

Child Care Family Provider Support Final Report

Submitted by State of Rhode Island Pandemic Recovery Office

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https://pandemicrecovery.ri.gov

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Child Care Family Provider Support

Project Identification Number: 10002

Pandemic Recovery Office Approval Date: February 23, 2022

Project Completion Date: October 23, 2024

Funded Amount: \$600,000

Expended Amount: \$455,957

<u>Project Expenditure Category</u>: 2.32 Negative Economic Impacts: Business Incubators and Start-Up or Expansion Assistance

<u>Problem Statement</u>: Parents of babies and toddlers rely on quality child care options so that they can work. During the pandemic, demand increased for family-based child care (FCC) while the supply dwindled. The state experienced a net loss of 113 providers, or over 25% of total FCC capacity, during the pandemic, according to licensing data from the Rhode Island Department of Human Services (DHS).

FCC providers typically care for a small group of children in a home and meet specific health and safety licensing requirements. This might be an attractive care setting for a variety of reasons, including a smaller environment, a more culturally responsive setting (more than half of Rhode Island's FCC provider community are native Spanish speakers), and/or more flexibility in terms of hours of care.

On average, the FCC workforce is older. Even after child care services were allowed to reopen during the pandemic, many FCC providers retired or permanently closed due to safety concerns.

<u>Project Overview</u>: This project provided \$2,000 grants to new FCC providers (i.e., those without an active license with DHS) for startup costs (e.g., health and safety materials, inspections, liability insurance, etc.) and technical assistance to facilitate the startup process. Defraying startup costs removed a potential barrier to entry and encouraged more of these primarily women-owned small businesses to replenish the lost supply.

DHS partnered with a fiscal intermediary, Public Consulting Group (PCG), to provide technical assistance to new FCC providers and distribute the \$2,000 grants. Applicant submissions were opened at the end of March 2022, and grant distribution began in April 2022.

The project provided grants to 130 individuals who sought to become a licensed FCC provider, of whom 83 were licensed as of May 2024. These new providers created 498 new child care seats across the state, including 19 in child care deserts.¹

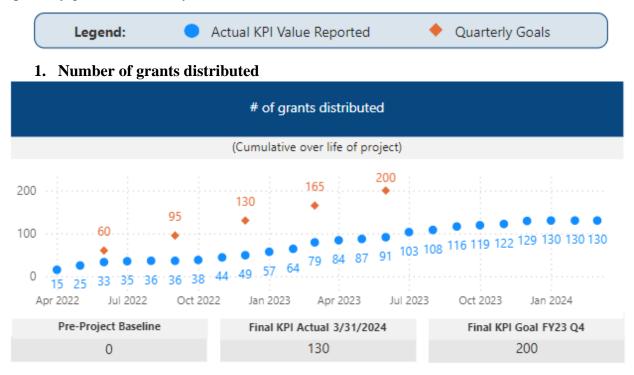
¹ The following municipalities are considered child care deserts: Burrillville, Hopkinton, Little Compton, Narragansett, Newport, Richmond, Scituate, Tiverton, and Woonsocket.

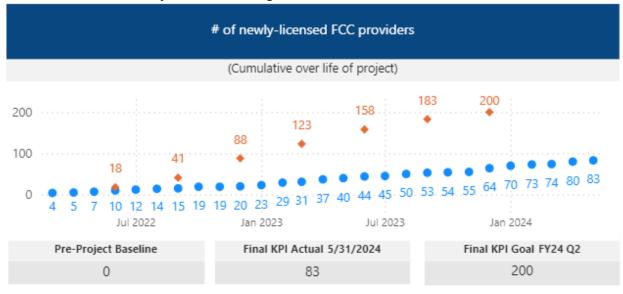
<u>Financial Overview</u>: All program payments can be found on the <u>Pandemic Recovery Office's</u> <u>website</u> by filtering the "Project" box for "Child Care Family Provider Support." The project did not utilize its full appropriation of \$0.6 million, with \$144,043 of unexpended funds remaining at the conclusion of the project. These unexpended funds were allocated to the *Child Care Quality Improvements* project. The table below shows planned expenditures by fiscal quarter and actual expenditures by fiscal quarter:

Fiscal Year Quarter	Planned Expenditures	Actual Expenditures
FY 2022 Q3	\$150,045	\$50,045
FY 2022 Q4	-	\$66,000
FY 2023 Q1	\$150,045	\$6,146
FY 2023 Q2	\$74,977	\$75,853
FY 2023 Q3	\$74,977	\$94,127
FY 2023 Q4	\$74,977	\$52,024
FY 2024 Q1	\$74,977	\$85,805
FY 2024 Q2	-	\$23,998
FY 2024 Q3	-	\$1,958
Total	\$600,000	\$455,957

Notes: A single audit fee applies to all State Fiscal Recovery Fund projects and accounts for \$180 of planned expenditures and \$137 of actual expenditures.

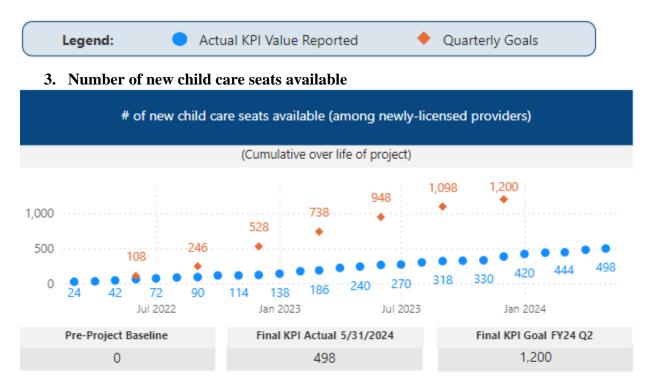
Key Performance Indicators: The following are the key performance indicators based on quarterly goals and monthly data collections.



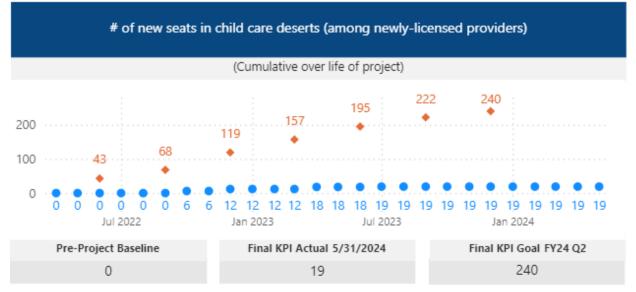


2. Number of newly licensed FCC providers ²

² Forty-seven grant recipients were not licensed as of the time the Pandemic Recovery Office stopped collecting data in May 2024. Of those 47 recipients, DHS considered 23 of them to still be going through the licensing pipeline, and 22 were not. The remaining two recipients returned the funds to the State.

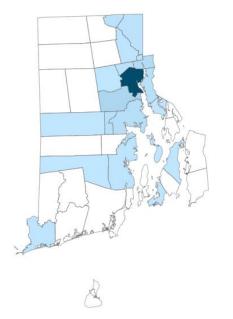


4. Number of new child care seats available





<u>Demographics</u>: The map below shows the distribution of grant recipients by location.



Municipality	Number of Grants	Sum of Grants
BARRINGTON	1	\$2,000
CENTRAL FALLS	2	\$4,000
COVENTRY	1	\$2,000
CRANSTON	9	\$18,000
CUMBERLAND	3	\$6,000
EAST PROVIDENCE	4	\$8,000
EXETER	1	\$2,000
JOHNSTON	1	\$2,000
LINCOLN	2	\$4,000
NEWPORT	1	\$2,000
NORTH KINGSTOWN	2	\$4,000
NORTH PROVIDENCE	3	\$6,000
PAWTUCKET	6	\$12,000
PORTSMOUTH	1	\$2,000
PROVIDENCE	77	\$154,000
WARWICK	5	\$10,000
WEST WARWICK	4	\$8,000
WESTERLY	2	\$4,000
WOONSOCKET	3	\$6,000
Total	128	\$256,000

Distribution of Family Child Care Provider Grants by Location

The table below shows the racial and ethnic demographics of grant recipients.

Race	Percentage	
American Indian/Alaskan Native	2%	
Asian	2%	
Black or African American	18%	
Native Hawaiian/Pacific Islander	2%	
Preferred not to answer	15%	
Two or More Races	4%	
White	30%	
Other	27%	
Total	100%	
Note: Of the 30% of recipients who identified as white,		

69% identified as Hispanic or Latino.