



State of Rhode Island

Recovery Plan Performance Report

State Fiscal Recovery Fund

July 2022 Report

Submitted by State of Rhode Island Pandemic Recovery Office

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**Rhode Island
July 2022 Recovery Plan**

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General Overview

This report is submitted by the State of Rhode Island pursuant to Section 602 of the American Rescue Plan Act (ARPA). This report is intended to provide the U.S. Department of Treasury (U.S. Treasury) and the citizens of Rhode Island with an explanation of the State's planning and spending activities for the State Fiscal Recovery Fund (SFRF).

Executive Summary

As Rhode Island continues to rebound from the COVID-19 pandemic, Governor Dan McKee understands that the well-being of all Rhode Islanders, families, businesses, and communities is dependent on the State's recovery plan. The Governor's strategy is designed to do more than simply spend money wisely. It is a collection of near-term expenditures to offset the negative impacts of the COVID-19 pandemic and longer-term investments to transform and modernize key elements of the Rhode Island economy to ensure the state is well-positioned to continue its strong recovery.

Governor McKee understands the importance of leveraging all resources, including the federal funds under ARPA, to bring immediate relief to businesses and households while laying the groundwork for sustainable economic prosperity. The SFRF projects proposed by the Governor and enacted were designed after extensive engagement with stakeholders, including residents, entrepreneurs, economists, policy experts, and legislators.

The Governor's strategy involved appropriating \$119 million of the State's \$1.13 billion SFRF allocation in Fiscal Year 2022 for Rhode Island Rebounds (RI Rebounds) projects. These projects were designed to address the state's most pressing needs that resulted from or were exacerbated by the COVID-19 pandemic. These needs included supports for small businesses and impacted industries, retention incentives for workers in sectors directly impacted by the pandemic, additional affordable housing units, and better access to medical services for children and families. The enacting legislation for the RI Rebounds projects was passed on January 4, 2022.

The State is implementing the RI Rebounds projects, with the goal of providing recovery funds without onerous requirements, while ensuring that the State can collect and analyze data to assess the performance of recipients in achieving the projects' goals. The State is committed to making choices based on evaluating the best, available data within a framework that emphasizes the needs of all Rhode Islanders.

In his Fiscal Year 2023 budget submission, Governor McKee recommended spending priorities for the remainder of the \$1.13 billion SFRF allocation. The General Assembly incorporated the vast majority of the Governor's proposed uses of the State's SFRF allocation in its Fiscal Year 2023 budget. Governor McKee signed the Fiscal Year 2023 budget into law on June 27, 2022.

Process

On March 12, 2021, President Biden signed the American Rescue Plan Act (ARPA) into law. Immediately thereafter, the Rhode Island Department of Administration (DOA), the Rhode Island Pandemic Recovery Office (PRO), and the Rhode Island Office of Management and Budget (OMB) engaged state agencies in anticipation of the State receiving its SFRF allocation. A survey soliciting potential projects was sent on March 19, 2021, with agencies filling out the criteria for each project and submitting their proposed projects by March 31, 2021.

After U.S. Treasury issued the SFRF interim final rule on May 13, 2021, DOA re-solicited from agencies potential projects with tighter criteria around the use of funds. These initiatives were vetted and considered while developing the RI Rebounds projects presented in this report. The vetting process gave

special consideration to projects that demonstrated evidence of timely implementation and execution, the ability to generate benefits within one year, and transformational capacity.

On October 7, 2021, the Governor unveiled his plan, seeking legislative approval to appropriate \$119 million of Rhode Island’s SFRF allocation for the RI Rebounds projects. The Rhode Island House of Representatives and Senate Committees on Finance held multiple hearings on the projects to perform their due diligence and receive feedback from constituents.

Parallel to the development of SFRF proposals, the Governor worked with the public to define a vision for Rhode Island in the year 2030. Rhode Island 2030 (RI 2030) is a long-term economic development strategy focused on the next decade and beyond. The Governor focused these discussions on creating a better future that will be made possible, in part, by the effective use of the State’s SFRF allocation.

Upon passage of the legislation enacting the RI Rebounds projects, PRO collaborated with the state and quasi-public agencies responsible for the projects. This collaboration consisted of establishing procedures to comply with U.S. Treasury’s reporting requirements for expenditure information and performance metrics. PRO worked with state and quasi-public agencies on the development of mandated state-determined metrics to supplement U.S. Treasury’s own performance metrics.

The Governor’s Fiscal Year 2023 recommended budget, which was submitted to the General Assembly on January 20, 2022, proposed projects for the remainder of the State’s SFRF allocation. Together, the projects proposed further investments to support expanding affordable and workforce housing; ensuring every young Rhode Islander reaches their full potential; bolstering growing sectors of the state’s economy; investing in the workforce to prepare Rhode Islanders for the jobs of the future; and strengthening the health care system in the event of surges in COVID-19 cases or the emergence of new variants.

The General Assembly held public budget hearings on the Governor’s proposed Fiscal Year 2023 SFRF projects from February through May 2022. On June 9, 2022, the House Committee on Finance unveiled its Fiscal Year 2023 budget proposal, which funded the vast majority of the SFRF projects proposed by the Governor in his initial budget submission.

Mirroring the process used for the RI Rebounds projects, PRO will collaborate with the state and quasi-public agencies on their Fiscal Year 2023 SFRF-funded projects to ensure compliance with U.S. Treasury’s reporting standards. This recovery report only includes information about the RI Rebounds projects, as they are the only SFRF projects that have been through PRO’s approval process and thereby are authorized to spend SFRF appropriations. Similar information about the SFRF projects enacted in the Fiscal Year 2023 budget, which have not been through the PRO approval process and thus not incurred any spending as of July 1, 2022, will be included in future reports to U.S. Treasury.

Table 1. below shows a timeline of the development of the State’s plans for enacted SFRF projects.

Table 1: Rhode Island SFRF Timeline

Date	Event
March 12, 2021	President Biden signs the American Rescue Plan Act
May 13, 2021	U.S. Treasury issues the interim final rule for State and Local Fiscal Recovery Funds
Spring - Summer 2021	Governor McKee launches series of virtual conversations for Rhode Island 2030

Date	Event
July 14, 2021	DOA solicits project recommendations from state agencies in response to updated guidance from U.S. Treasury
July 28, 2021	State agency recommendations received by DOA
September 30, 2021	SFRF proposals are reviewed alongside agency budget submissions
October 7, 2021	Governor McKee submits RI Rebounds plan for initial appropriation of SFRF to the General Assembly
October 28, 2021	Governor McKee launches series of in-person town halls on Rhode Island 2030
January 4, 2022	General Assembly passes RI Rebounds plan at \$119 million; Governor McKee signs into law
January 10, 2022	U.S. Treasury releases the State and Local Fiscal Recovery Funds final rule
January 20, 2022	Governor McKee submits Fiscal Year 2023 budget proposal, including projects for the State's remaining SFRF allocation
June 27, 2022	Fiscal Year 2023 budget is signed into law by Governor McKee

Table 2. below provides the breakdown of all SFRF projects, including those from RI Rebounds and the enacted Fiscal Year 2023 budget.

Table 2. SFRF Appropriations

Project	FY 2022	FY 2023	FY 2024-2027*	Total
9-8-8 Hotline	-	\$1,875,000	-	\$1,875,000
Adult Education Investment	-	\$2,000,000	\$3,000,000	\$5,000,000
Aid to the Convention Center**	\$5,000,000	\$5,000,000	-	\$10,000,000
Biosciences Investments	-	\$5,000,000	\$25,000,000	\$30,000,000
Blue Economy Investments	-	\$10,000,000	\$60,000,000	\$70,000,000
Broadband Mapping and Planning	\$500,000	-	-	\$500,000
Butler Hospital Short-term Stay Unit	-	\$8,000,000	-	\$8,000,000
Certified Community Behavioral Health Clinics	-	\$30,000,000	-	\$30,000,000
Child Care Enhanced TEACH Program	-	\$1,333,000	\$667,000	\$2,000,000
Child Care Family Provider Support	\$300,000	\$300,000	-	\$600,000
Child Care Retention Bonuses	\$18,700,000	\$18,700,000	-	\$37,400,000
Child Care Workforce Registry and Quality Improvements	-	\$950,000	\$1,050,000	\$2,000,000

Project	FY 2022	FY 2023	FY 2024-2027*	Total
Community Revitalization	-	\$15,000,000	\$10,000,000	\$25,000,000
COVID-19 Ongoing Response	-	\$73,000,000	\$113,871,568	\$186,871,568
Crisis Intervention Trainings	-	\$550,000	\$1,650,000	\$2,220,000
DCYF Workforce Stabilization Supplemental Wage Payments	\$12,334,175	\$2,500,000	-	\$14,834,175
DCYF Sign-on Bonuses	\$165,825	-	-	\$165,825
Destination Marketing	-	\$1,500,000	\$1,500,000	\$3,000,000
Development of Affordable Housing	\$15,000,000	\$30,000,000	\$55,000,000	\$100,000,000
Down Payment Assistance	-	\$10,000,000	\$20,000,000	\$30,000,000
Early Intervention Provider Relief and Recovery	\$5,500,000	\$5,500,000	-	\$11,000,000
Electric Heat Pumps	-	\$5,000,000	\$20,000,000	\$25,000,000
Enhanced Real Jobs	-	\$10,000,000	\$20,000,000	\$30,000,000
Health Care Facilities	-	\$77,500,000	-	\$77,500,000
Homelessness Assistance Programs	\$1,500,000	\$7,000,000	\$13,000,000	\$21,500,000
Homelessness Infrastructure	-	\$15,000,000	-	\$15,000,000
HealthSource RI (HSRI) Auto-Enrollment Program	-	\$1,288,710	-	\$1,288,710
Hospitality, Tourism, and Events Direct Grants	\$8,199,000	-	-	\$8,199,000
Hospitality, Tourism, and Events Marketing	\$2,000,000	-	-	\$2,000,000
Hospitality, Tourism, and Events Placemaking	\$3,129,000	-	-	\$3,129,000
Lead Abatement and Fire Safety Upgrades in Foster Homes	-	\$1,500,000	\$375,000	\$1,875,000
Minority Business Accelerator	-	\$2,000,000	\$4,000,000	\$6,000,000
Nonprofit Assistance	-	\$20,000,000	-	\$20,000,000
Office of Housing and Community Development (OHCD) Support and Capacity	\$500,000	\$500,000	\$500,000	\$1,500,000
Pandemic Recovery Office Operating Costs**	\$7,011,307	\$4,948,839	\$4,990,633	\$16,950,779
Pediatric Provider Relief and Recovery	\$7,500,000	\$7,500,000	-	\$15,000,000
Predevelopment Program	-	\$2,500,000	\$7,500,000	\$10,000,000
Port of Davisville	-	\$6,000,000	\$54,000,000	\$60,000,000

Project	FY 2022	FY 2023	FY 2024-2027*	Total
Psychiatric Residential Treatment Facility	-	\$12,000,000	-	\$12,000,000
Public Health Clinics	-	\$4,000,000	-	\$4,000,000
Public Health Response Warehouse Support	-	\$2,000,000	-	\$2,000,000
R-Line Free Service Pilot	-	\$2,500,000	-	\$2,500,000
Safety Barriers Study	-	\$1,000,000	-	\$1,000,000
Site Acquisition for Affordable Housing	\$12,000,000	\$3,000,000	\$10,000,000	\$25,000,000
Small Business Direct Grants	\$13,415,000	-	-	\$13,415,000
Small Business Public Health Capital Improvements	\$7,668,750	-	-	\$7,668,750
Small Business Technical Assistance	\$10,588,250	-	-	\$10,588,250
South Quay Marine Terminal	-	\$12,000,000	\$23,000,000	\$35,000,000
Statewide Housing Plan	-	\$2,000,000	-	\$2,000,000
Support for Survivors of Domestic Violence	-	\$3,500,000	\$7,000,000	\$10,500,000
Unemployment Insurance Trust Fund Contribution	-	\$100,000,000	-	\$100,000,000
Workforce Housing	-	\$12,000,000	\$8,000,000	\$20,000,000
Total	\$131,011,307	\$535,945,549	\$464,104,201	\$1,131,061,057

**Subject to final approval by the General Assembly as part of the supplemental appropriations act for the referenced fiscal years.*

***Not included in the \$119 million RI Rebounds appropriation that was enacted on January 4, 2022.*

Use of Funds

Since the passage of ARPA, the McKee Administration has thoughtfully planned how to leverage Rhode Island's SFRF allocation to make the most meaningful impact on residents, businesses, and communities. The objective of this approach is twofold: fuel a short-term recovery and create a foundation upon which a more resilient and equitable Rhode Island will be built. Through a collaborative and deliberate process, as epitomized in Rhode Island 2030, the State is working to ensure that funds are used equitably and for the highest and best purposes.

In addition to identifying projects that address pressing needs, the McKee Administration prioritized SFRF projects that:

- Address the short- and long-term impacts of the COVID-19 pandemic.
- Minimize ongoing financial obligations.
- Generate outyear savings and efficiencies.
- Result in lasting benefits.
- Leverage existing administrative infrastructure, with simple and effective program design.

Table 3. below breaks down the RI Rebounds projects by Governor McKee’s thematic categories.

Table 3. RI Rebounds by Thematic Category

Category	Proportion of RI Rebounds Projects
1. Aid to Small Business and Impacted Industry	\$45 million; 37.8%
2. Children, Families and Early Education	\$44.5 million; 37.5%
3. Housing	\$29 million; 24.4%
4. Public Infrastructure and Technology	\$0.5 million; 0.3%
Total	\$119 million

The following section describes the RI Rebounds projects that the State is currently implementing. Future reports will provide information on the Fiscal Year 2023 projects included in Table 2. as they are implemented.

Aid to Small Business and Impacted Industry

The small business community, which employs 52.2% of Rhode Island’s workers, has been significantly impacted by the pandemic. According to January 2022 data from the U.S. Census Bureau’s Small Business Pulse Survey, about 60% of Rhode Island’s small businesses were experiencing either a moderate or large negative effect from the COVID-19 pandemic.¹ 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 federal stimulus funding under the Coronavirus Aid, Relief and Economic Security (CARES) Act and other sources to small businesses. The State continues to help small businesses, especially those disproportionately impacted by the pandemic, navigate challenges and serve customers.

Small Business Supports

The project is comprised of three programs – *Direct Grants*, *Technical Assistance*, and *Public Health Capital Improvements* – available to entities with less than \$1 million in annual gross revenues and that demonstrate a negative impact from the pandemic. At least 20% of the funding is reserved for minority business enterprises (MBEs), including woman-owned businesses, as defined by state law.²

Small Business Direct Grants: \$13,415,000

Under this initiative, businesses are receiving grants in the amount of \$2,500 or \$5,000 that can be used for salaries to avoid furloughs or layoffs, operating costs, reopening costs, and other expenses.

Small Business Technical Assistance: \$10,588,250

Technical assistance providers are assisting small businesses with applying for grants through the *Small Business Direct Grants* and *Hospitality, Tourism, and Events Direct Grants* programs, as well as offering targeted finance, technology, marketing, and planning assistance to boost small businesses’ knowledge base and resiliency.

Small Business Public Health Capital Improvements: \$7,668,750

Data clearly show that infectious diseases like COVID-19 are less transmissible in outdoor settings compared to indoor settings. To further support this public health imperative, it is important that small businesses can relocate more of their services to outdoor settings. The project is providing grants to

¹ [Small Business Pulse Survey](#)

² [R.I. Gen. Laws § 37-14.1-3](#)

intermediaries to purchase furniture, heat lamps, tents, outdoor Wi-Fi, masks, hand sanitizer, personnel, lighting, power sources, signage, etc. needed for outdoor settings. Additionally, small businesses will receive technical assistance and needs assessments to improve ventilation systems to better position them to address any future surges of COVID-19.

Hospitality, Tourism, and Event Industries Supports

The hospitality, tourism, and events industries were hit especially hard by the pandemic. Rhode Island's leisure and hospitality sector lost about 37,000 jobs in the initial months of the pandemic, representing a 61.5% decline in employment,³ and, as of December 2021, was still about 7,000 jobs below pre-pandemic levels.⁴ Businesses are eligible to receive funds or services for the three Hospitality, Tourism, and Event Industries Supports projects if they experienced a negative impact from the pandemic.

Hospitality, Tourism, and Event Direct Grants: \$8,199,000

The project is providing direct grants to businesses in the hard-hit hospitality, tourism, and events industries to compensate for lost revenue and other negative financial impacts.

Hospitality, Tourism, and Event Placemaking: \$3,129,000

This project supports clean and safe placemaking, attraction development, and event programming, such as outdoor performances, outdoor food festivals, and other special events that attract visitors and residents to impacted businesses. This effort will help ensure that these types of events, which have a positive economic ripple effect for local restaurants, hotels, retailers, and other Main Street businesses, are able to continue and adapt to operating during the pandemic. This initiative also allows for new events to launch, supporting general consumer confidence and the economic recovery.

Hospitality, Tourism, and Events Marketing: \$2,000,000

Rhode Island hosted 21.6 million visitors in 2020, a 17.5% decline from pre-pandemic levels.⁵ While the share of day visitors and leisure visitors increased, a drop in business travel negatively impacted mid-week hotel occupancy rates particularly in Providence, Warwick, and the Blackstone Valley. Despite a recent increase in business travel, a three-year recovery is projected.

This project will target advertising on key gateway cities, support direct advertising for the state's tourism regions, and sponsor regional and event partnerships. In partnership with the Rhode Island Airport Corporation (RIAC), advertising will focus on gateway cities serviced by select airlines. The direct advertising for the tourism regions includes an international advertising campaign for key markets like Canada and the United Kingdom and the deployment of regional advertising to nearby drive markets. The goal is to boost tourism and business travel to Rhode Island back to pre-pandemic levels.

Children, Families, and Early Education

Given that the early years of a child's life are among the most important developmentally, early childhood services and supports help every Rhode Islander reach their full potential. The pandemic disrupted regular preventative care that is often the front door to critical services. Families have struggled to access needed supports for early childhood development, behavioral health, and physical health. RI Rebounds includes projects aimed at closing these gaps and catching children up on needed services.

Child Care Retention Bonuses: \$18,700,000

Families cannot return to work if there are not enough quality child care options, and child care providers cannot operate at capacity because of workforce shortages. A National Association for the Education of

³ [Rhode Island Department of Labor and Training's Current Employment Statistics Seasonally Adjusted Data 2020](#)

⁴ [Rhode Island Department of Labor and Training's Current Employment Statistics Seasonally Adjusted Data 2021](#)

⁵ [Economic Impact of Visitors in Rhode Island 2020](#)

Young Children (NAEYC) survey found that 78% of respondents identified low wages as the main obstacle to recruiting educators, while 81% cited low wages as a key reason for educators to leave.⁶

To address this issue, the *Child Care Retention Bonuses* initiative provides \$18.7 million in \$1,500 semiannual retention bonuses for full- and part-time educators at child care centers and licensed family child care providers who have been employed with a provider for at least six consecutive months. Eligible workers can receive \$3,000 annually. The primary success metric is how many educators remain in the sector for one year, as measured by the number of recipients of both semiannual payments. Maximizing this number will impact nearly every child care provider in the state and ensure they remain open at their maximum licensed capacity. The Fiscal Year 2023 SFRF budget includes an additional \$18.7 million for *Child Care Retention Bonuses* in Fiscal Year 2023.

Child Care Family Provider Support: \$300,000

The *Child Care Family Provider Support* project provides one-time, \$2,000 grants to approximately 100 new Family Child Care (FCC) providers for startup costs. For the purposes of this program, new FCC providers are those who do not have an active license with the Rhode Island Department of Human Services (DHS). Startup costs borne by new providers can be a barrier to entry for family-based child care providers. The grants will incentivize new FCC providers to open and replenish the state's lost supply of FCC providers. The Fiscal Year 2023 SFRF budget includes an additional \$300,000 for the *Child Care Family Provider Support* project in Fiscal Year 2023.

DCYF Workforce Stabilization Supplemental Wage Payments: \$12,334,175

Rhode Island Department of Children, Youth, and Families (DCYF) providers that provide congregate care, foster care, and home- and community-based support to children under the supervision of DCYF are experiencing acute staffing shortages, limiting the availability of services for the state's most vulnerable children and families. From March 2020 to October 2021, job vacancies at DCYF contractors increased 91% – from 183 to 350. The allocation provides supplemental wage payments of up to \$694.50 per month to direct care and support care staff who earn less than \$75,000 per year employed after January 4th, 2022. The Fiscal Year 2023 SFRF budget includes an additional \$2.5 million for *DCYF Workforce Stabilization Supplemental Wage Payments* in Fiscal Year 2023.

DCYF Sign-on Bonuses: \$165,825

DCYF is offering \$750 bonuses to newly hired employees at DCYF contractor agencies after 90 days of employment. The goal is to boost the number of applicants and onboard the necessary staff to provide needed care to some of the state's most vulnerable children and youth.

Pediatric Provider Relief and Recovery: \$7,500,000

This project is designed to place children on a path toward healthy development, mental health, and school readiness. In Rhode Island, there are racial and ethnic disparities in screening and childhood immunization rates, which is likely driven by the disparate use of pediatric primary care services more broadly. Intended outcomes are focused on closing these gaps.

Pediatric and family practice primary care providers who serve Medicaid-covered children are eligible to receive a portion of \$6 million in grant funds to improve access to services, as well as a portion of \$1.2 million in performance-based grants. Finally, \$300,000 has been used to retain a technical assistance contractor to assist recipients of the performance-based grants. The Fiscal Year 2023 SFRF budget

⁶ <https://www.naeyc.org/about-us/news/press-releases/survey-childcare-centers-understaffed>

includes an additional \$7.5 million for the *Pediatric Provider Relief and Recovery* project in Fiscal Year 2023.

Payment of the performance-based grants is contingent on pediatric practices reporting baseline data that demonstrate measurable improvement in the Child and Adolescent Well Care Visit measure and participating in technical assistance activities that make it easier to conduct developmental, psychosocial, and behavioral health screenings. The contractor provides these activities, which include training and workflow redesign, data collection and reporting, and best practice sharing to boost performance.

Early Intervention Provider Relief and Recovery: \$5,500,000

As of February 2022, all nine Early Intervention (EI) providers in Rhode Island struggled to accept referrals due to significant staffing shortages. EI providers offer crucial services to families with children experiencing developmental delays or medical conditions associated with developmental delays. The *Early Intervention Provider Relief and Recovery* project aims to rapidly reopen referrals by providing \$2.6 million in stabilization grants to EI providers to cover operating costs, such as staffing, outreach, and professional development. It is also providing \$2.9 million in performance payments for meeting specified targets, such as recovering referrals to their 2019 levels, increasing the percentage of children referred who complete the eligibility process and engage in services, and reducing disproportionality for families with Medicaid coverage and families of color. The Fiscal Year 2023 SFRF budget includes an additional \$5.5 million for the *Early Intervention Provider Relief and Recovery* project in Fiscal Year 2023.

Housing

Rhode Island is experiencing a housing shortage due to increased demand from domestic new household formation and chronic underproduction of housing. A recent spike in demand for houses in Rhode Island from non-residents has further increased prices, exacerbating the challenges many resident households are facing to afford to rent or buy housing. Investments are needed to create more housing units and support resident households so that everyone has an affordable and safe place to call home. By supporting the development of affordable housing, the projects below will address existing inequities and close gaps for communities that are disproportionately affected by homelessness and housing instability, including low-income Rhode Islanders and households of color.

Development of Affordable Housing: \$15,000,000

This investment will complement other state and federal resources to finance the production and preservation of affordable housing. Rhode Island Housing (RIHousing) is making this funding available through requests for proposals (RFPs) open to nonprofit and for-profit developers, public housing authorities, and municipalities. The RFPs are being coordinated with other housing programs to streamline the process for applicants, facilitate the underwriting of the projects, and allow RIHousing to calibrate the resource mix for each project to ensure compliance and maximize the value of available resources. The Fiscal Year 2023 SFRF budget includes an additional \$85 million for the *Development of Affordable Housing* project over the Fiscal Year 2023 through Fiscal Year 2027 period.

Site Acquisition for Affordable Housing: \$12,000,000

The *Site Acquisition* program is financing the acquisition of properties to create a pipeline of sites suitable for affordable housing units. Affordable housing developers, public housing authorities, and municipalities will be eligible to apply for funds to purchase land or properties for redevelopment as affordable housing or permanent supportive housing. The Fiscal Year 2023 SFRF budget includes an additional \$13 million for the *Site Acquisition for Affordable Housing* project over the Fiscal Year 2023 through Fiscal Year 2027 period.

Homelessness Assistance Programs: \$1,500,000

The Office of Housing and Community Development (OHCD) is providing homelessness prevention, diversion, rapid rehousing, emergency shelter, and housing stabilization services to populations who have traditionally struggled accessing services, specifically individuals who identify as LGBTQ+ and victims of domestic violence. The goal is that these services will place individuals on the path toward securing permanent housing. Additionally, OHCD is using some funds to develop and implement a training program grounded in best practices for staff so that they are prepared to deliver effective services and programming. The Fiscal Year 2023 SFRF budget includes an additional \$20 million for *Homelessness Assistance Programs* over the Fiscal Year 2023 through Fiscal Year 2027 period.

OHCD Support and Capacity: \$500,000

During the pandemic, additional affordable housing and homelessness assistance initiatives have been assigned to OHCD. The *OHCD Support and Capacity* project is enabling OHCD to hire contract staff to expand and enhance capacity for affordable housing and homelessness assistance. These additional resources allow OHCD to increase the number of compliance reviews of subrecipients, engage with stakeholders, identify and analyze key data points, and more broadly achieve programmatic goals. The Fiscal Year 2023 SFRF budget includes an additional \$1 million for *OHCD Support and Capacity* over the Fiscal Year 2023 through Fiscal Year 2027 period.

Public Infrastructure and Technology

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 important for Rhode Island to compete in an environment where distance is no longer a divide.

Broadband Mapping and Planning: \$500,000

About one in five Rhode Islanders does not have in-home wireline broadband internet. Half of the state does not reliably access internet download and upload speeds above the new federal minimum of 100mbps/20mbps. This funding will help hire a statewide broadband coordinator, build the broadband maps for a strategic plan, and complete the plan to guide the work moving forward. These three elements are necessary to unlock additional broadband-focused federal dollars and provide the foundation to address the gaps in broadband access for the benefit of unserved and underserved households.

Promoting Equitable Outcomes Overview

The pandemic placed in stark relief the inequities that pervade society and, in many cases, exacerbated them. Rhode Island recognizes the challenges and gaps facing underserved communities and appreciates the urgency to find solutions. As state agencies developed proposals for SFRF funds, they considered the importance of equity and carefully tailored proposals to promote equitable outcomes. These projects and their focus on equity are described in the project inventory.

The historically underserved, marginalized, or adversely affected groups that the State intends to serve with the SFRF projects include, but are not limited to, (1) minority business enterprises (MBEs); (2) racial and ethnic minorities; (3) employees in industries that suffered disproportionate economic harms; and (4) low-income individuals at risk of experiencing homelessness or struggling to access health care services.

The State's experience administering programs funded by the Coronavirus Relief Fund (CRF) and direct federal awards, as well as programs carried out before the pandemic, positions Rhode Island to connect with hard-to-reach audiences. The State is using various outreach strategies to inform residents and businesses of the opportunities made available by the SFRF. These strategies include, but are not limited

to, earned media, press conferences, remote and in-person community forums, mailers, and social media. Additionally, the State will rely on partners, including nonprofit organizations, representatives from the State's health equity zones, and community groups as trusted messengers who can use word-of-mouth and one-on-one conversations to inform constituencies.

The State is ensuring that administrative requirements will not discourage prospective SFRF beneficiaries. It is critical that the State's SFRF-financed projects do not impose onerous burdens on groups targeted for assistance, while complying with all federal reporting standards. The State is committed and able to strike this balance.

Community Engagement

In 2021, Governor McKee and Lt. Governor Sabina Matos convened a process called Rhode Island 2030 (RI 2030) to develop a long-term strategy for a more resilient, prosperous, and equitable Rhode Island over the next decade and beyond. These discussions centered on creating a brighter future that, in part, could be realized by the effective use of the State's SFRF allocation.

Throughout the spring and summer of 2021, the Governor and Lt. Governor held 13 Community Conversations with participation from members of the General Assembly, policy experts, community leaders, and others to discuss subjects such as housing, the economy, climate change, children and youth services, health, and higher education. For those who could not watch live, recordings with automatically generated captions were made available on Facebook. Outreach for each event was conducted via email, social media, and promotion in the local press.

On October 15, 2021, Governor McKee and Lt. Governor Matos released an RI 2030 working document with goals, objectives, and opportunities that were shaped by the input and insights from the Community Conversations. In October and November 2021, the Administration held in-person public input sessions to solicit feedback on the RI 2030 working paper to further shape the vision. Translation services were available at these events, giving non-native English speakers an opportunity to provide input. In addition to these events, Rhode Islanders were encouraged to submit feedback online.

In addition to the engagement that informed the development of RI 2030, state agencies are leading robust outreach campaigns to notify potential beneficiaries about funding opportunities through the SFRF. Below is a description of the outreach conducted by the Rhode Island Department of Human Services (DHS) around the *Child Care Retention Bonuses* and *Child Care Family Provider Supports* projects and by the Rhode Island Commerce Corporation (Rhode Island Commerce) for its *Small Business Supports* programs.

DHS has made all outreach materials, applications, program materials, and the [Funding Opportunities](#) webpage available in English and Spanish. All application materials are accessible via mobile or desktop, require no more than 15 minutes, and are free of jargon or technical language. Ninety-seven percent of applicants for the second round of the semiannual retention bonuses responded neutrally or positively to a question regarding the ease of the application process. For the *Child Care Family Provider Supports* grant project, 100% of applicants responded neutrally or positively to the same question.

DHS works closely with vendors and community partners who have trusted relationships in the field and act as its liaison on all programming. Intensive outreach across both programs include:

- Emails to child care programs, potential applicants, vendors, etc.
- For the *Child Care Retention Bonuses* project, all employers and previous grant recipients received direct outreach with updates on the program.

- For the *Child Care Family Provider Supports* project, all current providers received emails, encouraging them to share the opportunity with their networks. Any recent participants in the family child care provider orientation also received repeated outreach.
- For the first round of the *Child Care Retention Bonuses* project, the team conducted 1,837 direct outreaches.
- DHS worked with community partners to share social media posts advertising the opportunities and a promotional video about the *Child Care Family Provider Supports* project that resulted in an increase in applications.
- When an applicant requires additional support, DHS, a vendor, and community partners collaborate on direct outreach via phone or email, often multiple times, to resolve the issue and provide technical assistance where necessary.

As a result, in the first round of the current retention bonus program, a vast majority of licensed programs had at least one employee apply.

For its *Small Business Supports* programs, Rhode Island Commerce worked with eight marketing/outreach partners – East Greenwich Chamber of Commerce, North Kingstown Chamber of Commerce, Newport Chamber of Commerce, Multicultural Innovation Center, Social Enterprise Greenhouse, Rhode Island Hispanic Chamber of Commerce, Rhode Island Hospitality Association, and Innovation Studio – to provide support through social media campaigns, website homepage takeovers, webinars, and e-blasts to their constituents. The Rhode Island Black Business Association, Center for Southeast Asians, and the Rhode Island Society of Certified Public Accountants, and the Rhode Island Hispanic Chamber of Commerce placed Spanish-language radio advertisements and hosted interviews on the radio. Additionally, Rhode Island Commerce distributed print flyers in English and Spanish at community event locations, launched a paid advertising and social media campaign, and spread the word through Main Street events in Central Falls and South Kingstown.

Project Inventory

The project inventory provides an overview of each initiative (including problem statement, use of evidence, key performance indicators, labor requirements, etc.) and is divided by Governor McKee’s Rhode Island 2030 categories.

Aid to Small Business and Impacted Industries

RI Rebounds Project	U.S. Treasury Expenditure Category	Planned Expenditures	Expenditures to Date
Hospitality, Tourism, and Event Direct Grants	Negative Economic Impact: Aid to Tourism, Travel, or Hospitality	\$8,199,000	\$8,196,540.59
Hospitality, Tourism, and Event Placemaking	Revenue Replacement: Provision of Government Services	\$3,129,000	\$0
Hospitality, Tourism, and Event Marketing	Negative Economic Impact: Aid to Tourism, Travel, or Hospitality	\$2,000,000	\$0
Small Business Direct Grants	Negative Economic Impact: Small Business Economic Assistance (General)	\$13,415,000	\$13,415,000.00
Small Business Technical Assistance	Negative Economic Impact: Small Business Economic Assistance (General)	\$10,588,250	\$1,158,184.00
Small Business Public Health Capital Improvements	Public Health: COVID-19 Assistance to Small Businesses	\$7,668,750	\$3,835,724.00
Total		\$45,000,000	\$26,605,448.59

The State’s Aid to Small Business and Impacted Industries projects can be categorized as interventions targeting the *Hospitality, Tourism, and Events* (HTE) industries and ones targeting *Small Businesses*.

- The hospitality, tourism, and events industries were hit especially hard by the pandemic. Rhode Island’s leisure and hospitality sector lost about 37,000 jobs in the initial months of the pandemic, representing a 61.5% decline in employment.⁷ As of December 2021, the leisure and hospitality sector was still about 7,000 jobs below pre-pandemic levels.⁸ HTE sector businesses are eligible to receive funds or services for the HTE projects noted above if they demonstrate a negative impact from the pandemic as determined by the Rhode Island Commerce Corporation (Rhode Island Commerce).
- In March 2021, the U.S. Small Business Administration (SBA) noted the pandemic’s effects on small businesses were felt most acutely in metropolitan and coastal areas, along with restaurants, educational support services, taxi/limousine services, child day care services, self-employed individuals, and Black and Asian business owners.⁹ The State assisted small businesses through three projects: *Small Business Direct Grants*, *Small Business Technical Assistance*, and *Small Business Public Health Capital Improvements*. These projects targeted small businesses with less

⁷ [Rhode Island Department of Labor and Training’s Current Employment Statistics Seasonally Adjusted Data 2020](#)

⁸ [Rhode Island Department of Labor and Training’s Current Employment Statistics Seasonally Adjusted Data 2021](#)

⁹ [The Effects of the COVID-19 Pandemic on Small Businesses](#)

than \$1 million in annual gross revenues that could demonstrate a negative impact from the pandemic as determined by Rhode Island Commerce. Under these projects, total support cannot exceed \$10,000 per eligible business through any of the three projects separately and \$20,000 in the aggregate.

The pandemic further stressed minority- and women-owned businesses. According to a McKinsey & Company study from 2020, there is a “\$290 billion ... [gap in the] opportunity to grow overall wealth by achieving revenue parity between Black- and white-owned businesses. Furthermore, Black business owners have been disproportionately affected by the pandemic-linked economic downturn, in part, because they were more likely to be in a precarious position (e.g., more likely to be in communities with business environments more likely to produce poor business outcomes). Indeed, about 58 percent of Black-owned businesses were at risk of financial distress before the pandemic compared with about 27 percent of white-owned businesses. The pandemic contributed to tipping 41 percent of Black-owned businesses into closure from February to April 2020.”¹⁰ These data are not specific to Black-owned businesses but are illustrative of the data that support minority- and women-owned businesses as being historically underserved or marginalized.

At least 20% of all the *Small Business* funds appropriated are reserved for awards to assist minority business enterprises (MBEs), including woman-owned businesses, as defined by state law.¹¹ For the purposes of the *Small Business* projects, a “minority-owned business” must be (1) at least 51% owned by such individuals who also control and operate the business; or (2) in the case of a publicly owned business, at least 51% of the stock is owned by one or more such individuals. Minority means a person who meets one or more of the following definitions:

- Woman.
- Black (a person having origins in any of the black racial groups of Africa).
- Hispanic (a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race).
- Portuguese (a person of Portuguese, Brazilian, or other Portuguese culture or origin, regardless of race).
- Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands).
- American Indian and Alaskan Native (a person having origins in any of the original peoples of North America).
- Members of other groups or other individuals found to be economically and socially disadvantaged by the SBA under § 8(a) of the Small Business Act, as amended, 15 U.S.C. § 637(a).¹²

Hospitality, Tourism, and Event Direct Grants

Project Identification Number: 10009

Funding Amount: \$8,199,000

Project Expenditure Category: 2.35 Negative Economic Impact: Aid to Tourism, Travel, or Hospitality

¹⁰ [Building support ecosystems for Black-owned US businesses](#)

¹¹ [R.I. Gen. Laws § 37-14.1-3](#)

¹² [15 USC 637](#)

Pandemic-related Problem Statement:

While there has been a range of federal and state supports for the hospitality, tourism, and events industries (e.g., Paycheck Protection Program, Shuttered Venue Operators Grant Program, Rhode Island Hotel, Arts & Tourism (HArT) Grant Program), the leisure and hospitality sector continues to face significant negative. Strategic investments in the hospitality, tourism, and events industries will support a strong, equitable, and broad-based economic recovery. Eligible recipients of grants through this program are restaurants, events-related businesses, valets, hotels, travel/tour-related businesses, and arts/culture organizations.

Project Overview:

Hospitality, Tourism, and Event Direct Grants, \$8,199,000: The project provides direct grants to businesses in the hard-hit hospitality, tourism, and events industry to compensate for lost revenue and other negative financial impacts. The arts/culture organizations are a key component of Rhode Island's tourism industry and fall under the super sector North American Industry Classification System (NAICS) code for leisure and hospitality.

Eligible businesses fall under one of three categories:

- *Restaurants, Events, and Valet Operators*: Businesses must demonstrate a revenue loss of at least 25% to be eligible for a \$12,500 grant.¹³ National/regional chains are ineligible.
- *Hotels, Travel Agents, and Tour Operators*: Businesses must demonstrate a revenue loss of at least 35%. Grant amounts are pro-rated based on actual 2021 net need, relative to the total net need of all applicants, up to \$250,000 or the entity's net need, whichever is less. Award amounts are based on the number of applications received and the level of demonstrated financial need. Entities that receive over \$100,000 must remain operational as of September 1, 2022. Entities with publicly traded stock or that are majority owned by publicly traded companies are ineligible.
- *Arts and Culture Organizations*: Businesses must demonstrate a revenue loss of at least 35%. Grant amounts will be pro-rated based on 2021 net need, relative to the total net need of all applicants, up to \$250,000 or the entity's net need, whichever is less. Award amounts will be based on the number of applications received and the level of demonstrated financial need. To be eligible, applicants must own their facility, or spend at least 20% of their operating budget on rent or performance space, or have been a recipient of a U.S. Small Business Administration (SBA) Shuttered Venue Operators Grant. Entities that receive over \$100,000 must remain operational as of September 1, 2022. National/regional chains are ineligible.

To date, the breakdown in grant recipients by these three categories is as follows: 84 restaurants, events, and valet operators; 19 hotels, travel agents, and tour operators; and 12 arts and culture organizations.

Timeline:

Applications were received in March and April 2022, with grant distributions ongoing. Grant distribution will be completed by the end of July 2022.

Mechanisms and Partners:

The Rhode Island Executive Office of Commerce (EOC) executed a subaward agreement with the Rhode Island Commerce Corporation (Rhode Island Commerce) to deliver State Fiscal Recovery Fund projects on behalf of EOC.

¹³ For entities that received a grant under the *Small Business Direct Grants* project, the maximum *Hospitality, Tourism, and Event Direct Grant* that can be received is \$12,500 less the amount of the Small Business Direct Grant received.

Use of Evidence:

While this intervention has not been identified as evidence based, the analysis of the key performance indicators will evaluate its effectiveness.

Equity Impact:

There are clear economic and equity implications for investing in Rhode Island’s tourism, hospitality, and events industry. According to data from the U.S. Bureau of Labor Statistics, women and Hispanic/Latino workers are disproportionately represented in the leisure and hospitality industry.¹⁴ As such, investments in this sector will create business and employment opportunities for these historically underserved, marginalized, and adversely affected individuals. Leisure and hospitality workers also typically work in lower-wage jobs and have been disproportionately impacted by the pandemic, so there are clear equity objectives in supporting these workers.

Of the direct grant recipients thus far:

- Restaurants, events, and valet operators: 45.6% MBEs.
- Hotels, travel agents, tour operators: 20% MBEs.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Businesses served (restaurants, events, and valet operators)	Number of businesses receiving a grant	0	83
Businesses served (hotels, travel agents, and tour operators)	Number of businesses receiving a grant	0	19
Businesses served (arts and culture organizations)	Number of businesses receiving a grant	0	11
Dollars disbursed	Dollars disbursed by sector	0	\$5,085,327
Businesses still in operation	Percentage of businesses operating six months after receiving grant	0	Not Applicable
Number of employees	Total number of leisure and hospitality super sector employees (seasonally adjusted) six months after receiving grant	53,700	Not Applicable

¹⁴ [U.S. Bureau of Labor Statistics – Labor Force Statistics from the Current Population Survey 2021](#)

Hospitality, Tourism, and Event Placemaking

Project Identification Number: 10014

Funding Amount: \$3,129,000

Project Expenditure Category: 6.1 Revenue Replacement: Provision of Government Services

Project Overview:

Hospitality, Tourism, and Event Placemaking, \$3,129,000: This project will support clean and safe placemaking, attraction development, and event programming, such as outdoor performances, outdoor food festivals, and other special events that attract visitors and residents to impacted businesses.

This effort will help ensure that these types of events, which have a positive economic ripple effect for local restaurants, hotels, retailers, and other Main Street businesses, are able to continue and adapt to operating during the pandemic. This initiative will also allow for new events to launch, supporting general consumer confidence and the economic recovery.

The Rhode Island Commerce Corporation (Rhode Island Commerce) aims to award a small number of grants amounting up to \$250,000 for large-scale projects, such as renovations of and programming for outdoor performance venues, while it expects that most grants will be under \$75,000.

Timeline:

Applications to a request for proposal (RFP) for intermediaries to support the grant program were opened in April. The award announcement was planned for the end of July 2022. Funds will be spent by December 2022, and program closeout is anticipated to continue into 2023.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Hospitality, tourism, and events businesses	Number of businesses impacted by events/activities based on grantee estimates (reported via survey data)	0	Not Applicable
Attendees	Number of individuals participating in events/activities based on grantee estimates (reported via survey data)	0	Not Applicable
Events/activities	Number of events/activities (reported via survey data)	0	Not Applicable

Hospitality, Tourism, and Events Marketing

Project Identification Number: 10015

Funding Amount: \$2,000,000

Project Expenditure Category: 2.35 Negative Economic Impact: Aid to Tourism, Travel, or Hospitality

Pandemic-related Problem Statement:

Rhode Island hosted 21.6 million visitors in 2020, a 17.5% decline from pre-pandemic levels.¹⁵ While the share of day visitors and leisure visitors increased, a drop in business travel negatively impacted mid-week hotel occupancy rates particularly in Providence, Warwick, and the Blackstone Valley. Despite a recent increase in business travel, a three-year recovery is projected.

International travel was severely restricted through 2021, resulting in significant declines in visitation and spending by international travelers. While inbound air travel continues to be heavily impacted, with a 90% decline experienced at the height of the pandemic, the driving market continues to dominate the recovery. Direct marketing in gateway cities – those with direct flights to Rhode Island – will strengthen existing flights and overall recovery.

The pandemic's impact to the Rhode Island Airport Corporation (RIAC) includes:

- Passenger traffic declined by 96.9% year over year in April 2020, the lowest point.
- Of the nine airlines that serviced Rhode Island T.F Green International Airport before the pandemic, four stopped flying there in 2020 (Delta, Frontier, JetBlue, and United) and only returned months later.
- Passenger traffic in the calendar year 2020 was down 67% from 2019.
- Passenger year in the calendar year 2021 was down 42% from 2019.
- Passenger traffic in the calendar year 2022 is forecast to be down between 20% and 30% from 2019.
- The earliest that passenger traffic is expected to reach pre-pandemic levels is 2024.

The pandemic underscored tourism's importance to Rhode Island's economy and its potential moving forward. Marketing will be the key tool to aid the recovery. In Fiscal Year 2021, Rhode Island's lodging sector sustained a 26% loss in sales compared to Fiscal Year 2019. Lodging sales make up approximately 14% of visitor spending in Rhode Island, according to Rhode Island's latest tourism impact study prepared by Tourism Economics.¹⁶ According to Tourism Economics, direct visitor industry employment (related to spending by visitors to Rhode Island who spent the night or traveled at least 50 miles for a day trip) registered 28,412 in 2020, declining 27.8% from 2019.

Project Overview:

Tourism Marketing, \$2,000,000: This project will target advertising on key gateway cities, support direct advertising for the state's tourism regions, and sponsor regional and event partnerships. The goal is to boost tourism and business travel to Rhode Island to pre-pandemic levels. Promotion could include digital marketing, billboards, radio, and an international marketing plan. Such programming aims to increase mid-week hotel occupancy rates and visitation for inland regions.

¹⁵ [Economic Impact of Visitors in Rhode Island 2020](#)

¹⁶ [Tourism Economics](#) is an Oxford Economics company, one of the world's foremost independent global advisory firms, providing reports, forecasts, and analytical tools on 200 countries, 100 industrial sectors, and over 3,000 cities. The Rhode Island Commerce Corporation contracts with Tourism Economics annually to produce the State's tourism impact study, which includes consistent measurement of visits to Rhode Island. Tourism Economics follows industry-accepted standards approved by the World Travel Organization (WTO) to calculate visitation. In addition, Tourism Economics travel forecasts are supported by the U.S. Travel Association.

Industry practices indicate that a five-to-one ratio is considered a strong return on advertising investments. The Rhode Island Commerce Corporation's (Rhode Island Commerce) new technology will provide a clear picture of attribution from advertising spend. Additionally, Arrivalist provides patent-pending marketing technology that anonymously measures changes in a user's location via mobile devices after various types of media exposure. Arrivalist triangulates advertising exposure with location-aware digital devices to provide the first true measurement of destination advertising return on investment.

The *Tourism Marketing* funding is allocated as follows:

- *Advertising*, \$1,000,000: RIAC advertising will include digital marketing, billboards, radio, and an international marketing plan with Brand USA.
- *Direct Grants*, \$750,000: Direct grants will be awarded to the state's tourism districts to engage in marketing campaigns.
- *Targeted Marketing to Regional Drive Markets*, \$250,000: Funding will be used for regional and event partnerships, increased public relations efforts, and other media.

Timeline:

From August to September 2022, Rhode Island Commerce will launch a targeted integrated marketing campaign directed at luring visitors from the competitive four-hour drive market. In support of regional tourism drive market initiatives, Rhode Island Commerce will support efforts to attract visitors through subawards to regional tourism organizations. In addition to drive market initiatives, Rhode Island Commerce will deploy air service destination marketing programs on behalf of RIAC, targeting select gateway cities. The campaigns will begin by the end of August 2022. Media will be pre-purchased to run through May 2023.

Mechanisms and Partners:

The Rhode Island Executive Office of Commerce (EOC) executed a subaward agreement with the Rhode Island Commerce Corporation (Rhode Island Commerce) to deliver State Fiscal Recovery Fund projects on behalf of EOC.

Use of Evidence:

While this intervention has not been identified as evidence based, the analysis of the key performance indicators will evaluate its effectiveness.

Equity Impact:

Rhode Island Commerce will integrate inclusive marketing messaging across all social platforms, advertising placement, content development, and public relations efforts. Rhode Island Commerce will use internal business-to-business channels to encourage Rhode Island businesses and regional tourism partners to adopt inclusive marketing practices. In addition, Rhode Island Commerce will share strategy, imagery, and messaging. This will be tracked through a Tourism Economics dashboard that provides spend, geolocation, and census data.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Rental home occupancy	Occupancy data will be provided by AirDNA monthly	Seasonality Q1: 76% Q2: 40%	Not Applicable
Meals tax	Revenue collected from 1% meals tax	Seasonality Q1: \$9,526,287 Q2: \$7,383,968	Not Applicable
Airplane load factors	Percentage of total seats filled on flights from Gateway Cities to Rhode Island T.F. Green International Airport	45%	Not Applicable
Consumer visitation daytime vs. overnight	Ratio of visitors to Rhode Island that do not stay overnight to visitors to Rhode Island that do stay overnight	2.571	Not Applicable
Hotel occupancy	Daily occupancy rates statewide broken down by regional tourism district	Seasonality Q1: 72% Q2: 64%	Not Applicable
Group sales	Meetings and conventions lead generation metrics	90	Not Applicable

Small Business Direct Grants

Project Identification Number: 10008

Funding Amount: \$13,415,000

Project Expenditure Category: 2.29 Negative Economic Impacts: Loans or Grants to Mitigate Financial Hardship

Pandemic-related Problem Statement:

In March 2021, the U.S. Small Business Administration (SBA) noted that the pandemic’s effects on small businesses were felt most acutely in metropolitan and coastal areas, along with restaurants, educational support services, taxi/limousine services, child day care services, self-employed individuals, and Black and Asian business owners.¹⁷

¹⁷ [The Effects of the COVID-19 Pandemic on Small Businesses](#)

Project Overview:

Small Business Direct Grants, \$13,415,000: The project is providing grants in the amount of \$2,500 or \$5,000 to small businesses that can be used for salaries to avoid furloughs or layoffs, operating costs, reopening costs, and other expenses. Eligible industries are accommodation/hotels, agriculture, arts, entertainment, recreation, child care providers, construction, education services, finance, insurance, health care, manufacturing, personal care services, professional/science and technical service, restaurants, bars, caterers, food trucks, other food services, retail, transportation, wholesale, and warehousing.

Timeline:

In January 2022, the program framework and technology solution were implemented. In mid-January through the end February 2022, the technical assistance partners were activated, trained on the technology solution, and trained on program requirements including the SAM.gov registration process. Applications were accepted between February 1 and February 15, 2022. The review of applications began immediately and has continued through the publication of this report.

Mechanisms and Partners:

The Rhode Island Executive Office of Commerce (EOC) executed a subaward agreement with the Rhode Island Commerce Corporation (Rhode Island Commerce) to deliver State Fiscal Recovery Fund projects on behalf of EOC.

Use of Evidence:

Research indicates that direct financial support to small businesses has a positive impact on the economy. According to an analysis of the Paycheck Protection Program (PPP) by the Hutchins Center on Fiscal and Monetary Policy at Brookings, there is “a direct cumulative increase in GDP of roughly 25 cents over the course of 3 years for every dollar of grants to small businesses.”¹⁸ Additionally, the Congressional Budget Office (CBO) reported in *The Effects of Pandemic-Related Legislation on Output* that “grants ... will provide liquidity to businesses experiencing financial distress, increasing the likelihood that they will survive and preserve jobs for their employees while economic activity is weak.”¹⁹

Rhode Island Commerce created the *Small Business Direct Grants* project by considering lessons learned from prior emergency response grant programming. Rhode Island Commerce plans to further evaluate and measure program impacts by surveying grant recipients.

Equity Impact:

The *Small Business Direct Grants* project requires that at least 20% of funding is dedicated to MBEs. The project expands upon previous efforts to serve historically underserved, marginalized, and adversely affected small businesses by selecting technical assistance partners with the knowledge, experience, and existing networks to assist minority- and woman-owned businesses. Partners assisted in outreach to make eligible businesses aware of the program and provided one-on-one assistance ranging from applying for direct grants to registering on SAM.gov as necessary. Additionally, application materials and advertisements were produced in multiple languages. Rhode Island Commerce also prioritized reviewing applications from first-time recipients of COVID-19 assistance from the State, very small businesses (beginning with small businesses with less than \$500,000 in gross revenue), and MBEs, including woman-owned businesses.

55.4% of the recipients to date of the *Small Business Direct Grants* program are MBEs, including woman-owned businesses.

¹⁸ [What Could Additional Fiscal Policy Do for the Economy in the Next Three Years?](#)

¹⁹ [The Effects of Pandemic-Related Legislation on Output](#)

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Number of small businesses served	Number of businesses receiving a grant	0	1,954
Dollars disbursed	Dollars disbursed to final beneficiary (small businesses)	0	\$9,430,000
Minority Business Enterprises (W/MBEs), including woman-owned businesses	Number of W/MBEs receiving a grant	0	1,082
Businesses still in operation	Percentage of businesses operating six months after receiving grant	0	Not Applicable

Small Business Technical Assistance

Project Identification Number: 10013

Funding Amount: \$10,588,250

Project Expenditure Category: 2.30 Negative Economic Impacts: Technical Assistance, Counseling, or Business Planning

Pandemic-related Problem Statement:

Businesses, particularly small businesses, suffered from inexperience with agile business practices as they faced unprecedented disruptions from the pandemic. Many businesses lacked the knowledge or resources to quickly pivot to e-commerce, access to federal and state funding, and generally plan for and adapt to the changing world during the pandemic.

Project Overview:

Small Business Technical Assistance, \$10,588,250: This project provides targeted finance, technology, marketing, and planning assistance to improve small businesses' knowledge base and resiliency. Qualified vendors selected through a competitive request for proposals (RFP) process will provide these services upon request, with additional support provided by an assigned "concierge."

The first phase of the project helps businesses apply for direct grants offered under the Rhode Island Rebounds' (RI Rebounds) *Small Business Direct Grants* and the *Hospitality, Tourism, and Events Direct Grants* projects. The second phase of the project is technical assistance provided by the Center for Southeast Asians (CSEA), Rhode Island Black Business Association (RIBBA), Rhode Island Hispanic Chamber of Commerce (RIHCC), Rhode Island Society of Certified Public Accountants (RISCPA), and Roads Consulting Group (RCG) for long-term business support.

Timeline:

The first phase of the project, which is the assistance for small businesses to apply for direct grants, began in late January 2022 and will run through the end of the grant programs. The second phase of the project, which is the technical assistance for small businesses, was anticipated to begin in July 2022. An RFP for a central vendor coordinator was posted, responses were submitted, responses were reviewed and scored, and vendors were selected. A survey of the program will be conducted from August 2023 through October 2023 to monitor the percentage of small businesses serviced that remain in business one year after receiving support.

Mechanisms and Partners:

The Rhode Island Executive Office of Commerce (EOC) executed a subaward agreement with the Rhode Island Commerce Corporation (Rhode Island Commerce) to deliver State Fiscal Recovery Fund projects on behalf of EOC. This project is forecast to use the following vendors:

- CSEA: Language translation services.
- RIBBA: Accounting assistance, business development assistance, interpretation/translation assistance, and legal assistance.
- RIHCC: Small business support services.
- RISCPA: Accounting assistance and CPA instruction and consulting.
- RCG: Language translation services.

Use of Evidence:

There is a growing body of evidence to support the provision of technical assistance to small businesses. In a September 2018 report, the Milken Institute stated, “[Technical assistance] is one of the most effective methods for building the capacity of entrepreneurs and small-business owners.”²⁰ Additionally, a 2014 evaluation of SBA’s Small Business Development Centers programming found that the vast majority of small businesses served had a positive experience with the program.²¹

Rhode Island Commerce plans to evaluate and measure the impacts of this initiative by collecting data from the application and intake processes. For the first phase, Rhode Island Commerce will assess the impacts that the technical assistance had on businesses’ successful application for the *Small Business Direct Grant* and the *Hospitality, Tourism, and Event Direct Grant* programs. Technical assistance partners will be required to track the businesses they support, the amount of time they work with a business, the type of support provided, and the business size, industry, and minority business status. This will allow Rhode Island Commerce to track applications and awards to provide real-time data on the interventions’ efficacy.

For the second phase, Rhode Island Commerce will evaluate the program’s success against both input and output metrics, specifically: the number of eligible small businesses that are served, the percentage of these businesses that are minority- or woman-owned businesses, the hours of support provided to each business by service type, and the percentage of served small businesses that a) remain in business, b) have maintained or increased staff, and c) increased revenue after one year.

²⁰ [Best Practices for Technical Assistance Programs Serving Black and Hispanic Entrepreneurs and Small-Business Owners](#)

²¹ [Small Business Management and Technical Assistance Training Programs](#)

Equity Impact:

The *Small Business Technical Assistance* project requires that at least 20% of funding is dedicated to minority business enterprises (MBEs), including woman-owned businesses. Rhode Island Commerce is working with “concierges” or intake counseling supports for businesses that a) have trusted relationships in historically underserved and marginalized communities and b) can provide interpretation assistance for business owners whose preferred language is not English. These efforts – along with targeted marketing and outreach – will directly support equity results. The first phase of the project will support businesses that apply for direct grants in the following languages: Spanish, Portuguese, French, Korean, Mandarin, Hmong, Vietnamese, Laotian, Khmer, and Tagalog.

According to a Brookings report, as of 2007, minority-owned businesses had considerably fewer employees, on average, than nonminority-owned businesses, and woman-owned businesses had fewer employees than those owned by a man. In 2002, average gross receipts for minority-owned businesses were approximately \$167,000 compared to \$439,000 for nonminority-owned businesses; receipts were particularly low for African American-owned businesses at just \$74,000. A post-recession survey of businesses led by a woman showed that their annual revenues were approximately \$154,000, although it is hard to compare this number to those above because the recession disproportionately affected women and minority business owners.²²

The first phase of the *Small Business Technical Assistance* project is designed to assist businesses in meeting administrative requirements (e.g., SAM.gov registration, grant agreement/W9 uploads, and fluency in contractual English) that create disparities in the ability to complete applications.

Of the participants or recipients of the program thus far, 58.4% are MBEs, including woman-owned businesses.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Number of small businesses served	Number of businesses served	0	1,176
Hours of support	Hours of support provided to each business	0	1,625.95
Businesses still in operation	Percentage of served small businesses that remain in business one year from support	0	Not Applicable
Successful applications	Number of successful applications to the <i>Small Business Direct Grant</i> program due to service provision	0	803

²²https://www.brookings.edu/wpcontent/uploads/2016/07/minority_women_entrepreneurs_building_skills_barr.pdf

Small Business Public Health Capital Improvements

Project Identification Number: 10010

Funding Amount: \$7,668,750

Project Expenditure Category: 1.8 Public Health: COVID-19 Assistance to Small Businesses

Pandemic-related Problem Statement:

Data clearly show that infectious diseases like COVID-19 are less transmissible in outdoor settings compared to indoor settings.²³ To support this public health imperative, it is important that small businesses can relocate more of their services to outdoor settings and enhance their ventilation systems. Studies have shown that good air circulation inside buildings reduces the spread of COVID-19 in aerosols.²⁴ Ventilation upgrades not only help small businesses conduct business in a safer manner, but also provide the public with a sense of safety.

In the summer of 2021, the Rhode Island Commerce Corporation (Rhode Island Commerce) conducted a survey of over 500 businesses and found that 77% of responding food service businesses and 88% of responding nonprofits/social assistance businesses would benefit from outdoor capacity supports. Rhode Island Commerce receives inquiries from small businesses, industry associations, municipalities, and nonprofit partners requesting additional support in this area.

Project Overview:

This project is comprised of two components: *Small Business Take It Outside* and *Small Business Ventilation Services*.

Small Business Take It Outside Program, \$5,063,750: The project is providing grants to intermediaries (e.g., merchant/industry associations, chambers of commerce, nonprofit organizations, downtown improvement districts, municipalities, and others) to purchase, obtain, deliver, or install the following: furniture, heat lamps, tents, outdoor Wi-Fi, masks, hand sanitizer, personnel, lighting, power sources, signage, etc. Intermediaries for this project will be selected through a request for proposals (RFP) process to purchase, obtain, deliver, install, or distribute Take It Outside-related goods and services. Rhode Island Commerce will also pay for various administrative costs, such as technology, application underwriting and review, data reporting and analytics, and auditing.

Small Business Ventilation Services, \$2,605,000: This project will provide initial technical assistance and needs assessment services to help small businesses improve their ventilation systems. The project will also support the purchase and installation of air filters and other ventilation equipment to increase air flow through buildings. Small businesses will work with their ventilation vendors, receive a needs assessment, and, depending on the findings, add ventilation enhancements. These ventilation improvements will improve air quality and better position businesses to address any future surges of COVID-19.

Timeline:

Small Business Take It Outside: Activities are active and ongoing. Intermediaries selected for participation in the program have initiated or are initiating activities under the program, and data on supported businesses is being reported.

²³ <https://www.epa.gov/coronavirus/indoor-air-and-coronavirus-covid-19>

²⁴ <https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html>

Small Business Ventilation Services: A request for proposals (RFP) will be for intermediaries to support the program. Activities and a program audit are anticipated to be completed by the end of December 2022.

Mechanisms and Partners:

The Rhode Island Executive Office of Commerce (EOC) executed a subaward agreement with the Rhode Island Commerce Corporation (Rhode Island Commerce) to deliver State Fiscal Recovery Fund projects on behalf of EOC. The *Small Business Ventilation Services* project is forecast to use numerous heating, ventilation, and air conditioning (HVAC) vendors and a singular payment processing vendor to distribute ventilation-related goods and services.

Use of Evidence:

The Centers for Disease Control and Prevention (CDC) recommend a layered approach to reduce exposures to SARS-CoV-2, the virus that causes COVID-19. This approach uses multiple mitigation strategies, including improvements to building ventilation, to reduce the spread of disease and lower the risk of exposure.²⁵

Equity Impact:

Rhode Island Commerce is prioritizing grant funding to ensure subscription levels meet the General Assembly’s mandated 20% support to minority business enterprises (MBEs), including woman-owned businesses. Rhode Island Commerce is working with intermediaries to leverage local relationships and ensure effective outreach to underserved businesses, as well as relying on experience with other grant programs to ensure effective subscription levels.

Rhode Island Commerce began the project a few weeks before the reporting period end date. As of June 30, 2022, 13 businesses were served, of which eight are MBEs, including woman-owned businesses.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Number of small businesses served	Number of small businesses served	0	13
Expanded outdoor capacity	Number of businesses reporting expanded outdoor capacity supports (reported by geography, industry)	0	13
Expanded outdoor operations	Number of businesses that report expanded business operations, as reported by survey data	0	13

²⁵ <https://www.cdc.gov/coronavirus/2019-ncov/community/ventilation.html>

Key Performance Indicator	Description	Baseline	Performance-to-date
Minority Business Enterprises (MBEs), including woman-owned businesses	Number of MBEs served through the programs	0	8
Small businesses served (Ventilation)	Number of small businesses served by the ventilation program	0	Not Applicable
Technical assistance/ installation	Number of small businesses who received technical/installation assistance by HVAC professionals	0	Not Applicable
Increase indoor airflow	Number of small businesses with increased indoor airflow (air quantity) as reported by HVAC professionals	0	Not Applicable

Children, Families and Education

RI Rebounds Project	U.S. Treasury Expenditure Category	Planned Expenditures	Expenditures to Date
Child Care Retention Bonuses	Negative Economic Impacts: Aid to Other Impacted Industries	\$18,700,000	\$12,352,805.89
Child Care Family Provider Support	Negative Economic Impacts: Business Incubators and Start-Up or Expansion Assistance	\$300,000	\$150,045.01
Early Intervention Provider Relief and Recovery	Public Health: Mental Health Services	\$5,500,000	\$4,050,780.23
Pediatric Provider Relief and Recovery	Public Health: Other Public Health Services	\$7,500,000	\$5,767,511.74
DCYF Workforce Stabilization	Premium Pay: Private Sector: Grants to Other Employers	\$12,334,175	\$5,524,011.26
DCYF Sign-on Bonuses	Negative Economic Impacts: Aid to Other Impacted Industries	\$165,825	\$24,221.30
Total		\$44,500,000	\$27,869,375.43

Child Care Retention Bonuses

Project Identification Number: 10001

Funding Amount: \$18,700,000

Project Expenditure Category: 2.36 Negative Economic Impacts: Aid to Other Impacted Industries

Pandemic-related Problem Statement:

According to the U.S. Bureau of Labor’s Quarterly Census of Employment and Wages, the child day care services industry in Rhode Island experienced a 21.6% employment loss from 2019 to 2020.²⁶ Nationally, the industry had an average employment loss of 9.8% from early 2020 compared to the fall of 2021.²⁷

U.S. Bureau of Labor’s Quarterly Census of Employment and Wages					
Child Day Care Services in Rhode Island					
January 2020	February 2020	March 2020	April 2021	May 2021	June 2021
3,831	3,838	3,812	3,224	3,233	3,338
2020 Q1 Average			2021 Q2 Average		
3,838			3,265		

A National Association for the Education of Young Children (NAEYC) survey found that 78% of respondents identified low wages as the main obstacle to recruiting educators, while 81% cited low wages as a key reason for educators to leave. In Rhode Island’s recently completed Coronavirus Response and

²⁶ U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (2019 – 2020)

²⁷ U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (Jan. 2020 – March 2020, April 2021 – June 2021)

Relief Supplemental Appropriations Act (CRRSA) Child Care Stabilization Grant program, 95% of grant recipients used at least 20% of their grant for wage bonuses, demonstrating the urgent need to financially recognize staff and promote retention. The retention of these essential workers impacts nearly every single child care provider in the state by ensuring that centers remain open and serve families at their licensed capacity.

Families cannot return to work if there are not enough quality child care options, and child care providers cannot operate at capacity because of employee shortages. To address the crisis, Rhode Island needs to retain employees and attract new ones.

Project Overview:

Child Care Retention Bonuses, \$18,700,000: To address these challenges, Rhode Island is paying \$1,500 semiannual retention bonuses (up to \$3,000 per person) to all child care staff who have been employed with a provider for at least six consecutive months. The goal of the retention bonuses is to retain direct care staff for the duration of the program.

Timeline:

The Rhode Island Department of Human Services (DHS) drafted the application and established the application portal in early March 2022. The first application window, from March 18, 2022, through April 22, 2022, was for educators who were employed for six consecutive months with the same employer as of December 1, 2021. The second application window, from June 1, 2022, through June 30, 2022, was for educators who were employed for six consecutive months with the same employer as of June 1, 2022.

Mechanisms and Partners:

DHS engaged with a fiscal intermediary, Public Consulting Group (PCG), to set up the application portal for child care educators, distribute the funds, and assist with data collection and analysis. The review of applications and payment of bonuses occur on an ongoing basis in both application windows. It is clearly communicated to applicants that this is a first-come, first-served opportunity.

Use of Evidence:

This project is modeled, in part, on the evidence-informed WAGES Model,²⁸ which provides pay supplements to early childhood educators every six months as attraction and retention incentives. Currently, 15 states have implemented a model like WAGES. To address the unique and pressing needs of the pandemic, the *Child Care Retention Bonuses* project provides the same bonus to all eligible educators to expedite payments and simplify the message to the workforce to increase engagement. A recent study on Virginia's Teacher Recognition Program (funded by the federal Preschool Development Birth through Five Grant), which distributed \$1,500 to educators over eight months to recognize their work and reduce turnover, found that the incentive decreased attrition by 50%.

Equity Impact:

The early childhood workforce is made up primarily of women, and disproportionately women of color. By increasing compensation for child care employees, this project will address the gender pay equity gaps that are persistent in Rhode Island and across the nation. Additionally, the workforce shortage in the child care sector impacts women, who are often the primary caretakers of young children and struggle to re-enter the workforce without access to child care. By stabilizing and growing the supply of child care, more women will have the opportunity to return to work.

²⁸ <http://www.teachecnationalcenter.org/wp-content/uploads/2014/10/WAGE-Overview-2015.pdf>

DHS has allocated resources for outreach to eligible educators regarding the program. Making the retention bonus amount the same for all workers not only simplifies the application process by reducing the amount of paperwork or attestations needed, but also provides a higher pay increase rate for lower-wage earners. Program outcomes are focused on job retention, which will close the gap for women who need to find stable, quality child care options so they can return to work.

To ensure underserved populations are being reached by the program, all outreach materials, applications, program materials, and the [Funding Opportunities](#) webpage are available in English and Spanish. All application materials are accessible via mobile or desktop, require no more than 15 minutes, and are free of jargon or technical language. Ninety-seven percent of applicants for the second round of the semiannual retention bonuses responded neutrally or positively to a question regarding the ease of the application process.

DHS works closely with vendors and community partners who have trusted relationships in the field and act as its liaison on all programming. Intensive outreach for the child care worker retention bonus program included:

- Emails to child care programs, potential applicants, vendors, etc.
- All employers and previous grant recipients received direct outreach with updates on the program.
- For the first round of the retention bonus program, the team conducted 1,837 direct contacts.
- When an applicant requires additional support, DHS, a vendor, and community partners work together to provide direct outreach via phone or email, often multiple times, to resolve the issue and provide technical assistance where necessary.

As a result, in the first round of the current retention bonus program, the vast majority of licensed programs had at least one employee apply.

As of June 30, 2022, the distribution of bonuses by race was:

- White: 70.9%
- Other: 9.0%
- Black or African American: 8.6%
- Preferred not to answer: 6.2%
- Two or more races: 2.7%
- Asian: 1.4%
- American Indian or Alaska Native: 0.8%
- Native Hawaiian or Pacific Islander: 0.4%

In terms of ethnicity, of the 70.9% of recipients who identified as white, 62.1% identified as Not Hispanic or Latino; 23.9% of recipients across all races identified as Hispanic or Latino.

In terms of gender, 92.6% of recipients identified as female, 6.4% as male, and 0.5% as non-binary. Additionally, 0.5% preferred not to answer.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Educators submitting a complete first round application	Measures success of program outreach and technical assistance resources	0	3,630
Educators submitting a complete second round application*	Measures success of program outreach and technical assistance resources	0	3,618
Number of retention bonuses distributed	Primary metric demonstrating impact of the program	0	6,001
Educators retained for the entire program period	Educators who receive both semiannual grants will remain in the field for the entire program period, therefore promoting medium-term stability of the child care sector	0	2,271

**Counts are not the unique number of educators as eligible educators can apply for a retention bonus in each round.*

Child Care Family Provider Support

Project Identification Number: 10002

Funding Amount: \$300,000

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

Pandemic-related Problem Statement:

Families cannot return to work if there are not enough quality child care options. Demand for family child care (FCC) increased throughout the pandemic while the supply of FCC providers decreased. According to the licensing data gathered by the Rhode Island Department of Human Services (DHS), the state experienced a net loss of 113 providers, or over 25% of total FCC capacity, during the pandemic.

FCC providers typically care for a small group of children in a home and meet specific health and safety licensing requirements. Families may choose this 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. The FCC workforce is, on average, an older workforce. During the pandemic, many FCC providers chose to retire or permanently close, even after child care was allowed to reopen, due to safety concerns. This project incentivizes the creation of 100 new FCC providers to address the shortage created during the pandemic.

Project Overview:

Child Care Family Provider Support, \$300,000: This project is providing \$2,000 grants to 100 new FCC providers to cover the startup costs associated with opening an FCC setting and technical assistance to facilitate the startup process. For the purposes of this program, new FCC providers are those who do not have an active license with DHS. By covering startup costs, such as health and safety materials, inspections, and liability insurance, the State is removing a potential barrier to entry and encouraging more of these primarily woman-owned small businesses to open and replenish the lost supply.

Timeline:

Applicant submissions were opened at the end of March 2022, and grants began being distributed in April 2022. Follow-up surveys to gather spending and quality data will be conducted alongside the grant distribution timeline.

Mechanisms and Partners:

DHS has engaged with a fiscal intermediary, Public Consulting Group (PCG), to assist in program implementation and stakeholder outreach. DHS and PCG are providing technical assistance to new FCC providers to ensure they serve Child Care Assistance Program (CCAP) families and participate in the State's Quality Rating and Improvement System (QRIS).

Use of Evidence:

A review of literature on the efficacy of home-based child care finds that most FCC settings are safe, and caregivers are generally nurturing.²⁹ Additional research finds that coaching and professional development efforts promote improved quality.³⁰

Equity Impact:

The *Child Care Family Provider Support* project is investing in woman- and minority-owned businesses, as FCCs are disproportionately owned and operated by women of color, particularly Hispanic women. FCCs are often a preferred care option for families of color and families who speak a language other than English. It is vital for Rhode Island to ensure an adequate supply of this child care model that meets the needs of communities of color and immigrant communities. Additionally, the workforce shortage in the child care sector impacts women, who are often the primary caretakers of young children and struggle to re-enter the workforce without access to child care. By stabilizing and growing the supply of child care, more women will have the opportunity to return to work.

To ensure underserved populations are reached by the program, all outreach materials, applications, program materials and the funding opportunities webpage are available in English and Spanish.³¹ All application materials are accessible via mobile or desktop, require no more than 15 minutes and are free of jargon or technical language. All FCC provider startup grant applicants responded neutrally or positively to a question regarding the ease of the application process.

DHS works closely with vendors and community partners who have trusted relationships in the field and act as its liaison on all programming. Intensive outreach for the FCC program included:

- All current providers received emails, encouraging them to share the opportunity with their networks. Any recent participants in the FCC provider orientation received repeated outreach.

²⁹ https://www.acf.hhs.gov/sites/default/files/documents/opre/lit_review.pdf

³⁰ https://www.acf.hhs.gov/sites/default/files/documents/occ/occ_fcc_brief.pdf

³¹ www.kids.ri.gov/cabinet/funding-opportunities/

- DHS worked with community partners to share social media posts advertising the opportunities, and a promotional video about the FCC grants program which resulted in an increase in applications.
- When an applicant requires additional support, DHS, a vendor, and community partners contact the applicant via phone or email to resolve the issue and provide any necessary technical assistance.

As of June 30, 2022, the distribution of grants by race was:

- Other: 28.6%
- White: 25.7%
- Preferred not to answer: 22.9%
- Black or African American: 8.6%
- Asian: 5.7%
- Two or more races: 2.9%
- American Indian or Alaska Native: 2.9%
- Native Hawaiian or Pacific Islander: 2.9%

In terms of ethnicity, of the 25.7% of recipients who identified as white, 14.3% identified as Not Hispanic or Latino; 74.3% of recipients across all races identified as Hispanic or Latino.

In terms of gender, 94.3% of recipients identified as female and 5.7% as male.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Number of small businesses served	Number of small businesses served (by program if recipient establishes multiple separate small businesses assistance programs)	0	35
Family child care provider support grants distributed	The number of pre-licensed applicants receiving a grant. DHS distributes grants during pre-licensure to help applicants cover startup costs and ensure the applicants become licensed.	0	35

Key Performance Indicator	Description	Baseline	Performance-to-date
Newly-licensed FCC providers	The number of grant recipients becoming newly-licensed FCC providers	0	9
New child care seats available	There are on average six child care seats per FCC provider	0	54
BrightStars Quality Ranking	Number of newly-licensed providers ranking 2-stars or higher on the BrightStars quality continuum	0	0
New seats in child care deserts (among newly-licensed providers)	Number of seats created in nine high-need communities *	0	0

* Burrillville, Hopkinton, Little Compton, Narragansett, Newport, Richmond, Scituate, Tiverton, Woonsocket

Early Intervention Provider Relief and Recovery

Project Identification Number: 10003

Funding Amount: \$5,500,000

Project Expenditure Category: 1.12 Public Health: Mental Health Services

Pandemic-related Problem Statement:

The Early Intervention (EI) Part C program of the Individuals with Disabilities Act (IDEA) provides crucial services to Rhode Island families with children experiencing developmental delays or medical conditions associated with developmental delays. During the pandemic, all nine EI providers in Rhode Island struggled to accept direct referrals due to significant staffing shortages. The State's EI system was serving 87% of typical referrals, meaning that since March 2020, over 1,100 families who may have been eligible for EI services were never referred.

The families enrolled in EI services before the *Early Intervention Provider Relief and Recovery* project received fewer service hours per month (an average of 2.87 hours) than in State Fiscal Year (SFY) 2019 (3.31 hours) and disengaged in EI services at a higher rate (31% as compared to 25% in SFY 2019). This led to declines in billing for these programs, creating financial solvency concerns in addition to the decrease in critical services for Rhode Island children. The EI system needs 54 additional workers to meet

the typical capacity (prior to the intervention at only 78%) to serve the number of families in Rhode Island in need of EI services.

The Rhode Island Executive Office of Health and Human Services (EOHHS) conducted a survey in October 2021 that found that the total loss across the providers along with the cost of bringing current staff to market-value salaries amounted to \$6.24 million, given the increase in staffing costs during the public health emergency (PHE). In December 2021, the State provided \$3.64 million from the Coronavirus Aid, Relief, and Economic Security (CARES) Act's Coronavirus Relief Fund (CRF) to EI providers to begin to address the losses noted above. Therefore, an additional \$2.6 million is needed to stabilize EI providers.

Nationally, the early childhood education system has experienced similar challenges. An October 2020 *Pediatrics* article reported on a national survey of parents with children under the age of 18 and found that since March 2020, 27% of parents reported worsening mental health for themselves, and 14% reported worsening behavioral health for their children.³² The intervention outlined below directly responds to the public health needs that have worsened significantly during the PHE.

Project Overview:

Stabilization Grants, \$2,600,000: EOHHS provided a stabilization grant to all nine EI providers. The grant amount was calculated based on the size of the population served by each provider, in accordance with EOHHS's survey noted in the prior section. Eligible uses for the stabilization grant include, but are not limited to, enhanced outreach activities to ensure equitable access and family engagement in EI services; retention bonuses for staff; workforce costs due to labor market conditions; professional development activities; and costs required to increase in-person visits.

Pay for Performance, \$2,900,000: EOHHS developed a pay-for-performance model to incentivize providers to increase service activity. Each provider has individual targets, while the State's targets are noted in the *Performance* section below. Providers receive a performance grant at the end of each quarter (June 2022, September 2022, and December 2022) if they meet certain identified targets, such as recovering referral and staffing figures to 2019 levels, increasing the percentage of children referred to EI who complete the eligibility process and engage in services, and reducing disproportionality for families with Medicaid coverage and families of color.

Timeline:

EOHHS developed, distributed, and approved the applications to EI providers in mid-March 2022. Stabilization grants were distributed upon application approval, with the last grants distributed by the end of March 2022. Once they received their grants, EI providers developed an individualized performance plan with EOHHS (see *Performance* section below), in which performance is tracked monthly. Providers received a performance grant in June 2022, and they will receive the remainder in SFY 2023 at the end of each quarter if they meet certain identified targets.

Mechanisms and Partners:

The project will be overseen by EOHHS, which will partner with the State's nine EI providers.

Use of Evidence:

EI is federally required as part of IDEA to address the developmental and behavioral needs of children.

³² <https://pediatrics.aappublications.org/content/146/4/e2020016824>

- The National Early Intervention Longitudinal Study (NEILS) Special Education and Part C Programs tracked children with a developmental delay and found 46% did not need special education by the time they reached kindergarten due to EI services.
- Studies found that children who participate in high-quality EI/early childhood development programs tend to have less need for special education and other remedial work, greater language abilities, improved nutrition and health, and experienced less child abuse and neglect.

Rhode Island is nationally recognized for implementing a high-quality EI model that delivers services in natural settings for children (i.e., the home or a care setting), which is the best practice. This proposal seeks to bolster the overall delivery of this vital program.

Equity Impact:

Medicaid-enrolled children represent 57% of the EI referral population, yet they represent 72% of the children referred but never enrolled. Similarly, Hispanic children represent 33% of the EI referral population, yet they represent over 41% of the children referred but never enrolled (as of SFY 2021).

Medicaid-enrolled children represent 57% of the discharge population, yet they represent 76% of the children who started services and disengage due to either lost contact or family withdrawal. Similarly, Hispanic children represent 33% of the discharge population, yet they represent 42% of the children who started services and disengaged due to either lost contact or family withdrawal (as of SFY 2021).

Additionally, programmatic data shows that among children enrolled in EI, Hispanic and Black children are disproportionately exiting the program without meeting outcomes relative to the distribution by race/ethnicity of children enrolled in the program. One study showed that Black toddlers are five times less likely than their white counterparts to receive EI services for developmental delays.

To address these disparities, the pay-for-performance portion of this plan is designed to promote engagement in and retainment of services. While this goal applies to the overall EI population, the project sets a goal that the disproportionalities mentioned above are brought within 3% of the overall population; this is the standard of the U.S. Department of Education Office of Special Education and Rehabilitative Services (OSERS). This standard is used when analyzing state EI data regarding representativeness and disproportionalities.

Labor Requirements:

Not applicable to this project.

Performance:

As part of the pay-for-performance grant agreement, EI providers will submit individualized performance plans with specific benchmarks. Below are the State’s goals for the average across all nine providers:

Key Performance Indicator	Description	Baseline	Performance-to-date
Referrals	Increase referrals to 100% of calendar year 2019 numbers	SFY 2022 Q2: 62%	86.4%

Key Performance Indicator	Description	Baseline	Performance-to-date
Staffing capacity	Increase staffing capacity to calendar year 2019 numbers	0	5
Eligibility process completion	Increase the percentage of children referred to EI who complete the eligibility process	SFY 2021: 67%	78.0%
Disengagement in services	Of the children who fully enroll in EI services, decrease the percentage of children who disengage with EI services before program completion	SFY 2021: 31%	20.1%

Pediatric Provider Relief and Recovery

Project Identification Number: 10004

Funding Amount: \$7,500,000

Project Expenditure Category: 1.14 Public Health: Other Public Health Services

Pandemic-related Problem Statement:

Healthy child development and infant/child mental health are essential to future positive academic and health outcomes. Throughout the public health emergency (PHE), many children and their families with behavioral health conditions and related developmental delays were unable to access services and family supports. Early data has demonstrated the significant negative impacts on child development and early childhood mental health.

According to a *Journal of the American Medical Association* article, “The COVID-19 pandemic may worsen existing mental health problems and lead to more cases among children and adolescents because of the unique combination of the public health crisis, social isolation, and economic recession.”³³

Furthermore, COVID-19 threatens the health care system’s ability to effectively screen for and identify behavioral health needs that cause and/or co-occur with developmental delays to initiate referrals for critical services, such as Early Intervention (EI), Family Home Visiting (FHV), and Early Childhood Special Education (ECSE).

Children in Rhode Island have experienced delayed health care and developmental supports and have been exposed to trauma due to the PHE which could have a devastating long-term impact on

³³ <https://jamanetwork.com/journals/jamapediatrics/fullarticle/2764730>

development. Addressing the delayed access to supports and services is critical so that children enter the education system ready to learn.

The *Pediatric Provider Relief and Recovery* project builds on the successful Coronavirus Aid, Relief, and Economic Security (CARES) Act-funded Pediatric Relief Programs to address the critical gap in preventative care that is harming children in Rhode Island, particularly publicly insured children. As a result of the funding, Rhode Island children will catch up on critical preventative care, such as vaccines and crucial developmental screenings. With the approval of COVID-19 vaccines for children, pediatric providers require additional support so that they can administer the vaccine.

Project Overview:

The *Pediatric Provider Relief and Recovery* project provides payments to pediatric and family practice primary care providers who serve Medicaid-covered children. The project has two components:

Grants for Reporting and Performance on Child and Adolescent Well Visits, \$6,000,000: These funds will create a meaningful incentive for pediatric primary care providers to improve access to primary care and drive investment into pediatric primary care practices. Support is necessary for staffing and infrastructure to rebound from COVID-19-related delays in care. These payments are contingent on practices reporting baseline data and either meeting targets or demonstrating measurable improvement in the Child and Adolescent Well Care Visit measure. EOHHS is tracking additional measures related to immunizations, including COVID-19 immunizations, and lead screening rates, which are expected to be closely tied to performance on the Child and Adolescent Well Care Visit measure.

Grants for Participation in Technical Assistance Activities to Enhance Efforts to Conduct Developmental, Psychosocial, and Behavioral Health Screenings, \$1,266,992: EOHHS provided an additional round of grants to pediatric and family practice primary care providers who participate in the technical assistance outlined below. These performance grants are a meaningful incentive for providers to adopt new training and workflow designs to screen children for healthy physical, cognitive, and socio-emotional development. These grants are only distributed to providers who engage with the technical assistance vendor, Care Transformation Collaborative of Rhode Island (CTC).

Technical Assistance, \$233,008: The funds support CTC which is tasked with supporting training and workflow redesign, data collection and reporting, and best practice sharing to aid providers in successfully improving performance. In addition, these funds will support CTC in evaluating practice performance.

As of June 30, 2022, 100% of providers have engaged with CTC. According to the evaluation results as of June 7, 2022, 98.1% of respondents reported that the sessions were good (17.5%) or excellent (80.6%), and 46.9% (75 individuals) suggested that they are interested in customized psychosocial/behavioral health technical assistance.

Timeline:

EOHHS engaged CTC in early March 2022. Applications were posted in mid-March 2022, with the first round of stabilization grants provided at the end of March 2022. Grant payments based on reporting and performance on the Child and Adolescent Well Care Visit measure are made on the following schedule: one in March 2022, one in April 2022, and one in July 2022. CTC began to engage providers in March 2022. The bonuses paid to providers who engaged with CTC were issued at the end of June 2022.

Mechanisms and Partners:

EOHHS engaged CTC for the technical assistance portion of the project. EOHHS engaged with the pediatric and family practice primary care providers to manage and disburse funds.

Use of Evidence:

The program builds on Rhode Island’s decade-plus investment in Person-Centered Medical Homes for Children (PCMH Kids). PCMH Kids is a national practice model supported by the American Academy of Pediatrics (AAP) and the National Committee on Quality Assurance to ensure that children have comprehensive primary care.³⁴ Through investments by EOHHS and the Rhode Island Department of Health (RIDOH), about 80% of practices in the state are PCMH Kids practices. Additionally, pediatric screening is an established evidence-based practice. The AAP supports screening tools and practices that EOHHS is proposing in this program.

Equity Impact:

This project places equity at the heart of what it is intended to achieve by placing children on a path toward healthy development, mental health, and school readiness. There are racial and ethnic disparities in rates of children who received screening and childhood immunizations in Rhode Island. This is likely driven by disparate use of pediatric primary care services more broadly, which threatens to widen disparities in identification of early developmental/mental health risks and referral to follow-up services. EOHHS is stratifying measures by race and ethnicity (where applicable) to understand the *Pediatric Provider Relief and Recovery* project’s impact on closing disparities and tracking progress on the metrics across all races and ethnicities.

EOHHS maintains a list of every pediatric provider that provides services to Medicaid-covered children, along with contact information. EOHHS notified all the providers they were eligible (as was the case for the earlier CARES Act-funded program). EOHHS also worked with the AAP and other local pediatric community stakeholders to publicize the project. Most eligible practices have already gone through one round of this process, limiting any administrative requirements that result in disparities in the ability to complete applications or meet eligibility criteria.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Child and adolescent well visit	Practice performance on the HEDIS child and adolescent (ages 3-17) well-care visit measure. Measuring at least one well-care visit per year.	CY 2019: 73.2%	79.1%

³⁴ <https://publications.aap.org/pediatrics/article/145/1/e20193449/36971/Promoting-Optimal-Development-Identifying-Infants>

Key Performance Indicator	Description	Baseline	Performance-to-date
Childhood vaccinations	Percentage of children eligible to enter kindergarten on 8/31/2022 meeting kindergarten immunization requirements (KidsNet Data)	December 2021: 73.6%	78.8%
COVID-19 vaccinations	Percentage of Medicaid-covered children vaccinated against COVID-19 by age group: 5-11	January 2022: 14.8%	26.4%
Technical assistance participation	Percentage of providers participating in technical assistance to stand up developmental, psychosocial, and behavioral health screenings	0%	100%
Lead screenings	Percentage of children between 12 and 24 months of age as of December 31, 2021, with at least one lead screening (KidsNet data)	December 2021: 72.7%	77.5%

DCYF Workforce Stabilization Supplemental Wage Payments

Project Identification Number: 10005

Funding Amount: \$12,334,175

Project Expenditure Category: 4.2 Premium Pay: Private Sector: Grants to Other Employers

Pandemic-related Problem Statement:

The Rhode Island Department of Children, Youth and Families (DCYF) works with approximately 34 contractors, many of which are nonprofit agencies, that provide congregate care, foster care, and home- and community-based support for the state’s most vulnerable children and families. The contractors are experiencing crisis-level staffing shortages that severely compromise the availability and quality of care for abused and traumatized children.

DCYF administered a survey in October 2021 that demonstrated the staffing crisis relative to pre-pandemic levels. In March 2020, providers reported 183 vacancies compared to 350 vacancies in October 2021, an increase of 91% and making up over 25% of the total full-time equivalent employees reported. A comparison of DCYF placement capacity from March 2020 to October 2021 showed a reduction in available beds from 343 to 240, a 30% reduction, which is often attributed to the critical staffing shortage among providers.

The consequences for the workforce shortage include children remaining in psychiatric hospitals past medical necessity and children being placed at out-of-state facilities at a greater cost, which makes maintaining family connections and achieving reunification significantly more difficult. Additionally, DCYF's three residential treatment centers limited admissions below their current capacity.

Project Overview:

DCYF Workforce Stabilization Supplemental Wage Payments, \$12,334,175: The project outlined below provides foster care, congregate care, and home- and community care-based provider staff with premium pay of up to \$694.50 per full-time equivalent position per month for work done during the pandemic beginning July 1, 2021. The addition of premium pay is expected to contribute to stabilizing the staffing shortage outlined above.

Timeline:

DCYF distributed and collected current staffing data from the provider agencies. All individuals within the income requirements and employed at a provider agency as of July 1, 2021, are eligible for premium pay assuming that they were still employed on January 4, 2022. Retroactive payments for work done from July 2021 through December 2021 amid the Omicron surge were made to eligible individuals. Monthly premium payments will be distributed to all staff employed from January 2022 through September 2022.

Due to the delay in processing the premium payment grants to providers, the key performance indicators and financial data in this report represent activity through April 2022.

Mechanisms and Partners:

DCYF maintains a close relationship with the foster care, congregate care, and home- and community-based service providers taking part in this program. As a result, DCYF is administering this project, with the providers distributing the premium payments in accordance with an agreement with DCYF. DCYF requires providers to provide demographic, expenditure, and performance data directly to it.

Use of Evidence:

While this intervention has not been identified as evidence based, the analysis of the key performance indicators will evaluate its effectiveness.

Equity Impact:

The staff supporting DCYF's most vulnerable children and youth often tend to be women and on the lower end of the economic spectrum. The staff who are targeted with the intervention provide care to some of the most vulnerable children in the state who are historically underserved and marginalized, and the crisis-level staffing shortages severely compromise the availability and quality of care provided.

As of June 30, 2022, the *DCYF Workforce Stabilization* project has served 1,210 eligible workers. The following is the racial breakdown of the eligible workers:

- White: 49.9%
- Black or African American: 26.1%
- Preferred not to answer: 9.8%
- Other: 8.2%
- Two or more races: 4.1%
- Asian: 1.6%
- American Indian or Alaska Native: 0.3%

In terms of ethnicity, of the 49.9% of eligible workers who identified as white, 36.6% identified as Not Hispanic or Latino; 14.3% of eligible workers across all races identified as Hispanic or Latino.

In terms of gender, 68.7% of the eligible workers identified as female and 30.1% as male. Additionally, 0.9% preferred not to answer, and 0.3% did not specify a gender.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Number of workers to be served	Number of provider agency staff that received premium pay at some point throughout the program	0	1,210
U.S. Treasury Required Number of workers to be served with premium pay in K-12 schools	Number of workers to be served with premium pay in K-12 schools	0	43
Placement availability to support children and youth	Increase in number of placements available in the foster care, congregate care, and home and community-based services provider agencies	0	3
Retention of existing provider staff	Percentage of current provider agency staff retained from March 2022 to September 2022	0%	97%
Net increase in provider staff	Net increase in provider agency staff	0	28

DCYF Sign-on Bonuses

Project Identification Number: 10006

Funding Amount: \$165,825

Project Expenditure Category: 2. Negative Economic Impact 2.36 Aid to Other Impacted Industries

Pandemic-related Problem Statement:

According to an August 2021 report from the Rhode Island Coalition for Children and Families (RICCF), organizations are experiencing a 31% job vacancy rate overall, with a 36% vacancy rate in direct care positions and 25% vacancy rate in supervisory and clinical positions. These vacancy rates far exceed the national best practice rate of 10% and are considered unsustainable. A total of 75% of responding residential agencies and 38% of community-based agencies indicated that they have capped or reduced the census of youth they are able to serve because of staffing. Capped or reduced capacity threatens the youth in the Rhode Island Department of Children, Youth, and Family (DCYF) custody and threatens DCYF's ability to fulfill its legislative mandate. Respondents indicated that residential programs are operating at 55% of contracted capacity, while community-based programs are operating at 64% capacity. Budgeting is based on 80% to 90% capacity, with variation among programs. Data shows that community-based agencies have positions which have been vacant on average 11.3 weeks, which indicates that there are not enough viable candidates willing to work for the pay community-based agencies can offer.

DCYF administered a survey in October 2021 that demonstrated the staffing crisis relative to pre-pandemic levels. In March 2020, providers reported 183 vacancies in comparison to 350 vacancies in October 2021, an increase of 91% and comprises over 25% of the total full-time equivalents (FTE) reported.

Project Overview:

DCYF Sign-on Bonuses, \$165,825: DCYF is working with providers to offer a \$750 sign-on bonus contingent upon completion of 90 days of employment. The goal is to incentivize individuals to apply for employment so that providers will be able to overcome the staffing shortages.

Timeline:

The sign-on bonuses were offered to all new hires with a start date between January 4, 2022, and June 30, 2022. The 90-day retention tracking will continue through September 30, 2022. Due to the delay in processing the premium payment grants to providers, the key performance indicators and financial data in this report represent activity through April 2022.

Mechanisms and Partners:

DCYF maintains a close relationship with the foster care, congregate care, and home- and community-based service providers taking part in this program. As a result, DCYF is administering this project. DCYF provides grants to the providers who then distribute the premium pay according to the agreement with the state agency. DCYF requires providers to provide demographic, expenditure, and performance data directly to it.

Use of Evidence:

While this intervention has not been identified as evidence based, the analysis of the key performance indicators will evaluate its effectiveness.

Equity Impact:

The staff supporting DCYF’s most vulnerable children and youth tend to be women and on the lower end of the economic spectrum. The staff who are targeted with the intervention provide care to some of the most vulnerable children in the state who are historically underserved and marginalized, and the crisis-level staffing shortages severely compromise the availability and quality of care provided.

As of June 30, 2022, the DCYF Sign-on Bonuses project has served 30 eligible workers. The following is the racial breakdown of the eligible workers:

- White: 46.7%
- Black or African American: 30.0%
- Preferred not to answer: 16.7%
- Two or more races: 6.7%

In terms of ethnicity, of the 46.7% of eligible workers who identified as white, 23.3% identified as Not Hispanic or Latino; 13.3% of eligible workers across all races identified as Hispanic or Latino.

In terms of gender, 76.7% of the eligible workers identified as female and 23.3% as male.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Number of bonuses offered	Number of sign-on bonuses offered to new hires	0	163
Number of bonuses collected	Number of sign-on bonuses accepted and distributed to new hires	0	30

Housing

RI Rebounds Project	U.S. Treasury Expenditure Category	Planned Expenditures	Expenditures to Date
Development of Affordable Housing	Negative Economic Impacts: Long-term Housing Security: Affordable Housing	\$15,000,000	\$14,736,403.00
Site Acquisition	Negative Economic Impacts: Long-term Housing Security: Affordable Housing	\$12,000,000	\$5,998,200.00
Homelessness Assistance Programs	Negative Economic Impacts: Long-term Housing Security: Services for Unhoused Persons	\$1,500,000	\$0
OHCD Support and Capacity	Revenue Replacement: Provision of Government Services	\$500,000	\$62,434.97
Total		\$29,000,000	\$20,797,037.97

Development of Affordable Housing

Project Identification Number: 10016

Funding Amount: \$15,000,000

Project Expenditure Category: 2.15 Negative Economic Impacts: Long-term Housing Security: Affordable Housing

Pandemic-related Problem Statement:

Only six of Rhode Island’s 39 communities meet the state-mandated goal that 10% of every city or town’s housing stock qualify as Low- and Moderate-Income Housing (LMIH). Rhode Island consistently ranks among the lowest nationally in per-capita building permit activity, ranking 51st on this measure in 2020.³⁵ The state has ranked far behind its New England neighbors in the investment of state resources for affordable housing. The result is that Rhode Island is experiencing a critical housing shortage at all price points, but particularly for lower-income households.

In recent years, sale and rent prices have increased significantly. Rent for a market-rate two-bedroom apartment is about \$1,700, up about 8.5% from 2019, when it was \$1,575. The rental vacancy rate and inventory of homes for sale are also at an historically low level. The rental vacancy rate, the number of units for rent that are not occupied, is 2.8%, down from 3.7% in May 2021, and 6.2% in 2019. A vacancy rate that would not be expected to have an impact on prices is between 6% and 7%.

Project Overview:

Development of Affordable Housing, \$15,000,000: Rhode Island Housing (RIHousing) will incentivize the production and preservation of affordable housing by awarding grants to nonprofit and for-profit developers, public housing authorities, and municipalities to cover costs associated with site remediation, construction, legal fees, architectural and consulting fees, etc.

This funding complements other state and federal resources to finance the production and preservation of housing affordable to households earning less than 80% of the area median income (AMI). Providing

³⁵ U.S. Census Bureau Building Permits Survey

funding to fill development financing gaps will allow for more affordable housing production and RIHousing to better leverage existing state and federal resources. Of the projects selected for funding, 31.7% are for units at or below 30% AMI, 56.2% are for units between 30% and 60% AMI, and 12.1% are for units between 60% and 80% AMI.

Timeline:

In February 2022, RIHousing issued a request for proposals (RFP) (blending multiple funding sources such as Building Homes Rhode Island program, the Housing Production Fund, and others) to streamline the application process, facilitate project underwriting by RIHousing staff, and allow RIHousing to calibrate the resource mix that is appropriate for each project and maximize available resources. Proposals were received in March 2022, reviewed throughout April and May 2022, and selected in June 2022. Construction and rehabilitation of units will occur between June 2023 and March 2024.

Mechanisms and Partners:

RIHousing will administer the *Development of Affordable Housing* project and will collaborate with the Rhode Island Executive Office of Commerce (EOC) to oversee the implementation. RIHousing will leverage its partnerships and relationships with the development community to successfully execute the project.

RIHousing has a long history of financing developments in communities that have been hardest hit by the pandemic. RIHousing has the relationships with municipalities and the development community needed to complete projects. RIHousing also has an established track record of closing real estate and community development transactions. RIHousing will work with developers and property managers to ensure that minority populations and other members of disadvantaged classes are made aware of and have access to the affordable housing created by this program.

Use of Evidence:

The *Development of Affordable Housing* project is similar to programs, such as the Low-Income Housing Tax Credit (LIHTC), that have been rigorously evaluated and found to have a positive impact on the development of affordable housing based on high-quality evidence, according to the Pew Results First Clearinghouse.³⁶ LIHTC programs not only improve access to affordable housing for low-income individuals, but also produce other benefits including, but not limited to:

- In distressed neighborhoods, LIHTC programs can increase property values and reduce crime rates.
- LIHTC use is associated with less racial segregation in low- and high-poverty neighborhoods at the metropolitan level. Segregation increases racial disparities in housing stability, homeownership, and property values.
- LIHTC developments can positively influence nearby property maintenance.

Equity Impact:

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.³⁷ In Rhode Island, affordable rental units are primarily occupied by households of color. Across 2,651 units constructed with RIHousing-administered HOME Investment Partnerships Program (HOME) dollars for which

³⁶ <https://www.countyhealthrankings.org>

³⁷ [The GAP | National Low Income Housing Coalition \(nlihc.org\)](https://www.nlihc.org)

demographic information was available, 83.4% of occupants identified as racial or ethnic minorities, with 46.2% of occupants identifying as Hispanic. Similarly, of the 7,001 households in LIHTC-financed developments for which demographic information was available, 94.1% identified as racial or ethnic minorities, with 54.7% of occupants identifying as Black or African American, and 36.8% of occupants identifying as Hispanic.

By supporting the development of affordable housing, this program will help low-income renters from historically underserved and marginalized communities access housing. Further, this project will address housing inequities in the state and close gaps for communities that are disproportionately affected by homelessness and housing stability, including low-income Rhode Islanders and households of color.

Of the projects selected for funding, 31.7% are for units at or below 30% AMI, 56.2% are for units between 30% and 60% AMI, demonstrating the commitment to serving low- and moderate-income communities.

Labor Requirements:

As of the current reporting period, no grants have been distributed by RIHousing, and no construction has begun. As the grants are distributed and the construction of the affordable housing developments begins, the State will report on relevant labor requirements.

Performance:

In addition to the metrics shown below, RIHousing will collect information relating to minority and disproportionately impacted communities, such as the number of minority developers and projects in qualified census tracts (QCTs).

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Affordable units built or preserved	Number of affordable housing units built or preserved below 80% AMI. 450 will be created, and 36 will be preserved.	0	Not Applicable
Affordable units for households at or below 30% AMI	Number of affordable units created for households at or below 30% of AMI	0	Not Applicable
Affordable units for households between 30% AMI and 60% AMI	Number of units preserved or created for households between 30% AMI and 60% AMI	0	Not Applicable

Site Acquisition for Affordable Housing

Project Identification Number: 10012

Funding Amount: \$12,000,000

Project Expenditure Category: 2.15. Negative Economic Impacts: Long-term Housing Security: Affordable Housing

Pandemic-related Problem Statement:

Rhode Island consistently ranks among the lowest nationally in per-capita building permit activity³⁸. The state has ranked far behind its New England neighbors in the investment of state resources for affordable housing. The result is that Rhode Island is experiencing a critical housing shortage at all price points, but particularly for lower-income households.

In recent years, sale and rent prices have increased significantly. Rent for a market-rate two-bedroom apartment is currently about \$1,700, up about 8.5% from 2019, when it was \$1,575. The rental vacancy rate and inventory of homes for sale are also at an historically low level. The rental vacancy rate, the number of units for rent that are not occupied, is 2.8%, down from 3.7% in May 2021, and 6.2% in 2019. A vacancy rate that would not be expected to have an impact on prices is between 6% and 7%.

The housing shortage has created an extremely competitive real estate environment. Many sellers are inclined to accept cash offers instead of waiting for a purchaser to secure financing through a traditional financial institution. This puts affordable housing developers at a severe disadvantage because they are unlikely to have the necessary cash on hand. A solution is needed to help developers purchase suitable properties for affordable housing development in this competitive environment.

Project Overview:

Site Acquisition for Affordable Housing, \$12,000,000: This program will provide grants to developers to purchase properties for the purpose of developing affordable units. This expands an effort that used Coronavirus Aid, Relief and Economic Security (CARES) Act funding to acquire properties for redevelopment as affordable and supportive housing.

In all, 15 properties will be acquired, accommodating an estimated 540 affordable units, of which 5% will be permanent supportive housing units. There is a nine-month closing requirement, and each grant will be less than \$1 million.³⁹ By supporting the development of affordable and supportive housing, this program will address 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. To increase the housing supply, the State must create a pipeline of sites ready for redevelopment.

The *Site Acquisition for Affordable Housing* program builds upon RIHousing's Land Bank program, which provides financing for eligible applicants to acquire undeveloped real estate, vacant lots, developed properties, or a combination thereof which are intended for the production of affordable housing.

The AMI distribution for the planned creation of affordable units is as follows: 3.4% at 30% AMI or lower, 66.8% between 30% and 60% AMI, and 29.8% between 60% and 80% AMI.

Timeline:

RIHousing began marketing the *Site Acquisition for Affordable Housing* program in February 2022 and began selecting recipients for grant awards in May 2022.

Mechanisms and Partners:

RIHousing will administer the program and collaborate with the Executive Office of Commerce (EOC) to oversee the implementation of the *Site Acquisition for Affordable Housing* program. RIHousing will work with developers and property managers to ensure that minority populations and other members of

³⁸ U.S. Census Bureau Building Permits Survey

³⁹ RIHousing's definition of a closing requirement is when the appropriate loan documents are signed, and funds are provided to the developer.

disadvantaged classes are made aware of and have access to the affordable housing created by this program. All participating developers will be required to produce an Affirmative Fair Housing Marketing Plan for assisted developments. RIHousing will collect information relating to minority and disproportionately impacted communities, such as the number of minority developers and projects in qualified census tracts (QCTs).

Use of Evidence:

Land banks across the country are helping to make equitable, inclusive neighborhoods and resilient communities possible. By acquiring unused properties, stewarding them on behalf of the public engaging residents, and attracting new investment, land banks are generating significant positive impacts for the communities they serve.

Specific outcomes achieved by land banks across the country include.⁴⁰

- The Houston Land Bank partnered with the City of Houston and the Houston Community Land Trust to provide over 500 (and counting) new affordable homes for low-income Houstonians since 2004.
- Over the last decade, RIHousing’s Land Bank program has provided nearly \$9 million in financing for 572 affordable housing units.

Equity Impact:

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. In Rhode Island, affordable rental units are primarily occupied by households of color. By supporting the development of affordable housing, this program will help low-income renters from historically underserved and marginalized communities access housing. Further, this project will address housing inequities in the state and close gaps for communities that are disproportionately affected by homelessness and housing stability, including low-income Rhode Islanders and households of color.

The AMI distribution for the planned creation of affordable units is as follows: 3.4% at 30% AMI or lower, and 66.8% between 30% and 60% AMI.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S. Treasury Required Affordable housing units preserved or developed	Number of affordable housing units preserved or developed	Not Applicable	Not Applicable
Properties acquired	Number of properties acquired	0	2

⁴⁰ <https://communityprogress.org/wp-content/uploads/2022/06/Progress-Points-Land-Banks-Land-Bank-Impacts-2022.pdf>.

Homelessness Assistance Programs

Project Identification Number: 10017

Funding Amount: \$1,500,000

Project Expenditure Category: 2.16. Negative Economic Impacts: Long-term Housing Security: Services for Unhoused Persons

Pandemic-related Problem Statement:

The homelessness crisis in Rhode Island increased significantly during the pandemic as documented by the 2021 RI Point in Time Count conducted on January 26, 2021.⁴¹ This census found substantial increases in homelessness from the prior year:

- A total of 1,267 persons experienced homelessness, an increase of 14% compared to January 2020.
- 869 persons were living in emergency shelters, an increase of 17% from 2020.
- 181 persons were living outdoors, an increase of 67% from 2020.

This increase in individuals experiencing homelessness has strained the State's homelessness response system, which is responsible for preventing homelessness when possible and developing and implementing effective programming that will move people from homelessness to stable housing. Homelessness puts individuals at an increased risk of contracting COVID-19, makes them more reliant on crisis services, and results in more engagements with public systems, like child welfare and criminal justice systems, creating significant preventable costs for public programs.

Project Overview:

Homelessness Assistance Programs, \$1,319,766: The Rhode Island Office of Housing and Community Development (OHCD), through the Consolidated Homeless Fund Program, issued a request for proposals (RFP) for a range of new housing stabilization services, especially those targeting homeless populations that have traditionally had difficulty accessing services. These services include:

- Increased homelessness prevention, diversion, and rapid rehousing services to help prevent homelessness and to find safe, healthy, and affordable housing for individuals experiencing homelessness.
- Emergency shelter and housing stabilization services for individuals who identify as LGBTQ+ and victims of domestic violence, with the goal of obtaining permanent housing.

OHCD contracted with the *Rhode Island Coalition to End Homelessness* (\$180,234) for the development and implementation of a best practices training program for social service, rapid housing, and administrative staff working at Rhode Island Continuum of Care, Emergency Solutions Grant and Consolidated Homeless Fund funded programs to ensure that staff are properly equipped to deliver effective services and programming.

Timeline:

In January 2022, OHCD issued a Consolidated Homeless Fund RFP in partnership with Consolidated Homeless Fund partners. Proposals were received in February 2022 and selected in April 2022. Projects began in June 2022 and are scheduled to be completed by June 2023.

⁴¹ [Point In Time Count | End Homelessness RI \(rihomeless.org\)](https://rihomeless.org)

Mechanisms and Partners:

Through the Consolidated Homeless Fund, OHCD is partnering with the RI Continuum of Care, the Rhode Island Department of Human Services (DHS), and the cities of Providence, Woonsocket, and Pawtucket to deliver these housing stabilization services.

Use of Evidence:

The United States Department of Housing and Urban Development's (HUD) Family Options Study⁴² demonstrated that access to rapid rehousing and housing stability services resulted in key improvements for housing stability, family preservation, adult well-being, and self-sufficiency, as highlighted below:

- Families participating in rapid rehousing interventions were less likely to be separated from their children.
- Adults receiving rapid rehousing services demonstrated reduced psychological distress, reduced evidence of alcohol and drug problems, and halved intimate partner violence compared with usual care (shelter).
- Children whose families received rapid rehousing services had fewer school absences and reduced behavior problems reported by parents.
- Families served by rapid rehousing programs reported improvements in food security.

From 2014 to 2018, Building Changes, a nonprofit in Washington state, used data from 1,898 families to test diversion as an approach to help families exit homelessness. The results of this study were highlighted in the publication, "Homeless to Housed in a Hurry."⁴³ The study revealed that diversion costs less than usual shelter care, takes less time to get families successfully housed, and kept families out of homelessness.

Equity Impact:

Programs to prevent homelessness and provide housing stabilization services provide an immediate benefit to low-income Rhode Islanders and Rhode Islanders of color. HUD's 2020 Annual Homelessness Assessment Report (AHAR)⁴⁴ found that while people identifying as Black or African American comprise 12% of the total United States population, they account for 39% of people experiencing homelessness. As a result, programs reducing homelessness by expanding affordable and supportive housing disproportionately benefit Rhode Islanders of color. According to the RI Point in Time Count for 2021, African Americans/Blacks represent only 6.6% of the state's population, but 53.3% of families living outside or in cars; Hispanic/Latinos represent only 15% of the state's population, but 41.5% of families living in homeless shelters. HUD reports that LGBTQ+ individuals are 2.2 times more likely to become homeless than their peers. In Rhode Island, approximately 4.5%, or 44,000 of the population, identify as LGBTQ+.

The National Network to End Domestic Violence reports that domestic violence is the leading cause of homelessness for women and their children. In 2020, 333 adults and children stayed in domestic violence shelters in Rhode Island, according to the Rhode Island Coalition Against Domestic Violence. In 2021, Rhode Island's Victims of Crime Act helpline received 4,645 calls, of which 74% were related to domestic and sexual violence.

⁴² [The Family Options Study | HUD USER](#)

⁴³ [Resources Archive - Building Changes](#)

⁴⁴ www.huduser.gov/portal/datasets/ahar

As the project continues, Rhode Island will report the impact on the underserved populations noted above.

Labor Requirements:

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
U.S Treasury Required Households/people receiving eviction prevention services (including legal representation)	Number of households receiving eviction prevention services (including legal representation)	0	0
Financial literacy training/diversion assistance	Number of households receiving financial literacy training/diversion assistance	0	0
Emergency housing and stabilization services	Number of households receiving emergency housing and stabilization services	0	0
Diversion assistance	Percent of households avoiding the homelessness system as a result of receiving diversion assistance	0	0%
Exits to positive housing destinations	Percentage of exits to positive housing destinations (permanent housing, living with relatives and friends, etc.)	0	0%
Staff receiving the Housing First and Best Practice Training	Number of provider staff receiving housing first/other best practice training	0	103
Staff comprehension of the Housing First and Best Practices Training	Percentage of trainees able to display increased knowledge in Housing First and Best Practices Training	0	95%

OHCD Support and Capacity

Project Identification Number: 10007

Funding Amount: \$500,000

Project Expenditure Category: 6.1 Revenue Replacement: Provision of Government Services

Project Overview:

The programs administered by the Rhode Island Office of Housing and Community Development (OHCD) have been severely understaffed for some time. During the pandemic, additional initiatives have been assigned to the office, adding functions to an already strained staff. This project will allow OHCD to onboard five consultants or contract employees over roughly six months to expand and enhance the capacity of the Rhode Island Executive Office of Commerce (EOC) and OHCD in the areas of housing/homelessness.

There is a lack of adequate affordable housing statewide, particularly for Rhode Islanders in need of supportive housing. Although Rhode Island is substantially increasing its investment in affordable housing, the limited staffing capacity at OHCD is a barrier to the State's ability to respond to the opportunities and challenges related to increasing the supply of affordable housing.

Timeline:

Recruitment for contracted positions began in February 2022, with training and workplan development beginning in March 2022. The hired contractors are expected to perform two compliance reviews per quarter throughout calendar years 2022 and 2023.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Hiring of contract services	Hire five individuals to provide increased support	0	3
Increased compliance reviews of subrecipients	Complete three CDBG and three homeless compliance review over six months	0	0

Public Infrastructure and Technology

RI Rebounds Project	U.S. Treasury Expenditure Category	Planned Expenditures	Expenditures to Date
Broadband Mapping and Planning	Revenue Replacement: Provision of Government Services	\$500,000	\$269,119.00
Total		\$500,000	\$269,119.00

Broadband Mapping and Planning

Project Identification Number: 10011

Funding Amount: \$500,000

Project Expenditure Category: 6.1 Revenue Replacement: Provision of Government Services

Project Overview:

Rhode Island has one of the nation’s strongest middle-mile fiber broadband networks, with over 90 percent of its residents living within one mile of high-speed fiber-optic broadband⁴⁵. However, the state still has issues with the uptake of broadband, broadband access, and broadband reliability issues, especially in rural, lower-income, and island communities, often due to cost. About one in five Rhode Islanders lack in-home wireline broadband⁴⁶, and the state has the highest percentage reliance on cellular data for internet access in New England. Additionally, close to half of the state does not reliably access internet download and upload speeds above the new federal minimum of 100mbps/20mbps⁴⁷. This is not only a residential issue; in Rhode Island, businesses pay an average of \$443 per month for broadband fiber access, compared to the national average of \$360 per month.

Broadband Mapping and Planning (\$500,000): The project will allow for the hiring of a statewide broadband coordinator, building the broadband maps needed to complete the necessary strategic planning, and completing a statewide broadband strategic plan to guide work in upcoming fiscal years. These three foundational elements are necessary to unlock and utilize additional federal funding being designated for broadband. The State needs a clearly articulated strategic plan and a five-year implementation plan that is developed in partnership with and in consultation of other state and local stakeholders. These plans must be grounded in data and built from strong broadband access and planning maps. Rhode Island also needs an office and director who will oversee the effort, ensure compliance with various federal programs, and ensure the program meets the State’s targeted goals and engages all relevant stakeholder groups.

Timeline:

The State submitted its strategic plan to the National Telecommunications and Information Administration (NTIA) in May 2022. Additional work on the broadband plan will be completed from July through September 2022 to align with General Assembly requirements and based on feedback from NTIA. While mapping must be done at a high level prior to plan finalization, it will remain ongoing. It is intended for the broadband director to be hired prior to plan finalization as this person will be charged with implementing the plan.

Labor Requirements:

⁴⁵ <https://broadbandnow.com/Rhode-Island>

⁴⁶ Source: 2019 American Community Survey Estimated Data (Table S2801-Types of Computers and Internet Subscriptions)

⁴⁷ [Rhode Island Broadband Analysis](#)

Not applicable to this project.

Performance:

Key Performance Indicator	Description	Baseline	Performance-to-date
Director of broadband	Hire a director of broadband	N/A	1
Strategic plan	State strategic plan finalized and released	0	0
Broadband map phase 1	State broadband map created with, at minimum, the following layers: known fiberoptic cable in state, household and business locations, low-income housing locations, and median internet speeds experienced by census tract	0	1
Broadband map phase 2	State broadband map completed with, at minimum, the following functionality: ArcGIS Survey 123 to be used for crowd-sourcing data; capacity to accept FCC data; structured mapping framework, data standards and data models to allow additional layers/expansion	0	0