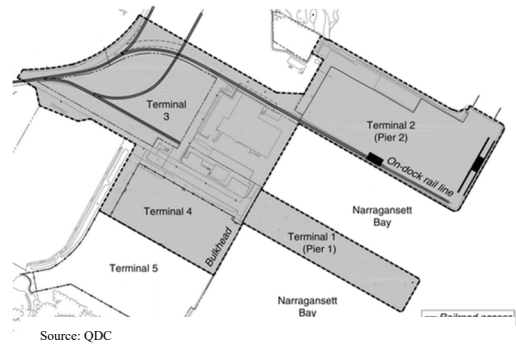
- **Access and Distribution:** Yes, beyond affordability, there are additional disparities, primarily access to information and time. For the income-eligible incentive, the program will have to be designed differently than the existing heat pump rebate program, to overcome the additional time and accessibility constraints that underserved individuals face.
- **Outcomes:** Yes, one outcome of this proposal is to expand access to heat pumps to residents who are not wealthy and white. Wealthy homes and communities are currently seeing the most heat pump installations, and to spread the benefits across sectors of society and ensure an equitable energy transition, we intend to focus a portion of funding (more than 50%) to help close this gap.
- **Performance Metrics:** The following is a list of metrics we will use to measure the progress of funds deployment and impact.
  - Households receiving funding (target  $\approx$  3,550)
  - Households with LMI receiving funding (target  $>$  550)
  - CBOs receiving funding (target  $\approx$  250)
  - Workers completing apprenticeship (target = 50)
  - Total funding deployed (target  $\approx$  \$37M)
  - Number of vendors/workers supporting installation of HPs (target:  $>$  10 vendors, 20 workers)
  - Number of CBOs that can newly offer air conditioning in the summer as cooling centers (target  $>$  10)
  - Between 55 and 68% of funds to be used for disadvantaged communities and CBOs that support them.

## PORT OF DAVISVILLE

The Governor recommends \$6.0 million in federal ARPA State Fiscal Relief Funds in FY2023, and \$60.0 million in total through FY2026, to help finance several port infrastructure projects at the Port of Davisville in North Kingstown. These funds will combine with an additional \$35.0 million in funding from other sources, for total investment of \$95.0 million in port infrastructure.

The Port of Davisville is a publicly-owned international shipping port located within the Quonset Business Park (QBP) in North Kingstown. The facilities currently include 4,500 linear feet of berthing space, consisting of five terminals, two piers (each 1,200 feet in length), a bulkhead, 32 feet of controlled water depth, on-dock rail, and 60 acres of laydown and terminal storage.

According to the Quonset Development Corporation (QDC), a quasi-public state agency charged with developing the QBP, the Port generates an annual output of \$374.3 million and supports “nearly 1,700 jobs”. Citing a 2020 economic impact analysis, the QDC claims that the Port supports \$98.9 million in household earnings, and generates \$45.5 million in total state tax revenue, including \$10.5 million in local taxes. The Port had 175 ship calls in 2021, processed 190,965 finished automobiles, and serviced 1,051 metric tons of project cargo.



Several industries are primarily served by the Port, including automobile finishing and processing (perennial top 10 US auto import location), seafood and public cold storage, wind energy, and project cargo. Major companies utilizing or planning to utilize the port include the North Atlantic Distribution (NORAD), Seafreeze Ltd., and Ørsted Wind Power N.A.

Infrastructure improvement at the Port is governed by a Port Master Plan. The plan calls for multiple projects required to modernize the existing infrastructure, expand new piers and terminals, and customize the infrastructure to meet the demands of the off-shore wind energy industry. The total cost of the plan is \$234.5 million, of which \$120.2 million is funded.

- **Master Plan-Funded Projects:** Port infrastructure projects currently underway are funded through a combination of sources including proceeds from a \$50.0 million general obligation bond approved by voters in 2016 and another \$20 million bond in 2021, QDC agency resources, federal US Maritime Administration grant funding, and private sector resources. These projects include:
  - Modernization and extension of Pier 2 (\$83.1 million)
  - Pier 1’s South Berth (\$24.0 million)
  - Dredging (\$5.0 million)
  - Port infrastructure development grant projects (\$7.4 million)
- **Master Plan-Unfunded Projects:** \$114.3 million in planned infrastructure improvements have yet to secure full funding. These include:
  - Pier 1 Rehabilitation (\$23.8 million)
  - New Terminal 5 Pier (\$55.5 million)
  - Terminal Expansions (\$35.0 million)

According to the QDC, the planned improvements will help improve facilities for existing port customers while positioning the Port to attract and support the wind-energy industry in the Northeast. The US Bureau of Ocean Energy Management (BOEM) has leased over 1.2 million acres of Atlantic Ocean floor for installation of wind turbines, most of which is in the Northeast. Off-shore wind-energy production requires

an extensive maritime transportation facilities within close proximity of the geographic leases. The QDC maintains that the Port of Davisville, with the right improvements, is ideally situated to capitalize on this emerging industry.

### State Fiscal Relief Fund Proposal

The Governor recommends ARPA SFRF funding to partially finance two of the currently unfunded projects in the Port Master Plan.

- **Pier 1 Rehabilitation:** Pier 1 was originally built by the US Naval Construction Battalions in 1941 when the Port was part of the Quonset Naval Air Station. The nearly 80-year old structure is long past its original design life. The Master Plan calls for a complete rehabilitation, modernization, and expansion of the pier. The improvements would allow for expanded use by existing port tenants and allow for the port to better handle wind turbine components and assembly. The Master Plan indicates that the improvements will cost \$23.8 million. The Pier's South Berth has already secured \$24.7 million in funding.
- **New Terminal 5 Pier:** The new pier at Terminal 5 is estimated to cost \$56.0 million and is planned to be constructed in phases in order to respond to funding availability, with expanded services available upon completion of each stage.
- **Job Creation:** According to the QDC, these improvements will contribute to the immediate creation of 520 construction jobs and ultimately preserve the 1,600 existing jobs at the port, while supporting the creation of an additional 1,100 new jobs in the wind-energy and maritime shipping industries.
- **Funding:** According to the QDC, the total cost of the two projects is estimated to be \$113.5 million. The Governor recommends \$6.0 million of SFRF funds in FY2023, and \$60.0 million total through FY2027. In addition to the SFRF, the QDC indicates that it is plans to secure an additional \$35.0 million. This will come from MARAD grants, QDC revenues, bond proceeds, and operating income.

| Port of Davisville |        |               |               |               |              |              |               |
|--------------------|--------|---------------|---------------|---------------|--------------|--------------|---------------|
| Source             | FY2022 | FY2023        | FY2024        | FY2025        | FY2026       | FY2027       | Total         |
| ARPA SFRF          | -      | \$6.0         | \$19.4        | \$27.0        | \$7.6        | -            | \$60.0        |
| Other Funds        | -      | 19.0          | 12.1          | 1.0           | 1.9          | 1.0          | 35.0          |
| <b>Total</b>       | -      | <b>\$25.0</b> | <b>\$31.5</b> | <b>\$28.0</b> | <b>\$9.5</b> | <b>\$1.0</b> | <b>\$95.0</b> |

*\$ in millions*

- **Timeline:** QDC indicates that the Pier 1 project would be completed by November 2024. Design and geotechnical investigations for the project are already complete. Permitting is routine and QDC has a history of working with regulators in an expedited manner. QDC further indicates that it can fully obligate funding for the pier at Terminal 5 by December 2024, with engineering and permitting to begin in March 2022 and extending to December 2023. Completed construction of the pier would occur by July 2026.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue replacement
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** This project does not propose funding for services.
  - **Awareness:** This project does not propose funding for services.
  - **Access and Distribution:** This project does not propose funding for services.
  - **Outcomes:** This project does not propose funding for services.

- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.
  - Direct success for this infrastructure project will be
    - Complete the reconstruction of the perimeter of Pier 1 no later than December 31, 2024;
    - Complete construction of the first phase of the Terminal 5 Pier no later than December 31, 2026;
    - Complete the projects within the allocated budget.
    - Trackable metrics include deadlines for Preliminary and Final Engineering, receipt of all necessary permits, contract award, and mobilization, as well as significant milestones during the construction process.
    - Upon completion of construction, the success metrics will change to reflect the use and occupancy of the Port of Davisville berths by the offshore wind industry.
    - QDC will actively track the total number of ship calls, the total metric tons of project cargo, and the leasing and port fee revenue that is attributable to offshore wind.
    - QDC will be able to track the number of jobs created by the offshore wind developers who are utilizing the facilities at the Port of Davisville.

## SOUTH QUAY MARINE TERMINAL

The Governor recommends \$12.0 million in federal ARPA State Fiscal Relief Funds in FY2023, and \$35.0 million in total through FY2026, to help finance the build-out of new port facilities at the proposed South Quay Marine Terminal in East Providence. These funds will combine with an additional \$68.0 million in proposed funding from other sources, for total investment of \$103.0 million in port infrastructure.

South Quay is a 32 acre peninsula in East Providence located along the 16.8 mile Providence River waterway. The waterway is a deep water channel with access through Narragansett Bay to the Atlantic shipping lanes and nearby off-shore wind-energy leased property. It was created by the US Army Corps of Engineers (USACE) in the 1940's and has always been planned to be a maritime terminal. The USACE approved the parcel to be used for maritime and rail in 1978. Despite these plans, the land has not been developed. According to the EOC, Rhode Island Waterfront Enterprises, LLC (RIWE) purchased the land in 2019 with the intent of developing for industrial uses.



Rhode Island's industrial ports have been reorienting towards the growing off-shore wind energy industry. Facilities at the Port of Davisville and ProvPort supported the layout and assembly needs of the first off-shore wind farm in the United States in 2016. According to the EOC, the US Bureau of Ocean Energy Management (BOEM) has since leased over 1.2 million acres of Atlantic Ocean floor for installation of wind turbines, most of which is in the Northeast. Off-shore wind-energy production requires an extensive maritime transportation facilities within close proximity of the geographic leases. According to the EOC industry requires these facilities be equipped to "berth a vessel(s), provide a stable surface to off- and on-load heavy components, provide stevedoring services and to have access to shore power to eliminate the use of vessel auxiliary engines."

### State Fiscal Relief Fund Proposal

The Governor recommends ARPA SFRF funding to partially finance phase 1 of the proposed South Quay Marine Terminal (SQMT). A stated primary goal of the project is to "serve coaster vessels delivering heavy cargo consisting of large OSW components (e.g., foundation elements, towers, nacelles, blades, etc.)." The project leadership team consists of the City of East Providence, RIWE, and ProvPort. The components of the project includes the following:

- Finalization of the design package and development of procurement specifications.
- The construction of a 650 ft. cofferdam bulkhead to support berthing vessels.
- Dredging the berth dredged to a 32 ft. depth with lead-in off the Providence River federal channel.
- Construction of a 400 ft. x 150 ft. wide pile supported hard point/concrete deck.
- Installation of fendering, bollards, and water service at the bulkhead.
- Drainage and fire protection for the site.
- Security fencing for the entire perimeter.
- **Job Creation:** According to the EOC, these improvements are estimated to immediately create 902 jobs over a period of 18-24 months. Additionally EOC notes that, "if utilized as a construction base port for offshore wind projects, approximately 948 direct annual jobs have been estimated to be created as long-term operational employment."

*Analyst Note: This latter figure is contingent upon the full completion of the port facility beyond the first phase. The economic evaluation does not address other state incentives and how they tie into the return on investment (e.g. Rebuild RI tax credits).*

- **Funding:** According to the Executive Office of Commerce, the total cost of the project through phase 1 is estimated to be \$103.0 million. The Governor recommends \$12.0 million of SFRF funds in FY2023, and \$35.0 million total through FY2027. In addition to the SFR, EOC indicates that it plans to secure an additional \$68.0 million. It is proposed that this will come from federal infrastructure grants from US Department of Transportation, private sectors funds, and state-provided tax credits and grants (the EOC has committed \$15 million in Rebuild RI tax credits and another \$200,000 in CommerceRI grants to the project). EOC indicates that matching funds for federal grants will come from private equity. The City of East Providence is currently not funding any portions of the project.

The Rhode Island Waterfront Enterprises (RIWE) is contributing the real estate, financing for the permitting processes, and other private capital totaling \$16.0 million. The EOC further indicates that future expansion stages will be funded through federal grants and is estimated to lead to an additional \$92.1 million in construction spending.

| Source       | South Quay |               |               |        |        |        | Total          |
|--------------|------------|---------------|---------------|--------|--------|--------|----------------|
|              | FY2022     | FY2023        | FY2024        | FY2025 | FY2026 | FY2027 |                |
| ARPA SFRF    | -          | \$12.0        | 23.0          | -      | -      | -      | \$35.0         |
| Other Funds  | -          | -             | 68.0          | -      | -      | -      | 68.0           |
| <b>Total</b> | -          | <b>\$12.0</b> | <b>\$91.0</b> | -      | -      | -      | <b>\$103.0</b> |

*\$ in millions*

- **Timeline:** EOC indicates that the design phase of the South Quay Marine Terminal would be completed within 3 months of receiving funds. Procurement of materials for the proposed bulkhead would be completed by the “winter of 2022”. Dredging and bulkhead construction for phase 1 would be completed by the end of December 2022. The entire full build out as planned would be completed by 2025.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** SQMT’s personnel policies and practices are designed to provide equal opportunity for all persons. A policy of non-discrimination by itself, however, is not sufficient to erase the effects of the past. The goal is to achieve the equitable participation of Black, Latino, and Indigenous and Native American persons, Asian Americans and Pacific Islanders and other persons of color; members of religious minorities; lesbian, gay, bisexual, transgender, non-binary and queer (LGBTQ+) persons; persons with disabilities; persons who live in rural areas; and persons otherwise adversely affected by persistent poverty or inequality.

SQMT celebrates the diversity of our community and remains dedicated to affirmative actions, policies, procedure, and attitudes necessary to continue to build and retain a workforce that is reflective of the community that we are here to serve.

In addition, SQMT has made a commitment to help fund education and training programs specifically for people adversely affected by persistent poverty and inequality. In our comprehensive approach, we are planning to advance equity for all people of color and others who have been underserved and marginalized.

One such program that we have helped fund is Community Boating Center (CBC) a 501(c)3 non-profit founded in 1994 and gaining national attention in youth and young adult STEM (Science, Technology, Engineering, Math) initiatives. CBC, adjacent to SQMT, integrates sailing and paddling initiatives in the Providence Harbor for at-risk, public and charter school students with environmental stewardship and STEM lessons to supplement education gaps in the Providence and East Providence area. SQMT contributes directly to CBC's "Sailorship" scholarship program which allows low to moderate-income students from different cultures and backgrounds to attend sailing and paddling lessons at CBC.

CBC strives to inform students about global climate change issues impacting local waters. Since all CBC STEM learning is done on the water, adjacent to SQMT, a perfect opportunity evolved to support CBC efforts to experientially teach their diverse student population about related environmental issues; from climate change to wind power. In partnership with CBC, students can paddle to SQMT for site visits and learn directly from offshore wind project managers and port managers about careers in the new booming US industry of offshore wind.

CBC's programs help prevent summer learning loss, extend the learning day with supplemental education, and equip students with STEM and environmental learning competencies vital to educational and career success. For example, in session 1, students define wind scientifically and construct anemometers to measure wind speed, collect data, and compare wind velocity in different locations. A dedicated "Wind Power" learning module also helps to inspire environmental stewardship and foster clean energy education.

We are planning to build a solid foundation for synergistic future success in community engagement. Additionally, CBC's nationally recognized work in STEM and environmental programming touches thousands of public and charter school students providing future opportunities for site visits, education and engaged activity outreach to a wide network of well-established partners.

- **Awareness:** While there are not specific services provided under this project, as noted otherwise herein, the SQMT will create well-paying jobs and utilize the local skilled workforce.
- **Access and Distribution:** While the construction and implementation of the SQMT will benefit and utilize the local skilled labor force, once the port is operational the benefits will be accessed by the entire local community as well as a large part of the regional community. These benefits will be realized by revenue generation provided to the City as part of Operations which can be reinvested in the community. Another significant benefit comes from the support of developing clean, renewable energy through offshore wind. This will benefit all electricity users by providing reliable, non-fossil fuel based power, which will also help to counteract climate change, which disproportionately affects those of lower income.
- **Outcomes:** The SQMT commits to providing access and priority to involving the local community in the development of the project. There will be local workforce participation and apprenticeship programs developed in partnerships with the contractors and trade unions.
- **Performance Metrics:** These projects activity will be tracked with the following metrics
  - Project Delivery – Tracking schedule and timeline for finishing the project
  - Project Budget – Tracking expenditures against projected budgeted
  - Workforce Participation – Logging use of local working and talent
  - Project Operations - Tracking project revenues versus projections for port operations





## Economic and Workforce Development

The Governor proposes \$214.3 million in SFRF in the form of seven projects focused on economic and workforce development. According to the Budget Office:

**Economic Development:** “The State Fiscal Recovery Fund provides an unprecedented opportunity for Rhode Island to pursue forward thinking economic development initiatives that will create jobs and increase incomes. The State must prioritize investments in sectors where Rhode Island holds a competitive edge, especially those related to the blue economy and bioscience.”

**Workforce Development:** “The pandemic resulted in unprecedented job loss. Few, if any, sectors went unscathed, though some industries were hit harder, including tourism, hospitality, retail, and manufacturing.

Many Rhode Islanders who lost their jobs will never return to the positions or industries in which they worked. It is the State’s responsibility to provide these individuals opportunities to have well-paying jobs and career opportunities.

A lesson reinforced by the pandemic is that a credential beyond a high school diploma provides more job security amid economic uncertainty. A study by the Federal Reserve Bank of San Francisco found that between March 2020 and May 2020, unemployment rates increased far more for individuals with a high school diploma or less when compared to those with a bachelor’s degree (12 percentage points compared and 5.5 percentage points, respectively).

To equip Rhode Islanders with the tools they need to compete in an evolving economy, the State must leverage existing programs and connect postsecondary educational institutions with recent high school graduates and residents seeking credentials tied to growing industries.”

| <b>Economic and Workforce Development</b> | <b>FY2022</b> | <b>FY2023</b>       | <b>FY2024</b>       | <b>FY2025</b>       | <b>FY2026</b>       | <b>FY2027</b>       | <b>Total</b>         |
|---|---------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| Bioscience Investments                    | \$0           | \$5,000,000         | \$15,000,000        | \$9,000,000         | \$1,000,000         | \$0                 | \$30,000,000         |
| Blue Economy Investments                  | -             | 10,000,000          | 40,000,000          | 20,000,000          | -                   | -                   | 70,000,000           |
| Enhanced Real Jobs                        | -             | 10,000,000          | 15,000,000          | 15,000,000          | -                   | -                   | 40,000,000           |
| Galilee Port Rehabilitation               | -             | 6,000,000           | 4,000,000           | 10,000,000          | 16,000,000          | 10,000,000          | 46,000,000           |
| Main Streets Revitalization               | -             | 5,000,000           | -                   | -                   | -                   | -                   | 5,000,000            |
| SBA Loan Interest Subsidy                 | -             | 20,000,000          | -                   | -                   | -                   | -                   | 20,000,000           |
| Wi-Fi and Tech at the ACI                 | -             | 3,100,000           | 100,000             | 50,000              | 50,000              | 25,000              | 3,325,000            |
| <b>Total</b>                              | <b>\$0</b>    | <b>\$59,100,000</b> | <b>\$74,100,000</b> | <b>\$54,050,000</b> | <b>\$17,050,000</b> | <b>\$10,025,000</b> | <b>\$214,325,000</b> |

## BIOSCIENCE INVESTMENTS

The Governor recommends \$5.0 million of federal SFRF funds in FY2023 and \$30.0 million in total through FY2026 to support a variety of bioscience industry sector investments.

| Source       | Bioscience Investment |              |               |            |            |        | Total         |
|--------------|-----------------------|--------------|---------------|------------|------------|--------|---------------|
|              | FY2022                | FY2023       | FY2024        | FY2025     | FY2026     | FY2027 |               |
| ARPA SFRF    | -                     | \$5.0        | 15.0          | 9.0        | 1.0        | -      | \$30.0        |
| <b>Total</b> | -                     | <b>\$5.0</b> | <b>\$15.0</b> | <b>9.0</b> | <b>1.0</b> | -      | <b>\$30.0</b> |

*\$ in millions*

These investments include support for the following projects and programs:

- **Shared Wet Lab Space:** The Governor recommends up to \$17.0 million in total to support the creation of wet lab space designed to meet the needs and services of start-up bioscience ventures and that meets global standards for such facilities. A wet lab, or experimental lab, is a type of laboratory where it is necessary to handle various types of chemicals and potential "wet" hazards, so the room has to be carefully designed, constructed, and controlled to avoid spillage and contamination. According to the EOC, a facility of this type would “enable further testing, research, and development of critical biotechnology to occur in Rhode Island and would serve as an entry point for those just starting out in the life sciences field.”
- **Life Sciences Site Acquisition and Facility Investments Program:** The Governor recommends up to \$10.0 million to support an industrial site acquisition program that focuses on sites for future life sciences facilities, such as laboratories, distribution sites, research facilities, and more.
- **Small Business Supports:** The Governor recommends up to \$2.0 million to fund small business supports that advance the life sciences supply chain and provides businesses with procurement opportunities related to the bioscience industry. The Commerce Corporation would also provide matching grants to businesses to facilitate research and development for small businesses in the life sciences sector.
- **Administration, Strategic Planning, & Research/Analysis/Consultant Support:** The Governor recommends \$1.0 million for “program administration, strategic planning, and external research, analysis and consultant support.” According to EOC, these funds could be used as future match for federal U.S. Economic Development Administration’s Build Back Better Regional Challenge initiatives.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “A life sciences initiative would benefit a broad range of individuals, businesses, and communities. As examples, (1) the creation of new jobs will create employment opportunities for COVID-impacted workers; (2) major infrastructure/construction projects will create procurement and other business opportunities for COVID-impacted businesses, including small businesses and minority-owned businesses; and (3) COVID-impacted communities will benefit from the increased economic activity associated with these major investments.”
  - **Awareness:** “This initiative will prioritize raising awareness throughout Rhode Island—especially among underserved groups and underrepresented communities. As an example, SupplyRI can serve as an intermediary to connect small businesses with procurement opportunities associated with these major investments. “

- **Access and Distribution:** “This proposal also aims to create a range of business opportunities through major investments in the life sciences sector. Outreach and technical assistance will play a central role in expanding access to job and business opportunities associated with these investments.”
- **Outcomes:** “This initiative will be structured and will be evaluated with a key goal of having equitable outcomes— particularly as it relates to job creation, procurement opportunities, and the communities in which these investments are made.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects
 

“Commerce will report on targeted state metrics annually, ensuring continuity of success tracking over time. Success metrics may include:”

  - “Federal, state, local, and private dollars disbursed (statewide and by municipality)”
  - “Amount of additional public and private funds leveraged”
  - “Pace of funds disbursement”
  - “Number of projects funded (statewide, by municipality, by type, by sector)”
  - “Number of municipalities engaged in this initiative”
  - “Number of jobs created (both direct and indirect)”
  - “Number of life sciences businesses formed”
  - “Number of Rhode Island businesses (including small and minority-owned businesses) assisted or hired to support these infrastructure investments”
  - “Quantity and quality of stakeholder engagement (e.g., selection process, municipal/industry/stakeholder surveys)”
  - “Administrative costs as a percent of total program costs”

## BLUE ECONOMY INVESTMENTS

The Governor recommends \$10.0 million in federal State Fiscal Recovery Funds in FY2023 and \$70.0 million in total through FY2025 to support investments in Rhode Island’s blue economy sector. According to the World Bank the blue economy is the “sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of the ocean ecosystem. It includes conventional economic sectors such as fisheries, aquaculture, and maritime transport.” It also includes coastal renewable energy, waste management, tourism, seabed mining and bioprospecting.

Rhode Island’s Blue Economy spans 6 sub-industries: ports and shipping, defense, marine trades, ocean-based renewables, aquaculture and fisheries, and tourism and recreation. According to EOC, the Rhode Island’s current blue economy supports \$5.0 billion in sectoral output or approximately 9.0 percent of the State’s gross regional product, and employs 67,600 people (12.0 percent of the State’s workforce).

In December 2021, Rhode Island was awarded a \$500,000 phase 1 planning grant from the U.S. Economic Development Administration as part of the Biden Administration’s Build Back Better Regional Challenge. The applicant receiving the award is known as the Rhode Island Blue Economy Tech Cluster (BETC) Coalition and is led by the University of Rhode Island Research Foundation. The BETC consists of 37 entities that are regional leaders across state and local governments, educational institutions, workforce organizations, economic development districts, non-profits, philanthropy, trade organizations, small business coalitions, and private companies. Phase 1 finalists are eligible to receive upwards of \$100.0 million from the EDA for “catalytic economic development initiatives”. The planning grant focuses on 5 projects that mirror the ones identified in the following SFRF proposal.

### ▪ State Fiscal Recovery Fund Proposal

The Governor recommends investing \$70.0 million SFRF funds over the next three years into the following projects:

*Analyst Note: A financial breakdown by project has been requested of EOC, but not yet received.*

- **Smart Bay Platform and Infrastructure Development:** According to the EOC, “the Smart Bay” infrastructure will support research and development, prototyping, and testing platforms for “blue technology”. The EOC sites the unique geography of Narragansett Bay as enabling cost-effective deployment of infrastructure, sensors, equipment, and 5G technology “currently unavailable and economically infeasible at any other location in the world”. The EOC further notes that the region’s unique physical, institutional, and regulatory systems enables wider access to cutting-edge data and equipment, which is typically reserved only for the largest industry and governmental organizations.
- **Blue Technology Innovation Center (BTIC):** The Governor recommends the creation of a Blue Technology Innovation Center to serve as the hub of Rhode Island’s “Blue Economy ecosystem”. The project envisions a space to collaborate and innovate around challenges such as developing a wave energy sector to understanding the impact of sea level rise. The center would bring together thinkers, venture capitalists, and other experts.
- **Blue Economy Workforce Development Pipeline:** The Governor recommends new investments in Real Jobs RI to scale up existing programs and develop new ones focused on the Blue Economy’s workforce needs, including a new focus on offshore wind.
- **Ocean-based Renewables Infrastructure:** The Governor recommends two projects that support Rhode Island’s growing role in the offshore wind energy sector. The first is the Quonset Multi-Modal OSW Transport and Training Center and the second is a new and state-of-the-art Regional OSW Deep Water Port in East Providence. The former would bring together transport and international standards-based training and certification programming for the wind industry. The

latter project is an extension of the South Quay Marine Terminal which the Governor separately recommends \$35.0 million of SFRF funds.

- **Aquaculture, Fisheries, and Seafood Technology:** The Governor recommends using SFRF funds to support the development of a smart shellfish hatchery to support Rhode Island’s 84 oyster farms and help fulfill the growing demand along the East Coast, taking advantage of Rhode Island’s uniquely favorable regulatory landscape that allows out-of-state shipping (while many other states have restrictions). He also recommends supporting the development of seafood wastewater processing infrastructure which represents a potential growth area in the blue economy.
- **Funding:** The Governor recommends \$10.0 million in SFRF funds in FY2023 and \$70.0 million in total through FY2025 for blue economy initiatives. These funds are envisioned to be matching funds for future federal funding under the Build Back Better Regional Challenge Program.

| Blue Economy Investments |        |               |               |             |        |        |               |
|--------------------------|--------|---------------|---------------|-------------|--------|--------|---------------|
| Source                   | FY2022 | FY2023        | FY2024        | FY2025      | FY2026 | FY2027 | Total         |
| ARPA SFRF                | -      | \$10.0        | 40.0          | 20.0        | -      | -      | \$70.0        |
| <b>Total</b>             | -      | <b>\$10.0</b> | <b>\$40.0</b> | <b>20.0</b> | -      | -      | <b>\$70.0</b> |

*\$ in millions*

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “This Blue Economy proposal would benefit a broad range of individuals, businesses, and communities. As examples, (1) the creation of new jobs will create employment opportunities for COVID-impacted workers, especially those from disadvantaged communities and in traditionally low-wage jobs in the tourism and recreation industries; and (2) major infrastructure projects will create procurement and other business opportunities for COVID-impacted businesses, including small businesses and minority-owned businesses. Black and Hispanic Rhode Islanders disproportionately reside in urban centers, which are frequently located alongside bodies of water (once fueling the industrial revolution), but access to opportunities associated with the water remains limited. In addition, the State boasts one of the largest communities of Cape Verdeans and Portuguese Americans in the US, who live in areas that are water-adjacent but have also been historically excluded from the benefits of Rhode Island’s Blue Economy. We plan to collaborate with communities, nonprofits, higher education institutions, and local governments to craft strategic equity strategies. We will measure success based on significantly increased access to economic opportunity and wealth creation in these communities.”
  - **Awareness:** “This initiative will prioritize raising awareness throughout Rhode Island—especially among underserved groups and underrepresented communities. As an example, SupplyRI can serve as an intermediary to connect small businesses with procurement opportunities.”
  - **Access and Distribution:** “This proposal aims to create high-paying jobs across the advanced sub-industries of the Blue Economy, which have historically been less accessible to racial minorities and women, building on RI’s existing unique workforce programs. This proposal also aims to create a range of business opportunities through major infrastructure investments. Outreach and technical assistance will play a central role in expanding access to job and business opportunities.”

- **Outcomes:** “The intended equity-related outcomes are: (1) to increase access to and the number of jobs in higher paying occupations and resilient industries, especially for members of underserved communities; (2) to increase procurement and other business opportunities for women- and minority-owned businesses; and (3) to direct infrastructure and other investments in underserved communities that will benefit from these transformative economic development initiatives.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects
 

“Commerce will continue to report on our targeted state metrics annually, ensuring continuity of success tracking over time. Success metrics may include: “

  - “Federal, state, local, and private dollars disbursed (statewide and by municipality)”
  - “Amount of additional public and private funds leveraged”
  - “Pace of funds disbursement”
  - “Number of projects funded (statewide, by municipality, by type, by sector)”
  - “Number of municipalities engaged in this initiative”
  - “Number of jobs created (both direct and indirect)”
  - “Number of Rhode Island businesses (including small and minority-owned businesses) assisted or hired to support these infrastructure investments”
  - “Quantity and quality of stakeholder engagement (e.g., selection process, municipal/industry/stakeholder surveys)”
  - “Administrative costs as a percent of total program costs”

## ENHANCED REAL JOBS RI

The Governor proposes to use \$40.0 million, including \$10.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023, to enhance the Real Jobs Rhode Island platform initiative representing a direct response to the economic impact of the pandemic. The proposal would focus on providing services to individuals facing unemployment, communities of color and low-income communities, small businesses, and industries severely affected by the Covid-19 health emergency and subsequent negative economic impacts.

Under the proposed model, funding would be directed to providing career readiness programming, job-related basic skills education (including digital skills), supportive services, financial literacy and coaching, and workforce development training for members of communities hit hardest by Covid-19 and businesses (particularly small business) within industries most impacted by the pandemic. Learning from and expanding upon the Back to Business initiative, this enhanced investment will support training, basic skills education, and wraparound services to ensure that those Rhode Islanders reentering employment will do so with new skills and the capacity to succeed, while also providing the state's employers with a skilled workforce ready to increase competitiveness in the new economy. By leveraging the state's existing training and placement platforms, the plan is to connect thousands of Rhode Islanders to the skills and resources they need to return to the workforce in more resilient jobs and careers and provide meaningful workforce solutions for employers in hardest hit industries as they emerge from the negative effects of the pandemic. According to the Department, this presents an opportunity to finally address longstanding inequities and systemic challenges facing our state's workers in the hardest hit communities.

The Department reports that this initiative has an average cost of engagement of \$5,600 per person. It is anticipated that with an investment of \$40.0 million over three (3) years, the Department could engage approximately 7,000 Rhode Islanders and serve hundreds of businesses in industries driving the state's economy. The Governor's plan includes \$10.0 million in funding the first year (FY2023), with an additional \$15.0 million planned for each of FY2024 and FY2025.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** The initiative would focus on those communities hardest hit by the pandemic, to ensure those who have most borne the brunt of the pandemic have a meaningful opportunity to reap the benefits of the response and would target impacted small businesses and hardest-hit industries.
  - **Awareness:** This initiative leverages existing sector partnerships, training providers, institutions of higher education, community-based organizations, and recruitment entities to ensure broad and equal awareness of its programmatic offerings. Organizations like Skills for Rhode Island's Future have years of experience recruiting within historically underserved communities, and the Department deploys a multi-platform strategy to ensure statewide awareness.
  - **Access and Distribution:** The industry partnerships that are the core drivers of the services provided in this initiative ensure that they are made available across the state to all communities. They work to intentionally identify and address any administrative challenges and the Department is committed to removing any bureaucratic barriers that may incidentally result in disparities in ability to access or complete services and trainings. Additionally, the robust support services offered through the initiative provide a means to overcome obstacles that might prevent an individual from participating in a training or accepting a job.
  - **Outcomes:** Among the outcomes that will be evaluated are the program's success in serving the target populations described above, looking specifically at the number of individuals enrolled in

training, successfully completing training, placed in new jobs, and placed in higher income positions.

- **Performance Metrics:** Monitor the following:
  - Demographic and economic characteristics of participants;
  - Program wide cost per head
  - Number of new hires
  - Number of individuals with skills gains
  - Number of individuals who have a demonstrable increase in wages and,
  - Businesses served through recruitment, job placement, or incumbent worker training.



## GALILEE PIERS/BULKHEAD/FACILITIES

This proposal includes \$6.0 million in FY2023 (\$46.0 million total) from federal ARPA SFRF to secure the northern section of the bulkhead at the Port of Galilee, replace docks, update parking lot G, make infrastructure upgrades to the Coastal Resources Maintenance Building, update the electrical infrastructure, and install security cameras. The Port supports 176 permanent berth holders and 131 temporary vessels. There are 27 land leases at the port. Each business represents a percentage of the total landings noted above. There are more than 500 employees that work at the Port at different businesses during different points of the year. This proposal will support the Division's capability to provide berthing and business space for commercial fishing and related businesses. This proposal seeks to extend the life of the Port whereas the current infrastructure is on the brink of a catastrophic failure. Deferred maintenance and lack of funding over the years has presented a precarious situation where fishing businesses are at risk.

The recommendations included in the Dive Assessment provide baseline metrics for which this project can be measured. The Dive Assessment was conducted in June 2021. The assessment noted that there was deteriorated, damaged, and failing coating of the sheet pile wall and steel pile cap, significant scaling, pitting and spalls were typical through the sheet pile wall, severe corrosion and section losses of the sheet pile and pile cap, and areas of subsidence and settlement of the backfill along the back of the bulkhead. This equates to a bulkhead that is considered poor to non-serviceable. The inspection noted that if nothing was done, the walls will continue to develop holes and eventually collapse. The cost estimates are based on information from engineering reports whenever possible (2017 PARE and 2021 PARE) and advised by actual pricing for recent projects. The breakdown of the requested \$46.0 million is as follows:

- \$5.0 million – Phase 2B Bulkhead Replacement
- \$10.0 million – Replacement of remaining bulkheads and raising caps for resiliency
- \$9.0 million – Phase 2 and 3 dock replacements
- \$4.0 million – Roadway, stormwater, sidewalk, and parking area updates
- \$4.0 million – Water line removal and replacement, fire hydrants, water service
- \$3.0 million – Headquarters site improvements, including maintenance garage, oil recycling, equipment storage, parking, and circulation improvements
- \$2.0 million – Parking Lot G improvements
- \$2.0 million – Electrical upgrades throughout Port
- \$2.0 million – Security infrastructure and cameras
- \$5.0 million – Replacement of docks beyond phase 2 and 3

This proposal is expected to reduce future, recurring costs. Currently, substantial capital resources are needed to remediate the Port and keep it operational. If approved, this proposal would allow DEM to modernize the infrastructure in the Port and focus on asset protection. While an appropriate level of asset protection does have a substantial cost, it is far cheaper than replacing docks and bulkheads before their useful life is up.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** The Port is characterized as an Economic Opportunity Zone by RI Commerce, but not a Health Equity Zone which denotes areas of racial inequity or depressed economic growth. Reinforced infrastructure at the Port will preserve and encourage opportunities for businesses.

- **Awareness:** As a dedicated working waterfront, the Port is reserved for commercial fishing businesses and related uses which include fish processing, wholesale and retail fish markets, businesses that support the commercial fishing industry, charter fishing operations, restaurants, and beach related gift shops. The Port also supports a robust recreational fishing industry, including party and charter businesses and the State's most heavily utilized boat ramp, which contribute to the hundreds of millions of tourism and outdoor recreation dollars in Rhode Island. Residents can access the public part of the ports during regular business hours. The RI DOA purchasing process has obligatory components that address MBE/EEO issues. These components ensure equality and diversity in the contracting phase. It is typical for large construction projects to erect signage adjacent to the project identifying funding sources, either state or federal. It is anticipated that, if successful, such signage we clearly represent SLFRF would be clearly identified.
- **Access and Distribution:** In terms of access to the whole port, areas are restricted to the lessee to operate their business. Those would be restricted to visitors unless the business consented to access.
- **Outcomes:** This does not apply to this project.
- **Performance Metrics:** Monitor the following:  
Since this proposal relates to infrastructure, this is not applicable.

## MAIN STREET REVITALIZATION

The Governor recommends a total of \$5.0 million of federal SFRF funds in FY2023 to support State’s Main Street RI Streetscape Program. The program was established by the General Assembly in FY2016 to provide loans, matching grants, and other forms of financing to municipalities and other organizations to upgrade streetscapes in local business districts. Projects include refurbishing facades, improved lighting, and signage. Recipients are required to provide a 30.0 percent match. Between 2016 and 2018, 24 awards across 17 municipalities were made totaling \$2.8 million (combined projects costs totaled \$6.9 million). The program has not received additional appropriations since FY2019.

In FY2022, the General Assembly appropriated \$3.0 million in ARPA SFRF to support similar investments in main street improvements; maintenance and improvements to public parks, plazas, and recreational areas; public art installations; and improved event venues. This new programming was implemented in response to the pandemic and emphasizes “placemaking” activities. According to EOC, COVID-Safe programming includes support for existing “catalytic” events (such as local outdoor festivals) and new events (such as outdoor performances, online programming, and outdoor food festivals).

### ▪ State Fiscal Relief Fund Proposal

According to the EOC, \$4.5 million of the appropriation will go towards direct grants for 18-36 projects. The \$500,000 balance would support technical assistance to municipalities to design and implement programming. The assistance would include \$250,000 to support 1.0 FTE position at the Commerce Corporation for 2.5 years, \$200,000 to support contract awards for technical assistance, and \$50,000 for other program implementation costs.

- **Funding:** The Governor recommends a total of \$5.0 million in federal SFRF funding in FY2023 for the Main Streets Revitalization program.

| Main Street Streetscapes Revitalization |        |              |        |        |        |        |              |
|---|--------|--------------|--------|--------|--------|--------|--------------|
| Source                                  | FY2022 | FY2023       | FY2024 | FY2025 | FY2026 | FY2027 | Total        |
| ARPA SFRF                               | -      | \$5.0        | -      | -      | -      | -      | \$5.0        |
| <b>Total</b>                            | -      | <b>\$5.0</b> | -      | -      | -      | -      | <b>\$5.0</b> |

*\$ in millions*

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “Rhode Island’s small business community has been significantly impacted by the global pandemic. According to the U.S. Census Bureau’s Small Business Pulse Survey, 71.6 percent of Rhode Island small businesses experienced either a moderate or large negative effect from COVID-19 for the week ending December 26, 2021 (link). There is also considerable research showing that minority-owned businesses were disproportionately impacted by the global pandemic. As the Federal Reserve Bank of Cleveland noted in an October 2020 study, “minority-owned small businesses have been disproportionately impacted by the pandemic, facing higher rates of closures and sharper declines in cash balances as compared to nonminority-owned small businesses” (link). This initiative will support these small and minority-owned businesses as well as downtown districts that have been disproportionately impacted by the pandemic. In selecting municipalities for this program, Commerce will focus on ensuring that communities with a high minority and low-income population receive strong consideration for funding.”

- **Awareness:** “Commerce will raise awareness of this initiative and other programming, with an emphasis on engaging Rhode Island’s municipalities that have high minority and low-income populations through intermediaries and other strategies.”
- **Access and Distribution:** “In addition to its outreach efforts, Commerce will structure this programming in a manner that reduces barriers to access. For instance, Commerce will consider reducing match requirements for projects in lower income communities.”
- **Outcomes:** “This initiative will place a strong emphasis on providing funding to projects in communities with high minority populations —particularly given the disproportionate impacts businesses in these communities have faced throughout the COVID-19 economic downturn. Commerce will evaluate this initiative’s success using several metrics, which will include the number of low-income and disadvantaged communities supported.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects
  - “Performance metrics for this program may include the following:”
    - “Federal dollars disbursed (statewide and by municipality)”
    - “Number of projects funded (statewide, by municipality, by type, by sector)”
    - “Number of Rhode Island businesses (including the number and percent of women- and minority-owned businesses) supported or assisted.”
    - “This initiative will be evaluated annually at a minimum.”

## SBA LOAN INTEREST SUBSIDY

The Governor recommends \$20.0 million in federal ARPA State Fiscal Relief Funds in FY2023 to assist small businesses in accessing capital. According to the EOC, small businesses and entrepreneurs face many barriers in accessing capital. Bank underwriting requirements, loan size limitations, and the need for significant collateral often put mainstream lending sources out of reach.

- **Existing Small Business Capital Programming**

Rhode Island has a handful of long-standing programs designed to address these barriers. The Commerce Corporation's Small Business Assistance Program partners with community lenders that service loans to some of the State's smallest businesses. The Corporation's Small Business Loan Fund provides loans for working capital and the acquisition of land and equipment. A more recent program authorized by the General Assembly in 2019, is the Small Business Development Fund which involves the creation of multiple private capital funds for the purpose of investing in small, Rhode Island-based businesses.

In addition to these State specific programs, Rhode Island small businesses have always been able to avail themselves of "access to capital" services of the U.S. Small Business Administration (SBA). The most common SBA lending program is known as the 7(a) program (named after the authorizing section of the federal Small Business Act of 1953). Under this program the SBA does not directly lend money to small businesses, but rather partners with an SBA-approved lender. Business owner's first connect with an SBA-approved lender and then initiate the 7(a) loan process. Most SBA 7(a) loans allow businesses to borrow up to \$5.0 million. The SBA will guarantee 85.0 percent of loans up to \$150,000 and 75.0 percent of loans greater than \$150,000. Interest rates on the loans are based on the prime rate, the size of the loan, and the maturity of the loan. The maximum length of the loan is 25 years for real estate and seven years for working capital.

- **Pandemic-Related Small Business Support**

The governmental response to the devastating impact that the pandemic has had on Rhode Island's businesses has been significant. Congress enacted six separate pieces of federal legislation with sweeping relief programming and funds, including the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the Paycheck Protection Program and Healthcare Enhancement Act in 2020, and the American Rescue Plan Act in 2021. Nearly \$4.6 billion in various business supports have been made available in FY2021 and FY2022. In FY2022, the General Assembly appropriated \$6.8 million in federal ARPA funds from the U.S. Department of Commerce's Economic Adjustment Assistance Revolving Loan Fund (EAA RLF) program. The program supports loans to businesses that cannot otherwise obtain traditional bank financing and provide access to capital as gap financing. The General Assembly also appropriated \$56.2 million in federal ARPA funding from the U.S. Treasury's State Small Business Credit Initiative (SSBCI) grant. The program provides small businesses credit and investment support. SSBCI funds may be used to support include capital access programs, loan participation, loan guarantee, collateral support, and venture equity programs. The following table summarizes the pandemic-related small business support.

| Relief Program                         | Lead Agency | FY2021           | FY2022        |
|--|-------------|------------------|---------------|
| Paycheck Protection Program            | SBA         | \$2,906.1        | -             |
| Economic Injury Disaster Loan          | SBA         | 1,332.2          | -             |
| Restaurant Revitalization Fund         | SBA         | 106.4            | -             |
| Shuttered Venue Program                | SBA         | 30.4             | -             |
| Restore RI/HaRT/DBG                    | CommerceRI  | 112.1            | -             |
| State Small Business Credit Initiative | CommerceRI  | -                | 57.5          |
| Business Interruption Grants Program   | CommerceRI  | 45.4             | -             |
| Economic Adjustment Assistance         | CommerceRI  | -                | 6.8           |
| <b>Total</b>                           |             | <b>\$4,532.6</b> | <b>\$64.3</b> |

*\$ in millions*

### State Fiscal Relief Fund Proposal

The Governor recommends ARPA SFRF funding to provide small businesses low-cost capital financing and working capital. According to the EOC, funds would be made available through grants or loans to support direct payments, lines of credit, loan insurance, and other lending supports.

*Analyst Note: According to the proposal documentation from EOC, “Resources deployed as loans would be reviewed after 18 months, at which time Commerce would make a determination as to whether loans would be converted to grants or “redeployed towards another SFRF eligible use”. EOC suggests that the criteria for such a determination might be related to agreed upon benchmarks being met.*

The proposed program would primarily work in conjunction with the SBA 7a program thereby maximizing the use of multiple resources. As noted above, SBA’s 7a program works by guaranteeing 75.0 percent to 85.0 percent of a loan, depending on its size. Under the proposed program, ARPA funds would be used to cover the remaining 15.0 to 25.0 percent. According to Commerce, this program would “help stretch our lending partners’ capital so they can make more loans while also reducing the lender’s risk and mitigating the need for increased collateral.”

Assuming 25.0 percent of loan capital would be contributed from this program, EOC anticipates that approximately 250 loans could be made from the \$20.0 million program if the average loan size were \$310,000 (the average SBA 7a loan size between 2018 and 2021).

- **Funding:** The Governor recommends \$20.0 million of ARPA SFRF funds in FY2023 only for this program.

| Source       | SBA Loan Interest Subsidy |               |        |        |        |        | Total         |
|--------------|---------------------------|---------------|--------|--------|--------|--------|---------------|
|              | FY2022                    | FY2023        | FY2024 | FY2025 | FY2026 | FY2027 |               |
| ARPA SFRF    | -                         | \$20.0        | -      | -      | -      | -      | \$20.0        |
| <b>Total</b> | -                         | <b>\$20.0</b> | -      | -      | -      | -      | <b>\$20.0</b> |

*\$ in millions*

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** “Rhode Island’s small business community has been significantly impacted by the global pandemic. According to the U.S. Census Bureau’s Small Business Pulse Survey, 71.6 percent of Rhode Island small businesses experienced either a moderate or large negative effect from COVID-19 for the week ending December 26, 2021 (link). There is also considerable research showing that minority-owned businesses were disproportionately impacted by the global pandemic. As the Federal Reserve Bank of Cleveland noted in an October 2020 study, “minority-owned small businesses have been disproportionately impacted by the pandemic, facing higher rates of closures and sharper declines in cash balances as compared to nonminority-owned small businesses” (link).

This initiative will have strategic approach to engaging minority-owned small businesses in Rhode Island to ensure that they sufficient access to the services provided through this program.”

- **Awareness:** “Commerce will direct sufficient resources to raise awareness of this initiative and other programming, with an emphasis on engaging Rhode Island’s minority-owned business community through intermediaries and other strategies.”
- **Access and Distribution:** “In addition to its outreach efforts, Commerce will structure this programming in a manner that reduces barriers to access these financial, technical, and other forms of assistance.”
- **Outcomes:** “This initiative will place a strong emphasis on providing financial, technical, and other forms of assistance to minority-owned businesses—particularly given the disproportionate impacts these businesses have faced throughout the COVID-19 economic downturn. Commerce will evaluate this initiative’s success using several metrics, which will include the number of minority-owned businesses supported.”
- **Performance Metrics:** “Performance metrics for this program may include the following:
  - “Federal dollars disbursed (statewide and by municipality)”
  - “Number of projects funded (statewide, by municipality, by type, by sector)”
  - “Number of municipalities engaged in this initiative”
  - “Number of jobs created or retained (as available)”
  - “Number of Rhode Island businesses (including the number and percent of women- and minority-owned businesses) supported or assisted.”
  - “This initiative will be evaluated annually at a minimum”

### WIFI AND TECH AT THE ACI

The Governor proposes to use \$3.1 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023, and \$50,000 each year from FY2024 through FY2027, to install WIFI and technology throughout the ACI.

Currently, there is no WIFI in any housing modules within the Department of Corrections. The Department would like to install WIFI in these areas to automate administrative and uniform staff processes and allow for the replacement, use, and maximization of newly acquired and existing hardware and software as well as to improve and expand programming for inmates in the areas of education and telemedicine.

The installation of WIFI would also allow for newly acquired tablets and iPads to be used within the building to automate administrative staff work. The Department would like to setup the WIFI access to the education network for the classrooms and modules which would allow the offenders to access programs, self-help, college courses, etc. WIFI will also allow the Department to replace outdated software and replace manual information logging that is currently done by Correctional Officers.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** The Rhode Island Department of Corrections (RIDOC) is a unified correctional system that encompasses all offenders regardless of status, crime, or sentence. RIDOC oversees all awaiting trial offenders, all sentenced offenders and all adult probation and parolees. There are no county jails in Rhode Island therefore even low level, non-violent crimes and short sentence offenders are housed at the state correctional facilities.

In CY 2020, there were 6,147 people released from RIDOC facilities representing 8,987 release events.

- Twenty-nine percent (29%) of men and thirty-eight percent (38%) of women were committed for non-violent offenses.
- Forty-nine percent (49%) of those committed and released were white, twenty-five percent (25%) black; twenty-two percent (22%) Hispanic.
- Fifty-seven percent (57.2%) were released to core urban communities in Rhode Island (Woonsocket, Pawtucket, Providence, Cranston, Warwick, and West Warwick)
- 55% of both males and females are parents with an average of 2 children
- 35% of males have less than a 12th grade education
- 51% of men and 66% of women were unemployed at the time they became incarcerated.

The incarcerated population and the state would benefit from this proposal. With WIFI installed at the ACI, inmates would have access to self-help materials, college courses, and educational materials that can better prepare them for life after release, potentially reducing recidivism rates.

- **Awareness:** Rhode Island has been engaged in meaningful criminal justice reform work since the early days of Governor Raimondo's tenure, and additional programmatic and practical changes are on the horizon. A strategic investment of funding now to support racial equity in the system will enable Rhode Island to begin to right the wrongs of implicit bias in the justice system and introduce transformative reforms that will meaningfully improve the lives of Black communities and communities of color statewide. Investing in this partnership will support justice reform and racial equity in the justice system in our state in the short term and in the entire country in the years to come.



- **Access and Distribution:** The Department received funding of approximately \$700K from the CARES Act to purchase computer equipment for telework, telemedicine, video court, and education. With these funds, the Department purchased smartboards to provide video court, education, and telemedicine within the secured facilities. However, these laptops must either be hardwired or require a hotspot to obtain WIFI access. Incarcerated individuals can purchase tablets through Keefe Commissary which have educational and mental health information but cannot use these laptops for this purpose. The incarcerated individual can only download music, but it must be done within a close proximity of the kiosk. It is the goal of the Department to provide WIFI access to offer more programming to assist with the rehabilitation of the individual.
- **Outcomes:** Historically, close to 95% of the incarcerated will be released back into the community, and over 57% could be released in fewer than two years. Therefore, it is essential that high-quality career and education pathways are provided at the Dept. Of Corrections. In a 2013 report, Georgetown University Center on Education and the Workforce projected that by 2020, 71% of Rhode Island jobs would require postsecondary certification, degrees, and credentials. While the state continues to work toward that goal, completion rates among the formerly incarcerated require special attention. Nationally, incarcerated individuals (15%) are three times less likely than the general public (45%) to have earned a postsecondary certificate or degree. As a result, upon reentry, formerly incarcerated adults work fewer hours and at a lower wage than average workers. Access to WIFI within facilities would provide computer literacy, meaningful certificate-granting learning opportunities, and flexibility required to meet the needs of a 21<sup>st</sup> century workforce that has historically been shut out of opportunities.

- **Performance Metrics:** Monitor the following:

With WIFI installed in the buildings, RIDOC will no longer use paper logbooks and store them for potential litigation. The new web-based logbook system allows users to look up any information via search of the application for any date, time, building etc. The application also prints out a report if needed for court purposes. Transitioning from paper to web-based logbooks has been the Director's Initiative for a while because looking for the logbooks is a very tedious and time-consuming task. A web-based application would produce logbook information immediately and as make it easier for the officers and Lieutenants to record information via computer. Making more programs available for the offenders, the Rehab Services unit can see what is working for offenders and what is not.

The WIFI project will be tracked via RIDOC Project Management. Within the plan, there will be specific milestones that need to be met. This will be how RIDOC tracks the project moving forward. Once the WIFI has been installed, metrics can be tracked via how programs are running, are they effective specifically on the Education side.

- Automatically generate key metrics such as admissions, releases, reincarceration, revocations, violations, disciplinary infractions, etc. and provide these metrics to leadership via a live dashboard
- Automatically generate the data needed for RIDOC's three-year recidivism report and other external-facing reports
- Generate alerts when key metrics deviate from course using anomaly detection to allow for immediate course-correction
- Evaluate one or more of the 2017 JRI programs using a cost-benefit framework and publish results to an externally facing dashboard
- Conduct evaluations of any and all new criminal justice reforms (including, potentially, the movement of discharge planning in-house and the development of an apprenticeship program, both of which were included in the Governor's FY 2021 budget) in order to generate insights about program efficacy and prioritize resource allocation to evidence-based programming

- Link data from the new probation and parole case management system with facilities and programming data, allowing for long-term tracking of justice-involved people as they move through the system
- Offer probation and parole officers a centralized way to prioritize supervision among people on their caseloads by tracking performance of people on supervision and progress against goals over time

In the short term, the initiative will be considered successful if there is a marked improvement in the data insights available to RIDOC leadership. If all solutions and tools are provided to RIDOC's expectations, the initiative will be preliminarily considered successful.

## Housing

The Governor proposes \$250.0 million in SFRF in the form of 10 projects focused on housing planning and development. According to the Budget Office:

“For Rhode Island to be an attractive place to live, work, and raise a family, the State must address the availability, affordability, and quality of housing, focusing on Rhode Islanders with specific needs: young residents and families who cannot afford rising housing prices, aging individuals who want to remain in their home, and individuals experiencing homelessness. The Governor calls for the largest share of State Fiscal Recovery Fund, a quarter of a billion dollars, to be invested in housing and homelessness assistance.

Rhode Island is experiencing a housing shortage because, for too long, too few units have been built. The recent spike in demand for housing has further increased prices, exacerbating the challenges many households are facing to afford to rent or buy. Investments are needed to create more housing units and support households so that everyone has an affordable and safe place to call home.”

| Housing   | FY2022              | FY2023              | FY2024              | FY2025              | FY2026             | FY2027     | Total                |
|---|---------------------|---------------------|---------------------|---------------------|--------------------|------------|----------------------|
| Affordable Housing Predevelopment Program         | \$0                 | \$2,500,000         | \$2,500,000         | \$2,500,000         | \$2,500,000        | \$0        | \$10,000,000         |
| Development of Affordable Housing                 | 15,000,000          | 20,000,000          | 30,000,000          | 25,000,000          | -                  | -          | 90,000,000           |
| Down Payment Assistance in Hard Hit Neighborhoods | -                   | 15,000,000          | 20,000,000          | 15,000,000          | -                  | -          | 50,000,000           |
| Home Repair and Community Revitalization          | -                   | 15,000,000          | 10,000,000          | -                   | -                  | -          | 25,000,000           |
| Homelessness Infrastructure                       | -                   | 5,000,000           | -                   | -                   | -                  | -          | 5,000,000            |
| Housing Stability                                 | 1,500,000           | 7,000,000           | 7,000,000           | 6,000,000           | -                  | -          | 21,500,000           |
| OHCD Predevelopment and Capacity Building         | 500,000             | 500,000             | 500,000             | -                   | -                  | -          | 1,500,000            |
| Site Acquisition                                  | 12,000,000          | 3,000,000           | 5,000,000           | 5,000,000           | -                  | -          | 25,000,000           |
| Statewide Housing Plan                            | -                   | 2,000,000           | -                   | -                   | -                  | -          | 2,000,000            |
| Workforce Housing                                 | -                   | 12,000,000          | 8,000,000           | -                   | -                  | -          | 20,000,000           |
| <b>Total</b>                                      | <b>\$29,000,000</b> | <b>\$82,000,000</b> | <b>\$83,000,000</b> | <b>\$53,500,000</b> | <b>\$2,500,000</b> | <b>\$0</b> | <b>\$250,000,000</b> |

### AFFORDABLE HOUSING PREDEVELOPMENT PROGRAM

The Governor recommends \$2.5 million of federal State Fiscal Recovery Funds in FY2023, and \$10.0 million in total through FY2027, to support types of activities that must take place prior to affordable housing development.

| Affordable Housing Predevelopment Program |        |              |              |              |            |        |               |
|---|--------|--------------|--------------|--------------|------------|--------|---------------|
| Source                                    | FY2022 | FY2023       | FY2024       | FY2025       | FY2026     | FY2027 | Total         |
| ARPA SFRF                                 | -      | \$2.5        | \$2.5        | \$2.5        | 2.5        | -      | \$10.0        |
| <b>Total</b>                              | -      | <b>\$2.5</b> | <b>\$2.5</b> | <b>\$2.5</b> | <b>2.5</b> | -      | <b>\$10.0</b> |

*\$ in millions*

As has been noted, the State is experiencing a shortage of affordable housing. Housing costs have increased significantly and inventory is at extremely low levels. A barrier to the development of affordable housing is the cost of vetting a property and determining its viability. According to the OHCD, the State needs to identify developable locations and subsidize expensive activities such as environmental testing, architectural design and legal work that often discourage development. OHCD indicates that the limited capacity of developers to finance these costs, restricts the number of developments they can have in pre-development at one time.

#### ▪ **State Fiscal Relief Fund Proposal**

The Governor recommends \$10.0 million over the next four fiscal years to support predevelopment activities. The proposal identifies RIHousing as the program administrator. Funding will be used to subsidize environmental testing, architectural design, legal, and other predevelopment work. Funds will be made available on rolling basis. The proposal suggests a \$500,000 maximum award and anticipates an average award between \$200,000 and \$400,000.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “According to the National Low Income Housing Coalition, Black, Native American, and Hispanic households are more likely than white households to be extremely low-income renters (link). In Rhode Island, a majority of affordable rental units are occupied by households of color. For example, across the 2,651 RIHousing administered HOME units for which race and ethnicity information was available, 83.4% of occupants identified as racial or ethnic minorities, with 46.2% of occupants identifying as Hispanic. Similarly, 94.1% of the 7,001 households residing in LIHTC-financed developments for which demographic data was available identified as racial or ethnic minorities and 36.8% identified as Hispanic. More than half of all households residing in LIHTC-financed housing units were Black, or African American (54.7%).”
  - **Awareness:** “RIHousing has a long history of financing development activity in communities that have been hardest hit by the pandemic. RIHousing also has the municipal partnerships and relationships with the development community to bring everyone to the table in service of good projects, and a long history of closing real estate and community development transactions throughout the state.”
  - **Access and Distribution:** “RI Housing will work with developers and property managers to ensure that minority populations and other members of protected classes are made aware of and have access to the affordable housing created as a result of this program.”

- **Outcomes:** “By supporting the development of affordable housing options, this program will address existing inequities and close gaps for communities that are disproportionately affected by homelessness and housing stability, including low-income Rhode Islanders and households of color.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.  
“Key success metrics for this initiative includes the number and percent of assisted projects that successfully move forward to development, the number of affordable homes created and growth of the development pipeline for participating developers.”

## DEVELOPMENT OF AFFORDABLE HOUSING

The Governor recommends \$20.0 million of federal State Fiscal Recovery Funds (SFRF) in FY2023, and \$90.0 million in total through 2027, to provide direct gap-financing for the development of affordable housing in the State. The General Assembly appropriated \$15.0 million of the total in December 2021, as part of its FY2022 Supplemental Budget. The proposal supports a new federally funded program that augments existing programs providing money to developers that cover the difference between development costs and the projected income needed to bring more affordable units to the market. Funds would be appropriated to the Executive Office of Commerce (EOC) and be administered by RIHousing.

| Development of Affordable Housing |               |               |               |               |          |          |               |
|-----------------------------------|---------------|---------------|---------------|---------------|----------|----------|---------------|
| Source                            | FY2022        | FY2023        | FY2024        | FY2025        | FY2026   | FY2027   | Total         |
| ARPA SFRF                         | 15.0          | \$20.0        | 30.0          | 25.0          | -        | -        | \$90.0        |
| <b>Total</b>                      | <b>\$15.0</b> | <b>\$20.0</b> | <b>\$30.0</b> | <b>\$25.0</b> | <b>-</b> | <b>-</b> | <b>\$90.0</b> |

*\$ in millions*

According to OHCD, Rhode Island faces a shortage of affordable housing, with nearly 35.0 percent of all households paying over 30.0 percent of their income on housing costs (A household that pays more than 30.0 percent is defined as being housing-cost burdened). The causes of the shortage are complex and include labor shortages, local zoning and development barriers, and developer capacity. More significant are the extraordinary regional costs that disincentivize development and the historically low-levels of state investment in affordable housing.

### ▪ Existing State-level Affordable Housing Development Programming

Rhode Island currently supports the development of affordable housing through several initiatives.

- **Low Income Housing Tax Credit (LIHTC)** – The federal LIHTC subsidizes the acquisition, construction, and rehabilitation of affordable rental housing. The US Housing and Urban Development Agency (HUD) issues tax credits to RIHousing who then awards them to affordable housing developers through a competitive process.
- **Building Homes RI** - Over the past 15 years Rhode Island has authorized bonds to support affordable housing production. Voters approved \$50.0 million in 2006, \$25.0 million in 2012, and \$40.0 million in 2016. This funding, administered by the OHCD and RIHousing, is used to provide gap-financing to developers seeking to build affordable housing. The funds are awarded through a competitive process Building Homes RI has supported 215 projects and the production of approximately 3,000 homes.

Since then the General Assembly has authorized and funded several key affordable housing initiatives:

- **Housing Bond 2021:** In December 2020, the General Assembly authorized a \$65.0 million bond referenda to support affordable housing development. The voters approved the bond in March 2021. An initial solicitation of applications for up to \$50.0 million of these funds was subsequently made, with \$54.0 million in total requests submitted.
- **Housing Production Fund Capitalization:** The FY2022 Budget as Enacted established a new restricted receipt account dedicated to the production of affordable housing. The General Assembly also appropriated \$25.0 million in general revenue to capitalize the fund.
- **Dedicated Funding for Housing Development:** The General Assembly established a dedicated funding stream for affordable housing by increasing the real estate conveyance tax on the portion of real estate value over \$800,000, with the marginal new revenue to be deposited into the Housing Production Fund. This change is estimated to generate \$1.9 million in FY2022 and \$3.8 million in FY2023.

- **Housing Incentives for Municipalities (HIM):** The General Assembly also sought to mitigate some of the barriers to affordable housing at the local level by creating a new incentive for municipalities to support and develop housing by making school impact offset payments through RIHousing.
- **State Fiscal Relief Fund Proposal**

The Governor proposes to use \$15.0 million in FY2022, \$20.0 million in FY2023, and \$90.0 million in total through FY2027 to fund a new gap-financing program for developing affordable housing. Eligible projects would receive the amount of a demonstrated financing gap, and projects would require a federal match to qualify for these funds. The EOC would administer these funds in coordination with RIHousing, OHCD, and/or other agency partners. Applicants would seek funding in conjunction with the Building Homes RI program and Low-Income Housing Tax Credit application process to minimize ensure efficiencies and alignment of resources. Awards are planned to be made across three allocation cycles during FY2022. Approved projects are expected to have obligated funds in FY2022 and to expend funds according to construction schedules through approximately FY2025. Projects are anticipated to begin within 6 months of program start, with new additional affordable housing units becoming available within 12-36 months.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “According to the National Low Income Housing Coalition, Black, Native American, and Hispanic households are more likely than white households to be extremely low-income renters ([link](#)). In Rhode Island, a majority of affordable rental units are occupied by households of color. For example, across the 2,651 RIHousing administered HOME units for which race and ethnicity information was available, 83.4% of occupants identified as racial or ethnic minorities, with 46.2% of occupants identifying as Hispanic. Similarly, 94.1% of the 7,001 households residing in LIHTC-financed developments for which demographic data was available identified as racial or ethnic minorities and 36.8% identified as Hispanic. More than half of all households residing in LIHTC-financed housing units were Black, or African American (54.7%). By increasing Rhode Island’s affordable housing, this proposal would help those low-income renters from historically underserved and marginalized communities to access housing.”
  - **Awareness:** “RIHousing has a long history of financing development activity in communities that have been hardest hit by the pandemic. RIHousing also has the municipal partnerships and relationships with the development community to bring everyone to the table in service of good projects, and a long history of closing real estate and community development transactions throughout the state.”
  - **Access and Distribution:** “RI Housing will work with developers and property managers to ensure that minority populations and other members of protected classes are made aware of and have access to the affordable housing created as a result of this program.”
  - **Outcomes:** “By supporting the development of affordable and supportive housing options, these programs will address existing inequities and close gaps for communities that are disproportionately affected by homelessness and housing stability, including low-income Rhode Islanders and households of color.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“Based on our experience with the BHRI program, we anticipate that \$90 million will support the development or preservation of approximately 600 affordable units. The actual number of units created and preserved will vary based on the proposals that are submitted. Success would be measured in several ways.”

- “affordable housing units built or preserved”
- “private investment leveraged”
- “jobs created”



## DOWN PAYMENT ASSISTANCE IN HARD HIT NEIGHBORHOODS

The Governor recommends \$15.0 million of federal State Fiscal Recovery Funds in FY2023, and \$50.0 million in total through 2027, to provide down payment assistance qualifying homebuyers, through RIHousing.

| Down Payment Assistance in Hard Hit Neighborhoods |              |               |               |               |          |          |               |
|---|--------------|---------------|---------------|---------------|----------|----------|---------------|
| Source  | FY2022       | FY2023        | FY2024        | FY2025        | FY2026   | FY2027   | Total         |
| ARPA SFRF   | -            | \$15.0        | 20.0          | 15.0          | -        | -        | \$50.0        |
| <b>Total</b>                                      | <b>\$0.0</b> | <b>\$15.0</b> | <b>\$20.0</b> | <b>\$15.0</b> | <b>-</b> | <b>-</b> | <b>\$50.0</b> |

*\$ in millions*

According to RIHousing the down payment represents one of the greatest barriers to homeownership, particularly for first time homeowners. Rhode Island has a 60.8 percent homeownership, below the national rate of 64.0 percent.

RIHousing currently administers several homeownership assistance programs. The Agency's First Generation Down-Payment Assistance Program provides up to \$25,000 in the form of a forgivable loan to a "first generation" homebuyer. The homebuyer must currently live in a qualified community and fall within income and credit guidelines. The 10k DPA and Spring 7500 Programs similarly provide \$10,000 and \$7,500 loan, respectively, that are geared towards first time homebuyers. Eligibility for these programs are subject to income limits and credit scores of at least 660.

### ▪ **State Fiscal Relief Fund Proposal**

The Governor proposes to invest \$50.0 million in SFRF funds through FY2025 to expand RIHousing's down payment and closing cost assistance programs. The structure and rules of the program would align with existing programming; however, the cap on individual down payment awards is \$17,500. At that amount, the program is estimated to serve 2,500 households.

RIHousing indicates that 10.0 percent, \$5.0 million, will be retained for administration of the program. Eligibility requires the applicant to be a first-time homebuyer who:

- Is purchasing a 1-4 family home or condominium in Rhode Island
- Has a minimum credit score of 620
- Completes a homebuyer education course (available in-person or online through RIHousing)
- Obtains a RIHousing-funded first mortgage through a Participating Lender or the RIHousing Loan Center
- Occupies the home as primary residence
- Buys a home for no more than \$492,201 for a one- to four-family home or eligible condominium
- Meets Mortgage Revenue Bond income limits (currently \$99,730 for a 1-2 person household or \$114,689 for a 3 or more person household)

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Revenue replacement.
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** "This program will serve households that have not owned a home in at least 3 years and meet Mortgage Revenue Bond income limits (currently \$99,730 for a 1-2 person household or \$114,689 for a 3+ person household)."

- **Awareness:** “RI Housing will work with our participating lenders and community-based organizations to raise awareness about this program. We will also promote the program through a variety of forms of paid and earned media in English and Spanish.”
- **Access and Distribution:** “Every effort will be made to ensure equitable access to this program. RIHousing staff in our loan center can assist borrowers who need extra help applying for down payment assistance and securing a mortgage. Program participants must also take a homebuyer training class (available in-person or online through RIHousing in English and Spanish)”
- **Outcomes:** “As mentioned previously, down payment assistance programs work to close the racial wealth gap and open the opportunity for homeownership by helping low- and moderate income borrowers with down payment costs. By breaking down these barriers, this program would help to make homeownership a more universally achievable goal.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“RI Housing will track the income and demographics of all borrowers participating in the program. RIHousing anticipates being able to provide \$17,500 down payment and closing cost assistance to 2,500 first-time homebuyers.”

## HOME REPAIR AND COMMUNITY REVITALIZATION

The Governor recommends \$15.0 million of federal State Fiscal Recovery Funds in FY2023, and \$25.0 million in total through FY2027, to provide additional resources to remediate blighted real estate and make needed repairs to homes.

| Source       | Community Revitalization |               |               |              |          |          | Total         |
|--------------|--------------------------|---------------|---------------|--------------|----------|----------|---------------|
|              | FY2022                   | FY2023        | FY2024        | FY2025       | FY2026   | FY2027   |               |
|              | -                        | \$15.0        | 10.0          | -            | -        | -        | \$25.0        |
| <b>Total</b> | <b>\$0.0</b>             | <b>\$15.0</b> | <b>\$10.0</b> | <b>\$0.0</b> | <b>-</b> | <b>-</b> | <b>\$25.0</b> |

*\$ in millions*

According to RIHousing blight refers to abandoned buildings, vacant lots, and houses derelict condition. It includes property damaged or neglected to a point that it is incapable of being beneficial to a community without outside intervention

In 2016 Rhode Island voters approved \$50.0 million in general obligation bonds to fund affordable housing initiatives, including \$10.0 million for urban revitalization and blight remediation. These latter funds were programmed and administered by RIHousing, through its Acquisition and Revitalization program (ARP). According to RIHousing the \$10.0 million investment has created 152 units of affordable housing, built seven community facilities, and developed 15 commercial spaces while removing blighted and hard-to-develop properties. The program targeted development in low- to moderate-income census tracts. Of the original amount of bond financing, \$400,000 remains.

### ■ State Fiscal Relief Fund Proposal

The Governor proposes to provide the existing Acquisition and Revitalization Program with an infusion of \$25.0 million in federal SFRF funds over the next two fiscal years (through FY2024). RIHousing will administer the program which will be distributed through an RFP open to for profit and non-profit organizations, municipalities and public housing authorities. Eligible uses of the funds would align with the existing program and include:

- Acquisition and redevelopment of existing residential or commercial property
- Demolition of existing blighted properties
- New construction/redevelopment of residential, commercial or community uses on vacant/abandoned/blighted lots
- Residential development will serve households earning no more than 80% area median income
- Commercial and community spaces must serve or meet the needs of residents of a particular area, where at least 51 percent of the residents are low- and moderate-income persons

RIHousing estimates that the investment will support the redevelopment of 380 residential units and 55 community or commercial spaces. Funds are anticipated to be obligated in FY2023 and FY2024, with expenditure of funds by December 31, 2026.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impacts
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “This program will be targeted for the creation of housing affordable to households earning no more than 80% AMI and to commercial and community spaces benefitting all residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons. By targeting these populations and areas, we hope to create economic

opportunity and develop commercial possibilities which will bring community investment and employment.”

- **Awareness:** “RIHousing has a long history of financing development activity in communities that have been hardest hit by the pandemic. RIHousing also has the municipal partnerships and relationships with the development community to bring everyone to the table in service of good projects, and a long history of closing real estate and community development transactions throughout the state.”
- **Access and Distribution:** “Equity and access will be a factor in determining how to allocate funding within this proposal. All necessary measures will be taken during the application and approval process to ensure that disparities in ability to complete applications and meet eligibility criteria are eliminated.”
- **Outcomes:** “By investing in infrastructure in areas that have historically been left behind, this proposal will close gaps and make Rhode Island a more equitable place to live and work.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“Based on RIHousing’s experience implementing the housing bond funded ARP program, we would anticipate financing the redevelopment of over 380 residential units and 55 community or commercial spaces with \$20 million in financing. Success would be measured in several ways: affordable housing units built or preserved; community facilities developed; commercial opportunities developed; private investment leveraged”

## HOMELESSNESS INFRASTRUCTURE

The Governor recommends \$5.0 million of federal State Fiscal Recovery Funds in FY2023 to provide additional, flexible capacity to respond to changing homelessness needs, particularly during the winter.

| Homelessness Infrastructure |        |              |        |        |        |        | Total        |
|-----------------------------|--------|--------------|--------|--------|--------|--------|--------------|
| Source                      | FY2022 | FY2023       | FY2024 | FY2025 | FY2026 | FY2027 |              |
| ARPA SFRF                   | -      | \$5.0        | -      | -      | -      | -      | \$5.0        |
| <b>Total</b>                | -      | <b>\$5.0</b> | -      | -      | -      | -      | <b>\$5.0</b> |

*\$ in millions*

According to the OHCD, the State's homelessness infrastructure struggled to meet the needs of unhoused Rhode Islanders during the winter of 2021-2022. Through February 2022 there were 1,114 people waiting for a place in a shelter. The system had 1,128 shelter beds with a 91.0 percent utilization. Every 14 days there are at least 327 Rhode Islanders without shelter. OHCD also notes that there less than 2.0 percent vacancy rate for rental property and little affordable housing statewide. The pandemic put even more strain on this system.

### ▪ State Fiscal Relief Fund Proposal

The Governor proposes to use \$5.0 million of SFRF funds “to support a program to respond to pandemic-related homelessness, including but not limited to, acquisition or construction of temporary or permanent shelter-based and/or housing-based solutions, wrap-around services and administrative costs of implementation”

The proposal explicitly identifies shelter, housing acquisition, and wraparound services as eligible program expenditures and it indicates that it the program would be administered by the OHCD. Funds may be used for temporary or permanent housing or shelters, acquisition and construction of shelter facilities, provision of wraparound services, and administration of programming. It is silent on other eligible uses, who may receive awards, and the form and terms of assistance.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “The U.S. Department of Housing and Urban Development’s 2020 Annual Homeless Assessment Report (AHAR) (available here) to Congress found that people identifying as Black or African American comprise 12% of the total U.S. population but account for 39% of all people experiencing homelessness. As a result, The U.S. Department of Housing and Urban Development’s 2020 Annual Homeless Assessment Report (AHAR) (available here) to Congress found that people identifying as Black or African American comprise 12% of the total U.S. population but account for 39% of all people experiencing homelessness. As a result, programs preventing homelessness and housing instability would disproportionately benefit Rhode Islanders of color.”
  - **Awareness:** “In order to ensure that targeted groups are aware of the services provided by these programs, OHCD and the COC will partner with intermediaries that have extensive outreach experience with these communities.”
  - **Access and Distribution:** “In order to enhance access to benefits and services across targeted groups as well as ensure distribution to as many individuals as possible, OHCD and the COC will partner with intermediaries and other technical assistance partners that have professional experience in working with these communities.”

- **Outcomes:** “By more proactively strategizing seasonal shelter expansion/reduction with the aim of preventing homelessness and providing housing navigation/stabilization, these programs will address existing inequities and close gaps for communities that are disproportionately affected by homelessness and housing instability, including low-income Rhode Islanders and Rhode Islanders of color. Rather than focusing on expanding shelter as need increases, focusing on preventing homelessness and transition to permanent housing, we hope to better serve our constituents. OHCD and the COC will work to collect data on outcomes to measure impact across communities for additional input in future programing.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.
  - “- # of individuals/households sheltered
  - [reduction in] # of individuals who are unsheltered/living in a place unfit for human habitation
  - # of individuals/households placed in housing
  - # of temporary shelter beds created

## HOUSING STABILITY

The Governor recommends \$7.0 million of federal State Fiscal Recovery Funds in FY2023, and \$21.5 million in total through FY2027, to provide expanded housing navigation, stabilization, and mental health services to families and individuals experiencing homelessness.

| Housing Stability |              |              |              |              |          |          |               |
|-------------------|--------------|--------------|--------------|--------------|----------|----------|---------------|
| Source            | FY2022       | FY2023       | FY2024       | FY2025       | FY2026   | FY2027   | Total         |
| ARPA SFRF         | 1.5          | \$7.0        | 7.0          | 6.0          | -        | -        | \$21.5        |
| <b>Total</b>      | <b>\$1.5</b> | <b>\$7.0</b> | <b>\$7.0</b> | <b>\$6.0</b> | <b>-</b> | <b>-</b> | <b>\$21.5</b> |

*\$ in millions*

Rhode Island addresses homelessness through a multi-prong approach that emphasizes getting families and individuals into housing first, and then surrounding them with supportive services intended to provide stability and prevent a return to homelessness. The services include mental health, substance abuse, and housing navigation. The latter is a best practice that involves helping a household that is homeless develop a housing plan, address the barriers identified during the plan, and acquire documentation and complete forms required for housing.

- **Continuum of Care:** The State coordinates around homelessness through a formal continuum of care (COC) model. The COC is administered by RIHousing and consists of homelessness stakeholders including the RI Coalition to End Homelessness and other homelessness assistance providers, schools, public housing authorities, faith-based organizations, victim services, mental health and social services, and public/private partnerships. The COC promotes planning and ensures alignment and maximum use of resources to address homelessness.
- **Office of Homelessness and Consolidated Homeless Fund:** The Housing Resources Commission (HRC) is the State's primary housing and homelessness policy making body and is staffed by the EOC's Office of Housing and Community Development. A division within the HRC/OHCD is the Office of Homelessness Services and Emergency Assistance. This office is responsible for administration of the State's Consolidated Homeless Fund (CHF) as well as planning related to the crisis of homelessness. The CHF brings together various federal resources available to support homelessness programs into a single, coordinated effort. The CHF provides grant funds to local government and non-profit organizations that provide services to the homeless. Eligible activities include essential services support to those in an emergency shelter, renovation costs to build or convert property into a shelter, shelter operation costs, rapid rehousing and state rental assistance, and lead mitigation expenditures.
- **State Fiscal Relief Fund Proposal**

According to the EOC, the current homelessness provider network is strained and expansion of services is needed. The Governor proposes to use \$21.5 million in SFRF funds to expand housing navigation, stabilization, and mental health services to families and individuals and to improve homelessness coordination systems. The Governor's housing stability SFRF proposal includes the following initiatives:

- **Operating Support:** The proposal includes \$5.0 million in federal SFRF operating costs associated with sheltering and permanently housing the homeless. This subsidy is estimated to be \$10,000 per year, per unit and will cover persons with little to no income, including households who were formerly homeless.
- **Service Support:** The proposal includes \$7.0 million to cover service costs associated with permanent housing units occupied by populations with special needs, particularly persons formally experiencing homelessness. OHCD plans to work with a variety of providers including Public Housing Authorities and Community Development Corporations. The subsidy is estimated to be \$8,000 per year, per person.

- **Homeless System Investments:** The proposal includes \$3.0 million to improve homelessness information technology and data systems. According to OHCD, these investments will improve referrals systems and assure the availability of more accurate and timely information. The targeted platforms include the Homeless Management Information System (HMIS) and the Coordinated Entry System (CES). It is proposed that the funds be used for software improvements, data analysis and related staffing costs.
- **Step-Up Program:** The proposal also includes \$5.0 million in SFRF to expand transitional housing opportunities and provide temporary housing options “until such time as permanent housing opportunities can be identified and secured”. Under this new “Step-Up” program it is planned that funds will cover costs related to operating housing facilities and providing wrap-around services. According to OHCD, individuals leaving institutional settings or those with serious health concerns will be the primary focus of the program. The funding is estimated to support 100 beds/persons per \$50,000.
- **Housing Stability Services:** According to the OHCD, the current homelessness provider network is strained and expansion of services is needed. The General Assembly appropriated \$1.5 million of SFRF funds in FY2022 to expand housing navigation, stabilization, and mental health services to families and individuals. The proposal anticipates that funding would be appropriated within OHCD, which would administer sub-awards to selected service providers. OHCD would partner with RI Housing to administer this initiative. The proposal assumes a 1:15 case manager to client ratio and a roughly six month implementation period through the end of FY2022. OHCD and RI Housing anticipate being able to assist approximately 500 additional people each month. The Continuum of Care would assist in developing standards to be used in selecting service providers through this program. The funding would provide services for homeless persons that do not have rental obligations and are ineligible for Emergency Rental Assistance resources.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “Programs to prevent homelessness and provide housing navigation, stabilization, and mental health services provide an immediate benefit to low-income Rhode Islanders as well as Rhode Islanders of color. The U.S. Department of Housing and Urban Development’s 2020 Annual Homeless Assessment Report (AHAR) to Congress found that people identifying as Black or African American comprise 12% of the total U.S. population but account for 39% of all people experiencing homelessness. As a result, programs preventing homelessness and housing instability would disproportionately benefit Rhode Islanders of color.”
  - **Awareness:** “In order to ensure that targeted groups are aware of the services provided by these programs, the team will partner with intermediaries that have extensive outreach experience with these communities. Commerce will also offer translation services.”
  - **Access and Distribution:** “In order to enhance access to benefits and services across targeted groups as well as ensure distribution to as many individuals as possible, the team will partner with intermediaries and other technical assistance partners that have professional experience in working with these communities.”
  - **Outcomes:** “By preventing homelessness and providing housing navigation, stabilization, and mental service services, these programs will address existing inequities and close gaps for communities that are disproportionately affected by homelessness and housing instability, including low-income Rhode Islanders and Rhode Islanders of color. The team will work to



collect data on outcomes to measure impact across communities for additional input in future programing.”

- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“Transitional/Step-Up: Number of persons served. Cost savings to other systems (healthcare/etc.) may also be tracked. Infrastructure: Number of persons served, particularly those living in places not meant for human habitation. Operating-Rental-Service Subsidy: Number of people served, placed in permanent housing opportunities. System Investments: Efficient referral and data collection (timing of referrals/placements)”

**OHCD PREDEVELOPMENT AND CAPACITY BUILDING**

The Governor recommends a total of \$1.5 million through FY2024 to improve capacity within the Office of Housing and Community Development (OHCD).

| Predevelopment and Capacity Building |              |              |              |        |        |        |              |
|--------------------------------------|--------------|--------------|--------------|--------|--------|--------|--------------|
| Source                               | FY2022       | FY2023       | FY2024       | FY2025 | FY2026 | FY2027 | Total        |
| ARPA SFRF                            | 0.5          | \$0.5        | 0.5          | -      | -      | -      | \$1.5        |
| <b>Total</b>                         | <b>\$0.5</b> | <b>\$0.5</b> | <b>\$0.5</b> | -      | -      | -      | <b>\$1.5</b> |

*\$ in millions*

The OHCD currently is staffed by 12.0 FTE positions and historically has had an all funds budget of between \$20.0 million and \$25.0 million. The increasing scarcity of affordable housing in Rhode Island has made it a priority among policymakers, and according to the EOC, the current capacity of the OHCD is insufficient to meet the new demands that are being asked of the agency. The OHCD is also being asked to oversee increasing resources and more complex programming. The FY2022 Budget as Enacted doubled the typical budget to \$50.0 million and the Governor's FY2022 and FY2023 increase the amount above \$100.0 million. The Governor's SFRF proposal through FY2026 plans for a total of \$250.0 million for housing initiatives.

In FY2022 the General Assembly approved a Deputy Secretary of Commerce for Housing to oversee affordable housing policy and the Governor's FY2023 Budget proposal includes an additional \$586,350 in general revenue personnel expenditures (\$624,472 all funds) within OHCD related to a proposed addition of 5.0 new FTE positions. The Governor recommends adding 2.0 Chief Program Specialist FTE positions (dedicated to community and homelessness support), a 1.0 Data Analyst FTE position to data and research analysis, a 1.0 Principal Planner (to serve as a project manager), and a 1.0 Information and Public Relations Specialist FTE position to coordinate communication and stakeholder engagement. According to the Executive Office of Commerce these positions are needed to build up the capacity of the OHCD's staff, which currently consists of 12.0 FTE positions. It is argued that the buildup is necessary to effectively administer the major increase in programming, changes in policy, and significant investment of public funds that has been earmarked for affordable housing and housing insecurity over the next several years.

▪ **State Fiscal Relief Fund Proposal**

The Governor recommends \$500,000 in federal SFRF in FY2022 to initially fund three to five full-time positions for an estimated six to ten month period focusing on "operations to ensure timing of contracting, federal compliance, and programmatic evaluation; research and data; communications and stakeholder engagement; strategic repositioning of homelessness systems and programs."

The Governor further recommends using the funds to pay for consultant services related to housing development in order to evaluate incoming affordable housing proposals under the several new ARPA housing initiatives and ensure alignment.

According to the EOC, "this work will transition to 5 new designated FTEs, contingent on General Assembly approval. Such FTEs are not expected to be contracted until Q2-3 of FY23 as the hiring process and onboarding will take 2-6 months depending on the job market and the specialization of each position".

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** "N/A"
  - **Awareness:** "N/A"

- **Access and Distribution:** “N/A”
- **Outcomes:** “N/A”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects
  - “The metrics for this initiative are directly tied to the success of the other SFRF programs. There is no baseline as the programs proposed under SFRF have not been implemented. “

## SITE ACQUISITION

The Governor recommends \$3.0 million of federal State Fiscal Recovery Funds in FY2023, and \$25.0 million in total through FY2027, for the purpose funding a new real estate acquisition grant program that would identify and procure sites for the development of affordable, supportive, and emergency shelter housing to provide additional resources to acquire property for development or remediation into affordable housing. The General Assembly also appropriated \$12.0 million in FY2022 for this purpose.

| Source       | Site Acquisition |              |              |              |          |          | Total         |
|--------------|------------------|--------------|--------------|--------------|----------|----------|---------------|
|              | FY2022           | FY2023       | FY2024       | FY2025       | FY2026   | FY2027   |               |
| ARPA SFRF    | \$12.0           | \$3.0        | \$5.0        | \$5.0        | -        | -        | \$25.0        |
| <b>Total</b> | <b>\$12.0</b>    | <b>\$3.0</b> | <b>\$5.0</b> | <b>\$5.0</b> | <b>-</b> | <b>-</b> | <b>\$25.0</b> |

*\$ in millions*

According to the EOC, there are many barriers to development of affordable and supportive housing. Included among these is the prohibitive and inflationary real estate prices that contribute to the high costs of development and exacerbate the gap between those costs and the ability for the project to be viable for the developer. Subsidizing the costs of site acquisition is a tool that Rhode Island uses to mitigate this barrier. Existing programs that have a site acquisition component include:

- **Building Homes RI (BHRI):** BHRI is the State's primary affordable housing development program. Administered by the EOC's Office of Housing and Community Development, it provides gap-financing to developers based upon a competitive process and available funding. The program is capitalized by proceeds from general obligation bonds. The most recent bond authorization was approved by voters in 2021 for \$65.0 million. Tier I funding priorities for the program include acquisition property and/or substantial construction and/or rehabilitation to provide new rental units for households earning up to 80.0 percent of area median income.
- **Low Income Housing Tax Credit (LIHTC):** The federal LIHTC program subsidizes the acquisition, construction, and rehabilitation of affordable rental housing. The U.S. Housing and Urban Development Agency (HUD) issues tax credits to RIHousing who then awards them to affordable housing developers through a competitive process.
- **COVID Acquisition Program (CARP):** The pandemic created a need to de-densify the homeless shelter system in order to prevent vulnerable Rhode Islanders from living in a situation where the likelihood of transmission of COVID-19 was high. Federal Coronavirus Relief Funds (CRF) were used by RIHousing, in partnership with the state, to create an emergency housing acquisition program to purchase real estate that could quickly be converted to housing of shelter-dependent homeless individuals. The property purchased is in the process of being redeveloped into permanent supportive housing for homeless individuals, closing a service gap.

### ▪ **State Fiscal Relief Fund Proposal**

The Governor recommends using \$3.0 million in SFRF funds to support the acquisition of real estate for the development of affordable housing and \$25.0 million in total from FY2022 through FY2027. Funds are to be appropriated to the EOC and administered in partnership with RIHousing. According to EOC, these funds will be targeted for sites to be used for developing housing for people currently experiencing homelessness. EOC plans to build on the CARP program to purchase properties for redevelopment as permanent supportive housing. Because the availability of property is often limited at any given time, EOC plans to design the program that enables multiple rounds of award decisions. Nonetheless, the EOC estimates that new acquisitions will begin six months after funds are available and that all funds will to be obligated and spent prior to FY2026.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impact

- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “This program will provide targeted assistance to low-income households and those experiencing homelessness. In Rhode Island racial and ethnic minorities represent 22% of the overall population, but 30% of households earning less than 80%AMI. The U.S. Department of Housing and Urban Development’s 2020 Annual Homeless Assessment Report (AHAR) to Congress found that people identifying as Black or African American comprise twelve percent of the total U.S. population but account for thirty nine percent of all people experiencing homelessness. As a result, programs expanding affordable and supportive housing would disproportionately benefit Rhode Islanders of color.”
  - **Awareness:** “RIHousing has the municipal partnerships and relationships with the development community to bring everyone to the table in service of good projects, and a long history of closing real estate and community development transactions throughout the state.”
  - **Access and Distribution:** “RI Housing will work with developers and property managers to ensure that minority populations and other members of protected classes are made aware of and have access to the affordable housing created as a result of this program.”
  - **Outcomes:** “By supporting the development of affordable and supportive housing options, these programs will address existing inequities and close gaps for communities that are disproportionately affected by homelessness and housing instability, including low-income Rhode Islanders and Rhode Islanders of color.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“Key success metrics for this initiative includes the number of properties acquired, the number of affordable homes created and the number of units of permanent supportive housing created.”

## STATEWIDE HOUSING PLAN

The Governor recommends \$2.0 million of federal State Fiscal Recovery Funds in FY2023 to fund the development of statewide housing plan.

| Sttatewide Housing Plan |        |              |        |        |        |        |              |
|-------------------------|--------|--------------|--------|--------|--------|--------|--------------|
| Source                  | FY2022 | FY2023       | FY2024 | FY2025 | FY2026 | FY2027 | Total        |
| ARPA SFRF               | -      | \$2.0        | -      | -      | -      | -      | \$2.0        |
| <b>Total</b>            | -      | <b>\$2.0</b> | -      | -      | -      | -      | <b>\$2.0</b> |

*\$ in millions*

Under current law, the Housing Resources Commission, in conjunction with the State Planning Council, is required to develop a five-year strategic plan for housing. The plan includes quantified goals, measurable intermediate steps towards accomplishing those goals, implementation activities, and standards for the production and/or rehabilitation of year-round housing to meet the housing needs of the State. The plan addresses the need for workforce housing as well as housing for seniors, students, low-income individuals, individuals with disabilities, and other vulnerable populations. The plan currently on file with the State Planning Council is outdated, having expired in 2010. According to RIHousing staff, the development of a new plan stalled in prior to the pandemic. According to the EOC, this is related to a lack of capacity within the OHCD.

According to the EOC, planning capacity is also limited at the municipality level and restricts the ability of the state to effectively coordinate a statewide planning effort.

### ▪ State Fiscal Relief Fund Proposal

The Governor recommends that \$2.0 million be used to support affordable housing planning efforts at the state and local level. Specifically the money would fund the statewide planning efforts including stakeholder outreach, communications efforts, and data research and analysis. The OHCD would provide grants and technical assistance to the cities and towns to assist in housing plan development, code improvements that facilitate development, and coordination of comprehensive plan changes.

These funds would be used for: (1) the creation of an initial housing plan for the State that will guide investments and strategies for pursuing both near-term and long-term opportunities, and (2) assisting municipalities undertake housing plans and/or code development that will result in increasing housing availability and affordability, either as part of their comprehensive planning process or to supplement their comprehensive plans. According to OHCD, \$1.0 million will go towards the state-level activities and \$1.0 million will be available for local-level planning.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “N/A”
  - **Awareness:** “N/A”
  - **Access and Distribution:** “N/A”
  - **Outcomes:** “N/A”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.
 

“Metrics include how many municipalities make changes to their codes or plans as a result of the municipal assistance.”

## WORKFORCE HOUSING

The Governor recommends \$12.0 million of federal State Fiscal Recovery Funds in FY2023, and \$20.0 million in total through FY2027, to support the development of workforce housing in the state.

| Workforce Housing |              |               |              |              |          |               |
|-------------------|--------------|---------------|--------------|--------------|----------|---------------|
| Source            | FY2022       | FY2023        | FY2024       | FY2025       | FY2026   | FY2027        |
| ARPA SFRF         | -            | \$12.0        | 8.0          | -            | -        | -             |
| <b>Total</b>      | <b>\$0.0</b> | <b>\$12.0</b> | <b>\$8.0</b> | <b>\$0.0</b> | <b>-</b> | <b>\$20.0</b> |

*\$ in millions*

Workforce housing is housing that is affordable to workers and is close to their jobs. It consists of both rental housing and home ownership that is affordable for those earning moderate to middle incomes and is reasonably close to workforce centers. Additionally, it is generally understood to be affordable to households making up to 100.0 percent of area medium income (AMI). Housing is understood to be affordable when no more than 30.0 percent of a household's income goes towards the monthly housing cost.

| Rhode Island - Area Median Income and Affordable Housing |          |                        |          |                       |
|--|----------|------------------------|----------|-----------------------|
| Percentage of AMI  | 1 Person | Mortgage/Rent Mo. Pmt. | 4 Person | Mortgage/Rent Mo. PMT |
| 80.0%  | \$49,300 | \$1,233                | \$70,400 | \$1,760               |
| 100.0%   | 61,600   | 1,540                  | 88,000   | 2,200                 |

*Source: RI Housing -FY2021 RI Statewide Income Limits for Low-and Moderate Income Households, US HUD*

According to RIHousing workforce housing has become scarce in Rhode Island due an influx of out-of-state buyers and years of under-production. Rent for a market-rate two-bedroom apartment is currently about \$1,700, up about 8.5 percent from 2019. Current rental vacancy is 2.8 percent down from 6.2 percent in 2019 (a healthy vacancy rate where you would not expect upward or downward pressure on prices is 6.0 to 7.0 percent). According to RIHousing there are over 22,000 renters in the state earning between 80.0 and 100.0 percent of AMI.

According to RIHousing, the market is producing housing for earners making 100.0 to 120.0 percent of AMI and that low-income development affordable to earners below 80.0 percent AMI is actively supported through federal and state programs. To address the gap, RIHousing established a pilot program in 2020 called the Workforce Housing Innovation Challenge Loan Program in 2020. The pilot consists of a \$9.0 million loan program funded through RIHousing corporate earnings loans secured by a mortgage and regulatory agreements. RIHousing oversees the request for proposals, applications, awards, and audits. In the first two rounds, up to \$80,000 per workforce housing unit with a maximum of \$2.5 million per project was available at 0.0 percent interest and deferred for 30 years. Through January 2022, 38 workforce units have been contracted to be produced under the pilot.

### ▪ State Fiscal Relief Fund Proposal

The Governor proposes to invest \$20.0 million in SFRF funds through FY2024 to augment the Workforce Housing Innovation Challenge Loan Program. The structure and rules of the program would remain the same. According to RIHousing, the new funding is expected to support the development of 250 new workforce housing units and that the funds would be obligated over the next two fiscal years and expended through 2026.

Key components of the proposal include (quoted directly from budget documents).

- **U.S. Treasury Eligibility Category:** Revenue replacement.
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** “This program will benefit both the middle income households income qualified to live in workforce housing units, and lower income tenants who can move into the more affordable units vacated by those households. Renters earning less than 100% AMI are more racially and ethnically diverse than the population as a whole. The renters earning less than

80% AMI who could benefit from the units vacated by middle income renters are even more diverse.”

- **Awareness:** “RIHousing has the municipal partnerships and relationships with the development community to bring everyone to the table in service of good projects, and a long history of closing real estate and community development transactions throughout the state.”
- **Access and Distribution:** “RI Housing will work with developers and property managers to ensure that minority populations and other members of protected classes are made aware of and have access to the workforce housing created as a result of this program.”
- **Outcomes:** “There is an inadequate supply of housing across the income spectrum in Rhode Island. This program will address another segment of that market, increasing the supply of housing for tenants earning up to 100% AMI but also freeing up more affordable housing opportunities for lower-income tenants to occupy.”
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects.

“A \$20 million program could be expected to produce approximately 250 units of workforce housing. Success would be measured in several ways”

- “Workforce housing units built”
- “private investment leveraged”
- “jobs supported”



## Public Health

The Governor proposes \$152.3 million in SFRF in the form of six public health projects. According to the Budget Office:

“The State continues to employ an aggressive response to the pandemic amid the emergence of new variants. A high vaccination rate, vaccine boosters, widespread testing, and targeted health measures have helped mitigate the impact and spread of COVID-19. While the State must remain vigilant to keep Rhode Islanders healthy and safe, these efforts have allowed us to resume many daily activities and are key to Rhode Island’s recovery. The Governor’s Administration remains committed to investing in the public health care system and efforts to mitigate the effects of the pandemic.

A recommended allocation of \$150.0 million will continue the public health response, supporting ongoing mitigation activities. By leveraging mechanisms and processes developed throughout the pandemic, this investment will allow the State to respond to the evolving nature of the pandemic with the appropriate level of support for vaccination efforts; testing; case investigation and contact tracing; efforts to control the spread in health care settings; protection of vulnerable or high-risk populations; and collaboration with the health care system to manage system capacity. Of that total, \$50.0 million is recommended to support health care facilities with the impacts of the pandemic on their operations, finances, and workforce.

Finally, the ongoing federal declaration of a Public Health Emergency has allowed Rhode Islanders to maintain enrollment in Medicaid. The Governor recommends allocating approximately \$1.7 million to maintain this enrollment until the emergency expires and then auto-enroll these individuals into a Qualified Health Plan through HealthSource RI if they do not have employer insurance. This initiative will ensure a smooth transition for individuals to maintain critical health coverage.”

| Public Health                            | FY2022              | FY2023              | FY2024              | FY2025     | FY2026     | FY2027     | Total                |
|--|---------------------|---------------------|---------------------|------------|------------|------------|----------------------|
| Auto-Enrollment Program HSRI             | \$502,526           | \$339,079           | \$0                 | \$0        | \$0        | \$0        | \$841,605            |
| COVID-19 Ongoing Response                | 50,000,000          | 75,000,000          | 25,052,439          | -          | -          | -          | 150,052,439          |
| Eligibility Extension Compliance (DHS)   | 527,915             | 36,182              | -                   | -          | -          | -          | 564,097              |
| Eligibility Extension Compliance (EOHHS) | 10,094              | 56,722              | -                   | -          | -          | -          | 66,816               |
| Eligibility Extension Compliance (HSRI)  | 92,176              | 125,618             | -                   | -          | -          | -          | 217,794              |
| Emergency Staffing ESH/RIVH              | -                   | 550,000             | -                   | -          | -          | -          | 550,000              |
| <b>Total</b>                             | <b>\$51,132,711</b> | <b>\$76,107,601</b> | <b>\$25,052,439</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> | <b>\$152,292,751</b> |

### AUTO-ENROLLMENT PROGRAM HSRI

The Budget allocates \$339,079 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for an Auto-Enrollment Program, intended to create a pathway for a large number of Rhode Island residents to remain covered by health insurance. A large number of people are anticipated to be terminated from Medicaid coverage throughout 2022 and 2023 due to income eligibility, once the Public Health Emergency (PHE) expires.

This is a temporary program to be operated by HSRI. It will leverage HSRI's existing eligibility, enrollment, and payment functions for individual and family health insurance coverage, including financial assistance. The total proposal cost is \$841,605 with \$502,526 for FY2022 and \$339,079 for FY2023. Part of the program expenses will cover costs from existing competitively procured vendors for administrative work required to create the program and part of the expenses will be a credit to enrollees' payment accounts paid on their behalf.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** According to the 2020 Rhode Island Health Insurance Survey, racial minorities throughout the state continue to be disproportionately uninsured. For instance, since 2018 (the last time the survey was conducted), there has been a 1 percentage point increase (1,038 individuals) in the uninsured rate among Black/African Americans and a 7-percentage point (2,189 individuals) increase in the uninsured rate among American Indian/Alaska Natives. Moreover, in 2020, the uninsured rate among Rhode Islanders who are foreign born was 12.7%, compared to only 2.6% uninsured among those born in the U.S. Finally, a significant portion of uninsured (16,268 or 38.5% uninsured) have incomes below 139% FPL. Similarly, 135,991 Medicaid recipients (54% of total Medicaid population) have incomes below 139% FPL.

Given these disparities both in race and income among the uninsured and Medicaid populations, coupled with the ability that ARPA gives us to offer vulnerable Rhode Islanders low-cost QHP coverage after the PHE, our state's goals of producing meaningful and equitable near-universal coverage are within reach. Through automatically enrolling the Medicaid churn population into coverage, the state can reduce healthcare disparities that are created by lack of access to critical mental and physical health services for maintaining one's wellbeing. Moreover, through paying for the first month of coverage as well as auto-enrolling into a low-cost silver plan, these vulnerable populations will be able to gain both financial stability as well as protection from medical bankruptcy. Finally, as our robust outreach efforts have connected many to coverage, HSRI has found difficulty targeting the uninsured. Automatically enrolling these Rhode Islanders in coverage is a way to avoid that problem by keeping them connected to coverage by default.

- **Awareness:** HealthSource RI will work in conjunction with EOHHS on educational messaging efforts related to Auto Enrollment. HealthSource RI will communicate in English and Spanish across a variety of channels, including text messaging and email, and will work with diverse community organizations (places of worship, non-profit organizations, municipal leaders, etc) to disseminate information.
- **Access and Distribution:** Auto Enrollment creates an opportunity for Rhode Islanders to remain covered when Medicaid benefits are terminated, without requiring additional steps or access to technology. There is not a difference in access, as all individuals determined to be eligible for QHP auto enrollment will be enrolled. There are no administrative requirements that result in disparities in ability to complete applications or meet eligibility criteria.

- **Outcomes:** As noted above, historically marginalized groups are those most likely to benefit from this program. Through automatically enrolling the Medicaid churn population into coverage, the state can reduce healthcare disparities that are created by lack of access to critical mental and physical health services for maintaining one's wellbeing.

Moreover, through paying for the first month of coverage as well as auto-enrolling into a low-cost silver plan, the most vulnerable low-income populations, which are disproportionately racial and ethnic minority groups, will be able to gain both financial stability as well as protection from medical bankruptcy. Finally, as our robust outreach efforts have connected many to coverage, HSRI has found difficulty targeting the uninsured. Automatically enrolling these Rhode Islanders in coverage is a way to avoid that problem by keeping them connected to coverage by default. This will bring the state closer to a universal level of service in terms of health insurance.

- **Performance Metrics:**

- Number of individuals auto-enrolled in QHP from Medicaid
- Number of individuals auto-enrolled in QHP that remain insured for all of 2022
- Uninsured rate in Rhode Island
  - The main outcome that HSRI will be tracking is how many of those who were auto-enrolled in coverage remained insured throughout 2022. The goals are to create a continuum of coverage for those leaving Medicaid and eligible for this program and to reduce administrative cost of churn, which ultimately reduces the rate of uninsured. HSRI will track data on individuals who transition from Medicaid to QHP, who remain on Medicaid, which QHP carrier/plan they enroll into, calls to the contact center related to this program, average premium cost for the enrollees and dollars expended towards paying first month of coverage for individuals enrolling in a QHP. Through our Net Enrollment Dashboard, HSRI will be able to track auto-enrollees on a monthly basis and will be able to measure how many individuals we're able to retain through our efforts versus those who fall out due to obtaining other minimum essential coverage or for other reasons. As we will have the contact information for those who leave HSRI and Medicaid, we can also do outreach to them to see what coverage they obtained, or what other reason caused them to end their coverage.

**COVID-19 ONGOING RESPONSE**

The Budget includes \$75.0 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to continue COVID-19 mitigation activities and to address public health impacts until all COVID-19 efforts become fully integrated into the Department of Health. The funds are categorized as miscellaneous expenditures and are not identified to a particular expense issue, but are designated for Covid-19 testing, vaccine campaign, case investigation, contact tracing efforts; and, for public health emergency response supports such as data and reporting; and communications. The funds will be administered by the Director of the Department in consultation with the Director of Health and the Secretary of Health and Human Services.

No ARPA Proposal Form was submitted for this project.

## ELIGIBILITY EXTENSION COMPLIANCE (DHS)

The Governor proposes to use \$564,097 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF), \$527,915 in FY2022 and \$36,182 in FY2023, to make system changes to reflect the latest federal guidance within RIBridges. Funding for this initiative is spread across the Department of Human Services, the Executive Office of Health and Human Services, and Healthsource RI. RIBridges is a partnership between HSRI, DHS and EOHHS providing an integrated eligibility system to streamline the application process for individuals applying for and maintaining public health benefits.

This initiative will make system changes to reflect the latest federal guidance, prevent federal fines, and prevent the disruption of benefits. System changes were implemented as a result of the COVID-19 pandemic. These changes were a combination of federal regulation and policy changes, as well as changes to the business model in order to provide benefits without requiring individuals to go to field offices.

As the COVID-19 pandemic ends, federal policy will have to adapt and changes will need to be made in the system to reflect the latest federal guidance. System changes are also required to support efficiencies in the updated business model for field offices.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** Individuals served through RIBridges who receive benefits are primarily low-income. However, the HSRI serves all qualified Rhode Islander's across the income spectrum.
  - **Awareness:** Individuals and providers will immediately become aware of a termination of benefits if the proposal is not funded.
  - **Access and Distribution:** Access to benefits through RIBridges is based on program specific rules defined and governed by both State and Federal policy. These policies remain focused on providing access to benefits for the most vulnerable and typically account for the various needs across different groups. The application process has been made as simple as possible, especially for programs such as SNAP which requires minimal information to submit a request for benefits. Temporary changes to some program policies were also made during the PHE to increase access to benefits.

In addition, clients have the ability to apply for program benefits through multiple channels including sending forms via the mail, applying over-the-phone through our call centers, submitting an application online through the customer portal or applying in person by visiting the HSRI contact center or a field office. Drop off locations were also provided when offices had to be closed to the public during the PHE. Our HealthyRhode mobile app can also be used to assist in the application process by allowing forms to be easily uploaded and the status of benefits to be confirmed. Clients can also check EBT balances including P-EBT and they can also make premium payments for health plans.
- **Outcomes:** The outcome of determining eligibility in a timely and accurate manner will benefit the individuals who are low-income and in need of these benefits. The timely and compliant unwinding of Medicaid is a critical component to ensuring appropriate access to health coverage, which is of particular importance to the state as we continue to navigate the pandemic and ensure access to health services.
- **Performance Metrics:** Specific business outcomes and corresponding success metrics have been defined for the Recovery effort as outlined in the table below. Dashboards are in place to track progress

towards those outcomes. In addition, a special Integrated Project Team (IPT) has been formed to help manage and monitor the recovery effort.

| <i>Business Outcomes</i>  | <i>What is the success metric?</i>   | <i>How will we measure?</i>   |
|---|--|---|
| <b>1. Compliance with federal (CMS) Guidelines</b>                              | <ul style="list-style-type: none"> <li>Individuals retained on Medicaid Coverage</li> </ul>  | <b>Medicaid Recovery Dashboard*</b> – widget for Renewals/Suspension of Terms/Overdue Verification/Exparte  |
| <b>2. Maximize coverage for Medicaid beneficiaries</b>                          | <ul style="list-style-type: none"> <li>Individuals retained on Medicaid Coverage</li> <li>Individuals determined eligible for QHP</li> <li>Individuals becoming eligible for Medicaid coverage from the recovery</li> </ul>                                      |   |
| <b>3. Maximize response from Medicaid beneficiaries to State communications</b> | <ul style="list-style-type: none"> <li>Number of packets returned</li> <li>Verification responses received</li> <li>Number of individuals reporting a change after performing an outreach</li> <li>Measure number of terminations against projections</li> </ul> |   |
| <b>4. Minimize worker burden for manual case processing</b>                     | <ul style="list-style-type: none"> <li>Individuals passively renewed</li> <li>Individuals redetermined eligible based on external source validation</li> </ul>   | <ul style="list-style-type: none"> <li><b>Worker Productivity and Supervisor Dashboard</b></li> <li><b>Medicaid Renewals Dashboard</b></li> </ul> |

**ELIGIBILITY EXTENSION COMPLIANCE (EOHHS)**

The Governor proposes to use \$56,722 in FY2023 and \$10,094 in FY2022 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to provide for eligibility extension compliance at the Executive Office of Health and Human Services (EOHHS). A proposal with a detailed use of these funds was not provided.

**ELIGIBILITY EXTENSION COMPLIANCE (HSRI)**

The Budget allocates \$125,618 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) attributable to the extension of the COVID-19 Public Health Emergency (PHE), where there are still several manual processes that need to be performed to keep individuals eligible for benefits associated with federal PHE requirements.

The Department of Administration through HSRI, along with the Executive Office of Health and Human Services (EOHHS), and the Department of Human Services (DHS), requested additional funding for contracted IT support for program system changes to reflect the latest federal guidelines to prevent federal fines and benefit disruption during the pandemic recovery period when federal policy changes revert back to the pre-COVID pandemic policies. There is a corresponding expenditure of \$630,185 in FY2022.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Negative Economic Impact
- **Equity Components:**
  - **Population:** Individuals served through RIBridges who receive benefits are primarily low-income. However, the HSRI serves all qualified Rhode Islander's across the income spectrum.
  - **Awareness:** Individuals and providers will immediately become aware of a termination of benefits if the proposal is not funded.
  - **Access and Distribution:** Access to benefits through RIBridges is based on program specific rules defined and governed by both State and Federal policy. These policies remain focused on providing access to benefits for the most vulnerable and typically account for the various needs across different groups. The application process has been made as simple as possible, especially for programs such as SNAP which requires minimal information to submit a request for benefits. Temporary changes to some program policies were also made during the PHE to increase access to benefits.

In addition, clients have the ability to apply for program benefits through multiple channels including sending forms via the mail, applying over-the-phone through our call centers, submitting an application online through the customer portal or applying in person by visiting the HSRI contact center or a field office. Drop off locations were also provided when offices had to be closed to the public during the PHE. Our HealthyRhode mobile app can also be used to assist in the application process by allowing forms to be easily uploaded and the status of benefits to be confirmed. Clients can also check EBT balances including P-EBT and they can also make premium payments for health plans.
- **Outcomes:** The outcome of determining eligibility in a timely and accurate manner will benefit the individuals who are low-income and in need of these benefits. The timely and compliant unwinding of Medicaid is a critical component to ensuring appropriate access to health coverage, which is of particular importance to the state as we continue to navigate the pandemic and ensure access to health services.
- **Performance Metrics:** Specific business outcomes and corresponding success metrics have been defined for the Recovery effort as outlined in the table below. Dashboards are in place to track progress towards those outcomes. In addition, a special Integrated Project Team (IPT) has been formed to help manage and monitor the recovery effort.



**EMERGENCY STAFFING BHDDH AND RI VETERANS' HOME**

The Governor proposes to use \$454,500 in FY2023 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to provide for emergency staffing at the Eleanor Slater Hospital and the RI Veterans' Home. A proposal with a detailed use of these funds was not provided.

The Governor proposes to use \$95,500 in FY2023 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to provide signing bonuses for staff at the Veterans' Home. A proposal with a detailed use of these funds was not provided.

*Analyst Note: According to the Office of Management and Budget, the amount included in this proposal was not sufficient to provide bonuses. The scope of this proposal is anticipated to change and funding may be adjusted in a forthcoming Governors' Budget Amendment.*



## Public Infrastructure and Technology

The Governor proposes \$152.3 million in SFRF in the form of six public health projects. According to the Budget Office:

“All the pieces that make up infrastructure in the 21st century bring people together in an increasingly interconnected world. Further investments in infrastructure, particularly digital technologies, are crucial for Rhode Island to compete in an environment where distance is no longer a divide.”

| Public Infrastructure and Technology                         | FY2022           | FY2023              | FY2024             | FY2025           | FY2026           | FY2027     | Total               |
|--|------------------|---------------------|--------------------|------------------|------------------|------------|---------------------|
| Blockchain Digital Identity                                  | \$0              | \$1,500,000         | \$1,000,000        | \$0              | \$0              | \$0        | \$2,500,000         |
| ERP Implementation Support                                   | -                | 2,200,000           | -                  | -                | -                | -          | 2,200,000           |
| OHIC Health Spending Accountability and Transparency Program | -                | 500,000             | -                  | -                | -                | -          | 500,000             |
| Permit and Licensing IT Investments                          | -                | 2,825,000           | 2,000,000          | 500,000          | 500,000          | -          | 5,825,000           |
| Radio System   | -                | 2,700,000           | -                  | -                | -                | -          | 2,700,000           |
| RIPTA - Pawtucket/Central Falls Bus Hub Passenger Facility   | -                | 4,000,000           | 1,000,000          | -                | -                | -          | 5,000,000           |
| Statewide Broadband Planning and Mapping                     | 500,000          | -                   | -                  | -                | -                | -          | 500,000             |
| Tax Modernization/STAARS Cloud Migration and Other IT        | -                | 750,000             | 1,500,000          | -                | -                | -          | 2,250,000           |
| <b>Total</b>   | <b>\$500,000</b> | <b>\$14,475,000</b> | <b>\$5,500,000</b> | <b>\$500,000</b> | <b>\$500,000</b> | <b>\$0</b> | <b>\$21,475,000</b> |

## BLOCKCHAIN DIGITAL IDENTITY

The Budget adds \$1.5 million from the federal American Rescue Plan Act State Fiscal Recovery Fund in FY2023 and \$1.0 million in FY2024 to finance a blockchain digital identity pilot program that will establish multi-agency credential issuance and authentication, automated compliance, and to increase efficiency among state agencies and streamline services for citizens and businesses. The project would be one of the first production implementations of blockchain technology for any state government in the United States.

The funding would fully operationalize digital identity and professional licensing credentialing at DBR followed by introducing additional agencies transactions, ultimately making it easier to do business in the state. Blockchain digital identity would streamline interaction by creating a single user identity for individuals which can be used with all agencies and programs. The proposal would improve IT security through stronger encryption technology, more secure transaction verification, and streamlined reconciliation processes. This would allow standardized data and records across state agencies to facilitate review and enforcement of regulation and policy standards.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** When citizens want to transact business, they don't want to spend a needless amount of time. Whether a person has access to a vehicle, a convenient bus route or bus pass or a computer/smartphone are all factors in how they do business. Now throw in a pandemic - the only safe way to transact business is online. While that may require a visit to town hall or the local library if you don't have access at home or from a friend- that is much easier than any other alternative. Online access also creates an equitable platform by making every applicant neutral- instead of facing any potential discrimination from an in person interaction.
  - **Awareness:** It creates an equal and practical platform for all.
  - **Access and Distribution:** Anyone with access to a computer or smartphone will be able to have access. Otherwise, that ability will be in each local municipality.
    - **Outcomes:** This project seeks to create a universal level of service.
    - **Performance Metrics:** Success for this project is achieved every step of the way as it becomes easier and easier to do business in the state. It is impossible to estimate targets or specific goals for non-DBR agencies but the below are operational measures that DBR uses to track productivity.
      1. % online accessibility in a given agency which can be measured by: a. Quantity of transactions done electronically as compared to; b. Quantity of paper forms converted to electronic.
      2. Amount of time it takes to perform a transaction which can be calculated by: a. Individuals forms (ex: it used to take 2 weeks to process this form, now it takes 20 minutes); and b. Each whole process (ex: it used to take 6 weeks on average to open a restaurant, now it takes approximately 5 days).
      3. Filings completed vs. filings in process
      4. Customer Satisfaction
      5. Reduction in fraud and errors (may be possible for some functions)
      6. Other metrics specific to the agency.

## ERP IMPLEMENTATION SUPPORT

The Governor proposes to use \$2.2 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to continue financing implementation of a new Enterprise Resource Planning System (ERPS) for human resources, information systems, payroll, and financial management. This appropriation is linked to the FY2022 Budget as Enacted item requiring that \$50.0 million of the total amount available in the Information Technology Investment Fund (ITIF) as of July 1, 2021, be made available to implement the new Enterprise Resource Planning System (ERPS).

The project will modernize the State's decades-old legacy systems for human resources, payroll, grants management, and financial data systems. The current system is outdated, leaving decision makers unable to receive accurate information in a timely manner. The current systems are susceptible to various single points of failure and are at-risk for security breaches. The new system will have a total projected cost of \$68.7 million.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** No, this serves the entire population equally.
  - **Awareness:** No all access is the same across all groups.
  - **Access and Distribution:** This is posted on the transparency portal as well as the public facing DoIT website.
  - **Outcomes:** This initiative is not external facing.
  - **Performance Metrics:** Program will track budget spend compared to SOW deliverables and deadlines (once determined post RFP) during the pre-implementation, implementation, and post-implementation phases. There are 7 pages of potential key performance indicators (KPIs) in Appendix I: Example Key Performance Indicators for HR/Payroll and Finance (pages 59-66) within the 88 page Strategic Plan document.

### OHIC HEALTH SPENDING ACCOUNTABILITY AND TRANSPARENCY PROGRAM

The Governor proposes to use \$500,000 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 for a Health Spending Accountability and Transparency program. In August 2018, the Governor convened the Rhode Island Cost Trend Steering Committee to advise the Rhode Island Health Care Cost Trend Project. The project's goal is to provide all Rhode Islander's with access to high-quality, affordable healthcare with spending that does not increase at a rate higher than the consumer price index (CPI). Key stakeholders including hospital systems, health insurers, physicians' groups, advocates, and researchers agreed to a voluntary target of 3.2 percent total healthcare cost growth.

The Office of the Health Insurance Commissioner, in conjunction with a Cost Trends Steering Committee comprising representatives from the health care community, businesses, and consumers, will oversee the program. Preliminary work to create the program has been conducted by OHIC and funded by philanthropic organizations, including the Peterson Center on Healthcare in New York and the Rhode Island Foundation. Current grants are expiring in August 2022. This work is supported by Executive Order 19-03, which established a cost growth target (CGT) and charged OHIC and EOHHS with taking necessary actions to implement the target. The Budget includes \$500,000 from ARPA SFRF to continue the Health Care Cost Trend Project.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** Information has not been provided at this time.
  - **Awareness:** Information has not been provided at this time.
  - **Access and Distribution:** Information has not been provided at this time.
  - **Outcomes:** Information has not been provided at this time.
- **Performance Metrics:** Information has not been provided at this time.

## PERMIT AND LICENSING IT INVESTMENTS

The Budget includes \$2.8 million in federal ARPA SFRF for permit and licensing IT investments. The Department worked with DoIT to design and develop an approach for permit system modernization and improvements to the e-permitting and workflow management system for the water quality programs in DEM. These programs are critically important to projects related to land development or redevelopment in Rhode Island and have the highest volume of permit applications. Efficient and timely response to these permit applications, particularly those related to septic systems and wetlands, facilitates economic recovery in the state.

In addition, developing e-commerce capabilities, including online applications, workflow tracking, reporting, and providing remote access to public records, will provide essential services to RI businesses online with no face-to-face contact. Conditions created by COVID-19 have shown the critical importance of modernizing permitting and licensing systems to accommodate filing applications electronically, automating and tracking work flow, and providing a robust modern platform for remote processing of permits and licenses.

The proposal also includes continued digitization and conversion of public records for online delivery. DEM environmental public records are critical to the completion of due diligence for commercial property transactions, including sales, refinancing, and capital investments. Financial lending institutions require complete and detailed reviews of environmental records on properties subject to financing to understand the potential liabilities that need to be managed in the event of default or foreclosure. Complete and timely response to these public records requests are necessary to support these transactions and the Department has been working, with support from the business community, to convert the needed records into electronic format and deliver them efficiently online.

The legacy licensing systems, currently used for commercial fishing, boating registration, and fish and wildlife licensing is based on are built on obsolete FoxPro and Informix platforms. These present a very high risk of failure, and inhibit the addition of new license categories. The proposed permitting system will integrate with the existing DEM PLOVER enterprise system, coordinating complaint response and enforcement with permitting. Elements of the system will also transfer data with federal Environmental Protection Agency (EPA) environmental databases. The Coastal Resources Management Council (CRMC) is interested in coordinating with DEM on the implementation of this system, taking advantage of similar permitting processes implemented by that agency in RI's coastal zone. A modern system will be more streamlined and much easier to track, greatly improving customer experience.

The Department has already completed extensive development of requirements and the RFI process. DoIT will need to support these new systems; however, FTE requirements are not projected to be greater than those supporting current systems. DEM is not requesting any new FTEs as a part of this proposal.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** The proposed systems will improve access and ease of use for DEM permitting and licensure systems.
  - **Awareness:** The proposed systems will provide online access to more permitting and licensure activities, therefore improving.
  - **Access and Distribution:** No
  - **Outcomes:** Outcomes are focused on improving access to DEM permitting and licensure.
- **Performance Metrics:** Monitor the following:

- These systems will increase access to DEM permits and licenses. Performance metrics may include percentage of applicants accessing permits and licenses online versus in-person or mail in processes. Additionally, capture of metrics relating to e-transactions will be helpful to demonstrate the benefits that this system offers constituents. These systems will also provide robust reporting functionality to improve DEM's ability to report on licensing and permitting activities.



## RADIO SYSTEM

The Governor proposes to use \$2.7 million in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to install a new radio/communication system throughout the ACI.

The Rhode Island Department of Corrections currently operates an obsolete communication/radio system. The radios the Department uses are no longer in production and often lose signal and communication abilities. For safety purposes, Correctional Officers need to be able to communicate while working permitted posts, supervising work crews, and working within the facility.

Various police departments and state agencies have moved towards the use of upgraded 800MHx trunked radio systems. The RI Emergency Management Agency (RIEMA) manages the RI Statewide Communications Network (RISCON) on which many agencies operate their systems. Through a RIEMA grant in 2007, the Department was allocated 60 radios that are compatible with the system. These radios are only used for Incident Command purposes and other specialized activities by dedicated units. The Department does not currently have the required equipment for this system inside their facilities. Installation of a new system would increase safety and put the Department on the same frequency as other first responders (City of Cranston Police/Fire, State Police, RIEMA, etc.).

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** Not applicable.
  - **Awareness:** This would improve the safety of the citizens of Rhode Island that live within the proximity of the facilities. By having an operational communication system is critical for both internal and external assistance from other state law enforcement agencies, first responders and other staff within the facility or the other facilities.
  - **Access and Distribution:** Not applicable.
  - **Outcomes:** This will close the communication gap that DOC currently has within its own surroundings as well as with outside entities that will be on the same radio frequency.
- **Performance Metrics:** Monitor the following:
  - Not applicable.

**RIPTA – PAWTUCKET/CENTRAL FALLS BUS HUB PASSENGER FACILITY**

The Governor proposes to use \$4.0 million in FY2023 and \$1.0 million in FY2024 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) to support the continued construction of the Pawtucket Bus Hub passenger facility for the Rhode Island Public Transit Authority (RIPTA).

The Pawtucket Bus Hub passenger facility is currently under construction and is being built by the Department of Transportation on behalf of RIPTA. The Bus Hub will be co-located with the new Pawtucket/Central Falls Commuter Rail Station and will connect RIPTA and MBTA services as well as connecting 10 bus routes servicing the Blackstone Valley area. The passenger facility will include new features intended to enhance passenger comfort including restrooms, a customer service window, covered waiting areas, and a Pawtucket police substation. The facility will also include amenities and utilities for RIPTA employees including restrooms, storage and maintenance closets, and a break room.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue Replacement
- **Equity Components:**
  - **Population:** RIPTA has a plan that addresses how RIPTA serves low-income and minority population, as required by Title VI of the Civil Rights Act. This plan identifies bus routes that are monitored for impacts to both low-income and minority populations. This plan has identified the R-Line, RIPTA's highest ridership bus route, as one of these monitored routes due to the high proportions of minority that ride this route. This facility will directly improve the ridership experience for passengers along this route and will make transit more attractive to potential riders.
  - **Awareness:** As part of the development of this project, RIPTA can incorporate language into the project that identifies the SLFRF as the funding source of the project. The pandemic has made clear the desire of the public to have facilities such as this one and the resources will be well appreciated.
  - **Access and Distribution:** N/A
  - **Outcomes:** The intended outcome of this project is to improve the ridership experience for passengers to make transit easier to use and more attractive to potential riders. Based on the Transit Forward RI 2040 plan, RIPTA is attempting to reach a universal level of service to passengers that is determined by the ridership potential for each bus route. This project will help move RIPTA towards that goal.
- **Performance Metrics:** Monitor the following:
 

RIPTA's primary performance metric in all projects is impacts to ridership. RIPTA tracks ridership at a bus stop level, by route, so RIPTA will be able track ridership at this location to determine the effect of opening this new facility. Success will be defined as ridership growth of at least 10% over baseline numbers.

## STATEWIDE BROADBAND PLANNING AND MAPPING

The proposed FY2022 Revised Budget retains the \$500,000 in federal State Fiscal Recovery Funds (SFRF) that the General Assembly appropriated in December 2021 to support the planning and development of broadband infrastructure across the State.

| Statewide Broadband Planning and Mapping |              |        |        |        |        |        |              |
|--|--------------|--------|--------|--------|--------|--------|--------------|
| Source                                   | FY2022       | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | Total        |
| ARPA SFRF                                | \$0.5        | -      | -      | -      | -      | -      | \$0.5        |
| <b>Total</b>                             | <b>\$0.5</b> | -      | -      | -      | -      | -      | <b>\$0.5</b> |

*\$ in millions*

According to the EOC, it is currently estimated that 45.0 percent of Rhode Islanders live in areas that do not have access to internet infrastructure that meets the federal standard for download and upload speeds. However, additional detail and work is needed to ensure that the State has accurate maps that provide the depth of analysis (down to the individual street level) to refine the State's understanding of infrastructure gaps.

### ▪ State Fiscal Relief Fund Proposal

According to the EOC, the Governor's proposal to support broadband infrastructure in Rhode Island would accomplish several important objectives,

- **Mapping:** A portion of the funding request would enable the State to complete additional and targeted broadband mapping needed to develop strategic implementation plans.
- **Planning:** The proposal would fund the development of the strategic implementation plans broadband strategic plans, which are needed to best deploy anticipated federal funds.
- **Staff:** The funding would also provide personnel costs to support one additional staff member within the EOC to lead statewide broadband coordination.

According to the EOC, the proposal is primarily targeted for up-front planning, which is a one-time cost, additional out-year spending will be needed to engage in last-mile infrastructure projects and ensure reliable, high-speed internet for more people in Rhode Island. Statewide broadband coordination costs of approximately \$200,000 annually are expected to continue.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Infrastructure - Water, Sewer, Broadband
- **Equity Components:** US Treasury guidance related to ARPA SFRF places emphasis on projects that advance economic and racial equity.
  - **Population:** "According to the EOC, the State plans to work to identify the specific areas in the state without sufficient internet access and strategize efficient, affordable, and future-proof mechanisms to ensuring that access. According to EOC, preliminary data show that those who lack access presently are a) our smallest businesses and lower-income residents, for whom internet is often cost-prohibitive and b) those who live in areas of the state that have historically not had access to reliable, high-speed internet. The proposal suggests that additional funding beyond FY2023 could target infrastructure projects that serve these historically underserved groups. These efforts will be targeted and based on broadband speed test data showing speeds less than the federal minimum requirement as well as American Community Survey and other survey data on households reporting lack of access to devices or connectivity."
  - **Awareness:** "The State plans to work with those who represent publicly assisted housing, older adults, school districts, libraries, small and micro businesses, and others who support various

resident and business stakeholders to ensure the widest input on perceived needs around broadband in the state.”

- **Access and Distribution:** “Federal guidance requires efforts to target those who are not reliably served by minimum thresholds of broadband internet access and also sets minimum thresholds for any funded infrastructure project. The State plans to work to ensure that those areas identified for targeted interventions have low barriers to entry for utilization of improved network speeds”
- **Outcomes:** “The proposal does not include specific equity outcomes but the EOC indicates that the program plans to target the infrastructure to Rhode Islanders who are either unconnected or under-connected (e.g., only have access through a smartphone data plan). Based on current research and available data, these priority populations and geographies are: 1) residents in our urban core across all ages; 2) residents in Aquidneck; 3) residents in public housing; 4) K-12 students; and 5) older adults. “
- **Performance Metrics:** US Treasury guidance related to ARPA SFRF requires that states develop and report out on performance metrics for SFRF projects

“The Governor does not provide specific goals, targets, or outcome measures for this proposal. The EOC indicates that it plans to leverage the broadband maps to track usage and internet reliability throughout the life cycle of this initiative. These maps layer: 1) Available fiber, 2) Demographics, 3) Business usage as well as projected usage requirements, 4) Topography, 5) Access rates, and 6) Speed (average, peak) and latency.

EOC notes that if additional funding is allocated beyond this proposal and the state is able to engage in infrastructure projects, it plans to track the following metrics: (1) Average and peak-time speeds and latency of networks, ensuring a minimum 100/50mbps and goal of 200/200mbps for residential projects and 1/1g for commercial and municipal projects. Commerce will also track the rate of shift in these speeds over time and for each local last-mile project. (2) Cost to install amortized against operating cost: Will these projects be “net less” than current state within ten years of build out? (3) Cost to consumer, seeking to establish best-in-New England rates for both residents and businesses. (4) Number of residents, households, and businesses are accessing internet in-home/at-work due to these last-mile projects.”

## TAX MODERNIZATION/STAARS CLOUD MIGRATION AND OTHER IT

The Governor proposes to use \$750,000 in federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) in FY2023 to support upgrades to the State Tax Administration and Revenue (STAARS) information technology system and invest in improved technology-supported business practices. An additional \$1.5 million in SFRF are proposed for FY2024, for total planned appropriations of \$2.3 million.

The proposal consists of three distinct technology infrastructure initiatives

| Initiative             | FY2023           | FY2024             | Total              |
|------------------------|------------------|--------------------|--------------------|
|                        | Governor         | Planned            |                    |
| STAARS Cloud Migration | \$677,500        | \$1,500,000        | \$2,177,500        |
| Mail Tracking System   | 60,000           | -                  | 60,000             |
| PCs/External Cameras   | 12,500           | -                  | 12,500             |
| <b>Total</b>           | <b>\$750,000</b> | <b>\$1,500,000</b> | <b>\$2,250,000</b> |

- **STAARS Cloud Migration:** STAARS launched in 2017 and provides Rhode Island with a modern tax information technology system that centralizes all taxpayer information into one computer database. The system integrates the State's 58 tax categories that, previously, had been siloed on their own mainframes and legacy databases. The advent of this integrated system enabled Taxation to improve the way it is organized around staffing, auditing and discovery, and customer interaction to provide a more reliable, efficient and responsive operation. The Governor proposed spending \$677,500 in FY2023 and another \$1.5 million in FY2024.

According to Taxation, the infrastructure supporting the STAARS integrated tax system is aging and approaching the end of its lifecycle. The proposal includes working with Taxation's long time vendor Revenue Solutions, Inc. (RSI) to migrate the STAARS system to the Azure Government Cloud. According to Taxation, a cloud-based platform allows for scalability, monitoring, support, and security.

- **Mail Tracking System:** According to Taxation, the Division "processes over 3.5 million filings/payments each year and the physical mail received is received, opened, processed, and tracked manually." This labor intensive process can lead to inefficiencies and error. Taxation's goal is to be able to manage each piece of mail and be able to assess a taxpayer's return/ payment in real time.

The Governor proposes to procure and implement a state-of-the-art mail tracking system that will allow Taxation "to allocate necessary resources and track any issues on a real-time basis, which will expedite processing of returns, other filings, and payments, and enhance the ability to interact with individuals/businesses and other taxpayers more efficiently." The Governor proposes spending \$60,000 in total on the project, all in FY2023.

- **PCs/External Cameras:** According to Taxation, the Division has a limited ability to interact with taxpayers either in person, by mail/email, or by phone. The Division does a significant volume of work in-person with taxpayers. Providing efficient, safe, and satisfying customer service during the pandemic proved to be a challenge.

The Governor proposes to purchase 12 personal computers that have integrated external cameras and install them in a newly configured Taxpayer Service Center. The center has 12 confidential meeting places that can provide taxpayers a place to confidentially interact with staff through virtual meeting space. According to Taxation, the additional PCs with external cameras will facilitate a planned reservation/meeting process. The Governor proposes spending \$12,500 in total on the project, all in FY2023.

Key components of the proposal include (quoted directly from budget documents):

- **U.S. Treasury Eligibility Category:** Revenue replacement
- **Equity Components:**

- **Population:** “Not applicable”
- **Awareness:** “Not applicable”
- **Access and Distribution:** “Not applicable”
- **Outcomes:** “Not applicable”
- **Performance Metrics:**
  - Cloud Migration
    - “There is a detailed project plan being managed and overseen by DoIT, the Division of Taxation, and its vendor, RSI.”
    - “Payments for work performed is based on actual deliverables being completed and independently verified.”
  - PC with external cameras and a mail tracking system
    - “Division of Taxation will have to meet all procurement requirements and implement the hardware by collaborating and working with DoIT, on a similar project plan path with a timeline/deliverables/tracking/testing and confirmation of targets/deliverables achieved.”



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## APPENDIX

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## Appendix

### American Rescue Plan Act Funding Project/Use Evaluation Matrix

|   | Eligibility   | Administration / Tracking  | Effectiveness  |
|---|---|--|--|
| <b>The Problem to be Addressed</b>            | <p>Not every problem can be addressed with ARPA funds.</p> <p>To be eligible for consideration, a project or use must:</p> <ol style="list-style-type: none"> <li>1. Respond to a problem caused by COVID*,</li> <li>2. Or be related to water, sewer, or broadband infrastructure.</li> </ol>  | <p>Can the problem be measured?</p> <p>Is there a "before COVID" baseline?</p> <p>Can data be gathered to demonstrate a "post project" improvement?</p>  | <p>Do we know how the problem arose?</p> <p>Was the problem caused by one simple factor or by the interaction of many complicated factors?</p>   |
| <b>The Solution to be Applied</b>             | <p>The purpose of ARPA is to keep people from getting sick and to build a solid base for enduring economic recovery.</p> <p>The Act clearly prefers some solutions over others.</p> <p>Is the proposed solution one that is statutorily preferred, or does it need to be justified?</p> <p>Will the solution contribute to investment in productive capacity?</p> | <p>How will the implementation of the solution/project be documented? (This is the who, what, where, when, and how of the project).</p> <p>How will the success or failure of the <i>implementation process</i> be monitored, evaluated and reported?</p> <p>How will mid-course corrections be documented and made if experience demonstrates the need for changes in administration?</p> | <p>Is this solution the best of all possible alternatives? Why? And how do we know?</p> <p>How will the substantive success of the project be determined?</p> <p>How will outcomes be documented and reported?</p> |
| <b>The People and Businesses to be Helped</b> | <p>Some communities and some groups of people were harmed by COVID more than others. The Act is designed to help those who need help the most.**</p>  | <p>Can the participants be adequately communicated with?</p> <p>Will it be expensive, easy or difficult to monitor program or project participation?</p> <p>How many need to be engaged and how often?</p>   | <p>How will questions of equity be handled?</p> <p>Will the project or use be subject to attack because it is perceived of as unfair, inappropriate or unnecessary?</p>  |

\* For the sake of brevity, this summary statement must suffice. The details are covered elsewhere.

\*\* Even beyond the disproportionately impacted classes specifically addressed, the Act's design avoids capital infusions into large institutions and financial markets; it emphasizes assistance to households and small businesses. The Act was designed to stimulate investment in productive assets and sectors rather than fleeting consumption or acquisition of passive assets.

ARPA State Fiscal Recovery Funds Guidance- July 27, 2021 (pdf of powerpoint by admin)

## STATE FISCAL RECOVERY FUNDS

## Governor's Proposed State Fiscal Recovery Fund Plan

| Department                         | Initiative   | FY2022               | FY2023               | FY2024               | FY2025               | FY2026              | FY2027              | Total                  |
|------------------------------------|--|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|------------------------|
| Administration                     | Auto-Enrollment Program HSRI                                       | \$502,526            | \$339,079            | -                    | -                    | -                   | -                   | \$841,605              |
| Administration                     | Aid to the Convention Center                                       | 8,370,000            | 17,700,000           | 13,425,000           | 5,540,000            | 2,000,000           | -                   | 47,035,000             |
| Administration                     | OER Electric Heat Pumps  | -                    | 4,900,500            | 10,233,000           | 10,665,000           | 8,377,000           | 2,824,500           | 37,000,000             |
| Administration                     | Eligibility Extension Compliance (HSRI)                            | 92,176               | 125,618              | -                    | -                    | -                   | -                   | 217,794                |
| Administration                     | COVID-19 Ongoing Response  | 50,000,000           | 75,000,000           | 25,052,439           | -                    | -                   | -                   | 150,052,439            |
| Administration                     | Nonprofit Assistance / Food Insecurity                             | -                    | 10,000,000           | -                    | -                    | -                   | -                   | 10,000,000             |
| Administration                     | Enterprise Resource Planning (ERP)                                 | -                    | 2,200,000            | -                    | -                    | -                   | -                   | 2,200,000              |
| Administration                     | Reserve/Contingency  | -                    | -                    | -                    | -                    | -                   | -                   | -                      |
| Attorney General                   | Mental Health Court Pilot Program                                  | -                    | 204,005              | 210,179              | 220,687              | -                   | -                   | 634,871                |
| BHDDH                              | Crisis Intervention Trainings                                      | -                    | 550,000              | 550,000              | 550,000              | 550,000             | -                   | 2,200,000              |
| BHDDH                              | Emergency Staffing ESH   | -                    | 194,557              | -                    | -                    | -                   | -                   | 194,557                |
| BHDDH                              | Emergency Staffing ESH Zambrano                                    | -                    | 167,775              | -                    | -                    | -                   | -                   | 167,775                |
| BHDDH                              | Emergency Staffing ESH State Psychiatric Hospital                  | -                    | 92,168               | -                    | -                    | -                   | -                   | 92,168                 |
| Business Regulation                | Blockchain Digital Identity  | -                    | 1,500,000            | 1,000,000            | -                    | -                   | -                   | 2,500,000              |
| Business Regulation                | OHIC Health Spending Accountability and Transparency Program       | -                    | 500,000              | -                    | -                    | -                   | -                   | 500,000                |
| Commerce                           | Development of Affordable Housing                                  | 15,000,000           | 20,000,000           | 30,000,000           | 25,000,000           | -                   | -                   | 90,000,000             |
| Commerce                           | Housing Stability  | 1,500,000            | 7,000,000            | 7,000,000            | 6,000,000            | -                   | -                   | 21,500,000             |
| Commerce                           | Site Acquisition   | 12,000,000           | 3,000,000            | 5,000,000            | 5,000,000            | -                   | -                   | 25,000,000             |
| Commerce                           | OHCD Predevelopment and Capacity Building                          | 500,000              | 500,000              | 500,000              | -                    | -                   | -                   | 1,500,000              |
| Commerce                           | Small Business Financial and Technical Assistance                  | 32,000,000           | 13,000,000           | -                    | -                    | -                   | -                   | 45,000,000             |
| Commerce                           | Aid to Tourism, Hospitality, and Events Industries                 | 13,000,000           | 15,500,000           | -                    | -                    | -                   | -                   | 28,500,000             |
| Commerce                           | Statewide Broadband Planning and Mapping                           | 500,000              | -                    | -                    | -                    | -                   | -                   | 500,000                |
| Commerce                           | Minority Business Accelerator                                      | -                    | 1,500,000            | 6,000,000            | 2,500,000            | -                   | -                   | 10,000,000             |
| Commerce                           | Down Payment Assistance in Hard Hit Neighborhoods                  | -                    | 15,000,000           | 20,000,000           | 15,000,000           | -                   | -                   | 50,000,000             |
| Commerce                           | Workforce Housing  | -                    | 12,000,000           | 8,000,000            | -                    | -                   | -                   | 20,000,000             |
| Commerce                           | Affordable Housing Predevelopment Program                          | -                    | 2,500,000            | 2,500,000            | 2,500,000            | 2,500,000           | -                   | 10,000,000             |
| Commerce                           | Community Revitalization   | -                    | 15,000,000           | 10,000,000           | -                    | -                   | -                   | 25,000,000             |
| Commerce                           | Port of Davisville   | -                    | 6,000,000            | 19,360,000           | 27,000,000           | 7,640,000           | -                   | 60,000,000             |
| Commerce                           | Statewide Housing Plan   | -                    | 2,000,000            | -                    | -                    | -                   | -                   | 2,000,000              |
| Commerce                           | South Quay Marine Terminal   | -                    | 12,000,000           | 23,000,000           | -                    | -                   | -                   | 35,000,000             |
| Commerce                           | Homelessness Infrastructure  | -                    | 5,000,000            | -                    | -                    | -                   | -                   | 5,000,000              |
| Commerce                           | Blue Economy Investments   | -                    | 10,000,000           | 40,000,000           | 20,000,000           | -                   | -                   | 70,000,000             |
| Commerce                           | Bioscience Investments   | -                    | 5,000,000            | 15,000,000           | 9,000,000            | 1,000,000           | -                   | 30,000,000             |
| Commerce                           | SBA Loan Interest Subsidy  | -                    | 20,000,000           | -                    | -                    | -                   | -                   | 20,000,000             |
| Commerce                           | Main Streets Revitalization  | -                    | 5,000,000            | -                    | -                    | -                   | -                   | 5,000,000              |
| Corrections                        | Wi-Fi and Tech at the ACI  | -                    | 3,100,000            | 100,000              | 50,000               | 50,000              | 25,000              | 3,325,000              |
| Corrections                        | Radio System   | -                    | 2,700,000            | -                    | -                    | -                   | -                   | 2,700,000              |
| DCYF                               | DCYF Provider Workforce Stabilization                              | 12,500,000           | -                    | -                    | -                    | -                   | -                   | 12,500,000             |
| DCYF                               | Psychiatric Residential Treatment Facility                         | -                    | 6,000,000            | -                    | -                    | -                   | -                   | 6,000,000              |
| DCYF                               | Lead Abatement & Fire Safety Upgrades in Foster Homes              | -                    | 1,500,000            | 375,000              | -                    | -                   | -                   | 1,875,000              |
| Elementary and Secondary Education | Municipal Learning Centers   | -                    | 5,000,000            | 5,000,000            | 5,000,000            | -                   | -                   | 15,000,000             |
| Environmental Management           | Galilee Port Rehabilitation  | -                    | 6,000,000            | 4,000,000            | 10,000,000           | 16,000,000          | 10,000,000          | 46,000,000             |
| Environmental Management           | Permit and Licensing IT Investments                                | -                    | 2,825,000            | 2,000,000            | 500,000              | 500,000             | -                   | 5,825,000              |
| EOHHS                              | Pediatric Health Care Recovery                                     | 7,500,000            | 7,500,000            | -                    | -                    | -                   | -                   | 15,000,000             |
| EOHHS                              | Early Intervention Recovery  | 5,500,000            | 5,500,000            | -                    | -                    | -                   | -                   | 11,000,000             |
| EOHHS                              | Eligibility Extension Compliance (EOHHS)                           | 10,094               | 56,722               | -                    | -                    | -                   | -                   | 66,816                 |
| EOHHS                              | Certified Community Behavioral Health Clinics                      | -                    | 28,100,000           | -                    | -                    | -                   | -                   | 28,100,000             |
| EOHHS                              | 9-8-8 Hotline  | -                    | 1,875,000            | -                    | -                    | -                   | -                   | 1,875,000              |
| Human Services                     | Child Care Investment: Retention Bonuses                           | 18,700,000           | 18,700,000           | -                    | -                    | -                   | -                   | 37,400,000             |
| Human Services                     | Child Care Investment: Workforce Registry and Quality Improvements | -                    | 950,000              | 550,000              | 500,000              | -                   | -                   | 2,000,000              |
| Human Services                     | Child Care Investment: Increasing Supply of Family Providers       | 300,000              | 300,000              | -                    | -                    | -                   | -                   | 600,000                |
| Human Services                     | RIbridges Mobile Access and Childcare Tracking                     | -                    | 2,400,000            | 2,400,000            | 1,900,000            | -                   | -                   | 6,700,000              |
| Human Services                     | Child Care Investment: Enhanced TEACH Program                      | -                    | 1,333,000            | 667,000              | -                    | -                   | -                   | 2,000,000              |
| Human Services                     | Eligibility Extension Compliance (DHS)                             | 527,915              | 36,182               | -                    | -                    | -                   | -                   | 564,097                |
| Human Services                     | Emergency Staffing RIVH  | -                    | 95,500               | -                    | -                    | -                   | -                   | 95,500                 |
| Judiciary                          | Mental Health Court Pilot Program                                  | -                    | 107,900              | 108,732              | 114,169              | -                   | -                   | 330,801                |
| Judiciary                          | Mental Health Court Pilot Program                                  | -                    | 844,582              | 826,969              | 868,317              | -                   | -                   | 2,539,868              |
| Labor and Training                 | Unemployment Insurance Trust Fund Contribution                     | -                    | 30,000,000           | -                    | -                    | -                   | -                   | 30,000,000             |
| Labor and Training                 | Enhanced Real Jobs   | -                    | 10,000,000           | 15,000,000           | 15,000,000           | -                   | -                   | 40,000,000             |
| Mental Health Advocate             | Mental Health Court Pilot Program                                  | -                    | 234,447              | 232,880              | 244,523              | -                   | -                   | 711,850                |
| Public Higher Education            | Higher Education Academies OPC                                     | -                    | 6,504,000            | 4,500,000            | 4,500,000            | 4,500,000           | 2,496,000           | 22,500,000             |
| Public Safety                      | Support for Survivors of Domestic Violence                         | -                    | 1,000,000            | 3,500,000            | -                    | -                   | -                   | 4,500,000              |
| Revenue                            | Tax Modernization/STAARS Cloud Migration and Other IT              | -                    | 750,000              | 1,500,000            | -                    | -                   | -                   | 2,250,000              |
| Transportation                     | RIPTA - Pawtucket/Central Falls Bus Hub Passenger Facility         | -                    | 4,000,000            | 1,000,000            | -                    | -                   | -                   | 5,000,000              |
| Transportation                     | Administration   | -                    | 16,965,916           | -                    | -                    | -                   | -                   | 16,965,916             |
| <b>Totals</b>                      |  | <b>\$178,502,711</b> | <b>\$447,851,951</b> | <b>\$278,591,198</b> | <b>\$167,652,697</b> | <b>\$43,117,000</b> | <b>\$15,345,500</b> | <b>\$1,131,061,057</b> |

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