



State of Rhode Island
Rhode Island Department of Human Services
Office of the Director

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Shannon Christian
Director of Office of Child Care
Administration for Children and Families
U.S. Department of Health and Human Services
330 C. Street, SW
Washington, DC 20201

Re: Rhode Island's Intended Plan for the Coronavirus Response & Relief Supplemental Appropriations Act (CRRSA)

Dear Ms. Christian:

The following plan outlines the Rhode Island Department of Human Services' intended plan for the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA.)

As you'll note, Rhode Island's plan first communicates our regional approach to establishing a common framework for immediate grant disbursement to New England child care providers. RI has proposed a supplemental addendum to this plan that more specifically outlines the payment practices and vision for CRRSA investments.

As always, the Department is incredibly grateful for the support of the Office of Child Care at the Administration for Children and Families during this uncertain time for the nation's child care system.

Respectfully,

/s/

Courtney E. Hawkins
Director, RI Department of Human Services

Region 1 Child Care Recovery Fund, A Common Framework for Rebuilding New England’s Child Care Industry Utilizing Funding from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA)

Background & Overview:

Since November 2020, Region 1 States (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island & Vermont) have convened regularly to conceptualize a common framework for federal stimulus fund disbursement to child care providers who have experienced financial and operational hardship due to the COVID-19 pandemic. This work also includes collective thinking about leveraging funds in ways that lead to long term early childhood systems improvement across New England.

Implementing a common framework will enable New England to design innovative and data-informed approaches to rebuild the region’s child care infrastructure. This collaboration is aimed at better supporting working families to access quality early learning experiences for their children while simultaneously measuring the efficacy of those investments to inform future spending of federal stimulus dollars.

Vision:

Each New England state will commit a minimum of sixty-five percent (65%) of their CCDF federal stimulus fund from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) to this common framework and methodology for grant disbursement. This will preserve state autonomy to distribute the remaining thirty-five percent (35%) of their federal allocation to their child care system to meet the unique needs of local communities, while ensuring that there is regional consistency for the child care industry.

The common framework will draw upon a formula developed by a team at Third Sector Capital Partners, issuing stipends based on capacity to child care programs on a state-determined schedule of payment. Providers must be open and serving families in-person. Other variables for grant issuance are listed below, with the flexibility/opportunity for each state to identify a unique metric or value to influence the algorithm for grant award.

Variables for Grant Methodology
Community Need & Equity
Cost of Living
Capacity to Serve
Impact of COVID-19
Quality

The region has also aligned eligible categories of spending for the child care providers who receive CCDF stabilization funds. These would not be required, nor assigned a specific allocation within their budgets, but will serve as reference points as programs conceptualize pathways to recovery.

Categories of Spending
PPE and other mitigation strategies to prevent the spread of COVID-19
Capital Improvement Projects
Occupancy (rent, insurance, mortgage, utilities, etc.)
Materials/Supplies
Replenishment of Lost Revenue and/or Reduced Enrollment
Wages/Spot-Bonuses
Professional Development/Technical Assistance for ECE

While wages will not be a required category of spending, Region 1 states are actively pursuing paths to encourage and ultimately inform the child care industry on the importance of fairly compensating the workforce as an essential component to their business’ recovery and long-term success. The region will create and share innovative approaches to leverage these and future federal funds in a way that ensures the workforce is recognized and appropriately compensated for their expertise. In providing awards to programs, one of the region’s priority is to see the funds utilized to equitably pay the workforce charged with providing direct services to children and families during the pandemic.

A subset of the region may elect to utilize a common fiscal intermediary to ensure application materials, technical assistance and grant requirements are consistent and streamlined for the region, as well as benefit from cost efficiencies of shared services. The fiscal intermediary will also support overall project management of the common framework, as well as leverage key findings from the initial grant disbursement to inform future capacity-building activities and pilots for states.

Benefits:

Throughout the global COVID-19 pandemic, states across the nation have identified unique opportunities for collaboration and coordination. This common framework solicits bipartisan support from New England states to establish a regional approach to achieve the stabilization and rehabilitation of the child care system. It will be a unique and groundbreaking effort to align regionally, one that will set the stage for future collaboration and regionalization on an essential industry.

Through shared thinking, New England will identify efficiencies in designing and building new, innovative pilot-based capacity-building activities. It will also ensure federal compliance standards are commonly understood, interpreted and adhered to throughout the stimulus grantmaking process.

As the region prioritizes and values family choice in the design of child care’s recovery, it is critical that multi-state child care operators and families who commute out of state are connected to a shared set of guidelines and criteria for consideration. Findings from this common framework will serve as a blueprint for New England to inform and shape future federal stimulus funds anticipated from Congress in the coming months.

We know that these combined efforts to build high-quality early childhood systems, supports our current workforce, and supports the critical brain development for our workforce of the future. New England’s competitive advantage has long been its workforce.

Implementation Plan for the Common Framework:

The implementation of this fund will imbed the following key strategies to ensure grant disbursement is equitable, expedient and responsive to both provider and family need. Outcomes and their associated timelines will be further defined as application materials for grant disbursement are developed and finalized.

Strategy 1: Economic Recovery & Stabilization for the Child Care System
<i>1.1. CCDF federal stimulus dollars will be leveraged to ensure child care providers receive immediate relief to support their programs’ operations and ensure continuity of quality care for children. Funds will be issued equitably, ensuring small business owners receive comparable relief funds needed to maintain operations.</i>
Strategy 2: Family Demand, Utilization & Access
<i>2.1. NE will evaluate and understand families’ evolving needs as a result of the COVID-19 pandemic and leverage this data to inform the region’s efforts to stabilize and ultimately rebuild New England’s child care system.</i>
Strategy 3: Workforce Support & Compensation
<i>3.1. The region will focus on educating and partnering with the child care industry to honor their child care educators and staff as the critical and most important investment to their infrastructure.</i>
Strategy 4: Federal & State Compliance
<i>4.1. All grant making will meet federal and state compliance standards, with focused alignment to ACF federal regulations and guidance.</i>
Strategy 5: Capacity-Building & Piloting New Service-Delivery Models
<i>5.1. States will consider and design new, service-delivery models reflective of family needs since experiencing disruption and hardship from the COVID-19.</i>

Future Collaboration & Opportunities for Regional Coordination:

In addition to the development of a common framework, the New England region has worked to strengthen partnerships with non-profit and technical assistance organizations to leverage new opportunities for collaboration and coordination.

A Regional Child Care Demand Analysis with Bipartisan Policy Center, as well as regional technical assistance associated with the design and development of regionally recognized early childhood educator credentials has been prioritized for next steps.

This common framework will continue to leverage shared vision-setting and identify fiscal efficiencies in stimulus spending for the child care infrastructure. Data and reporting will continue to drive the outcomes and associated feedback loops for this initiative.

Rhode Island’s Supplemental Approach to the CRRSA

Implementation of Virus Mitigation Polices & Practices:

Since March 2020, COVID-19 has introduced unforeseen and ever-evolving challenges to the RI child care industry. RI’s lead agency for the Child Care Development Fund (CCDF,) the Department of Human Services (DHS,) has operationalized several financial payment practices and supportive practices to accommodate the operational shifts associated with delivering in-person child care services during the COVID-19 pandemic. Through regulatory reform, delivery of comprehensive professional development and technical assistance, and a redesign of the state’s QRIS’ monitoring, RI child care providers have experienced tremendous state support in navigating complex adjustments to their service-delivery model due to COVID-19.

On June 1st, after experiencing a three-month mandated closure period to prevent potential transmission of COVID-19, DHS-licensed child care programs were supported in submitting COVID-19 Control Plans to the Department to reopen. By October 1, 2020, eighty-eight percent (88%) of RI’s child care system had received Departmental approval to reopen, serving almost twenty-five thousand children in licensed child care classrooms across the state.

To support increased operating costs associated with reopening during the COVID-19 pandemic, the Department operationalized several supports for RI’s child care providers.

CCDF Payment Practices During COVID-19 (Direct Child Care Services):

During the COVID-19 pandemic, DHS adopted the following flexibilities in its Child Care Assistance Program (CCAP) to provide additional resources to child care providers committed to serving our most vulnerable families, those participating in CCAP. RI also leveraged funds from the Coronavirus Relief Fund (CRF) and maximized its partnerships across state government to introduce alternative fund relief to all DHS-licensed child care providers.

CCDF Payment Practice	Timeframe	Cost to Date
Reimburse for CCAP services based on enrollment, not attendance	Effective March 16 th - present	\$8,432,676.56
Waive the allowable absence policy for CCAP children	Effective March 16 th - present	~\$85,014.38
Waive copays for CCAP children and cover the cost of those copays to CCAP providers	<ul style="list-style-type: none"> a. Effective March 16th- May 31,2020 (mandated closure period) b. Reinstated for March 25th- September 23rd (six months) 	<ul style="list-style-type: none"> a. \$991,035.50 b. Anticipated ~\$1.475M
Administer enhanced COVID-19 CCAP Rates (reimburse all CCAP Providers at the 5-star rate, or 75 th PCTL for 5-star providers) to support increased costs associated	Effective June 1 st - present (dependent upon the Governor’s Executive Order.)	\$6,420,789.09

with adhering to the COVID-19 regulations.		
\$5M Child Care Recovery Fund (CARES Act paired with CRF)	Administered fall of 2020 to cover lost occupancy costs associated with the mandated closure period and/or small capital improvement projects associated with COVID-19 through Spring 2021.	\$5M

The policies and initiatives outlined above continue to remain a DHS priority as the state aims to maximize federal funding sources to maintain operational support for DHS-licensed child care providers delivering in-person services to children during the pandemic. These efforts do not include the multi-million-dollar investments RI has made to set up a robust, COVID-19 testing infrastructure for children served in DHS-licensed child care facilities and PK-12 schools and the \$1.5M in CRF funding administered through RI Commerce’s Restore RI grant application to one hundred and thirty-one (131) DHS-licensed child care providers.

RI will leverage CCDF discretionary, TANF and CARES funding, in addition to the prospective CRRSA funds to maintain these payment practices subject to executive approval and the status of our state’s public health emergency.

RI Stabilization Grants, Vision for Recovery (Grants or Assistance to Stabilize Child Care Providers):

Rhode Island has contracted with The Public Consulting Group (PCG) to serve as RI’s fiscal intermediary to disburse CRRSA aid to DHS-licensed child care providers.

PCG has expertise immediately to serve as the grant maker for RI’s stabilization grants for DHS-licensed child care providers. Nationally, state agencies have contracted with PCG for almost thirty years to support early childhood operations and programs. PCG has supported RI DHS in the transition of the state’s Child Care Licensing Unit from the Department of Children Youth & Families (DCYF) to DHS in 2019, as well as the 2020 summer camp approval process during COVID-19. PCG brings a project team with extensive experience working with public sector agencies and working with and understanding the needs of child care providers. Additionally, DHS and PCG will partner with all of DHS’ existing quality vendors to support child care providers in understanding and accessing the federal stabilization funding.

Seventy-five percent (75%) of RI’s CRRSA (\$17.9M) will be used to issue immediate and direct stabilization grants to DHS-licensed child care providers who are open and committed to serving children in-person. Programs, regardless of their participation in the child care assistance program (CCAP,) will be eligible for these funds. Grants will be issued using a methodology consistent with Region 1’s common framework, leveraging a classroom-based reimbursement model for center-based programs. Family child care providers will receive a flat grant amount consistent with their licensed capacity. The reimbursement value will be based on their reported reduction in enrollment during COVID-19 and the revenue loss association with that depression. The following considerations also substantiate the methodology for grant awards and can be used to support child care programs in preparing prospective budgets in the event of future COVID-19 surges:

- 1) On average, DHS-licensed child care providers report a twenty-five percent (25%) reduction in enrollment due to COVID-19. DHS captured the monthly operating costs for a classroom

(considering personnel costs when applying the CCAP rates as prospective tuition) and calculated twenty-five percent (25%) of those monthly costs in its modeling. The mean market rate was used to calculate the revenue loss within each classroom, assuming a twenty-five percent (25%) reduction in enrollment.

- 2) One-month revenue loss reported by DHS-licensed child care providers during the mandated closure period (3/16-5/31) when applying for the \$5M Child Care Recovery Fund.
- 3) Two-week revenue loss reported by DHS-licensed child care providers who were forced to close (1) or more classrooms due to an incident of or exposure risk to COVID-19.

Grant awards will cover one month of lost revenue associate with the twenty-five percent (25%) reduced enrollment for each classroom. The initial goal is to issue these one-month payments twice, for a total of two-months.

Below are the proposed elements to PCG’s engagement with the RI Department of Human Services in disbursing immediate, and flexible relief to child care providers statewide:

Phase	Task	Anticipated Timeline
Fund Design & Implementation	Establish a methodology for grant awards using a classroom-based model. Application for fund relief is developed and coordinated across the NE region.	1/11-2/28
Fund Execution & Disbursement	Post CRRSA application and offer supplemental technical assistance to child care providers in applying for their federal award. Disburse federal aid to child care providers using monthly installments (a minimum of two months.) PCG and DHS will manage all reporting and invoicing requirements in adherence to state and federal law.	3/15-5/31
Provider Resource Guide/Toolkit	Develop a toolkit or resource guide for child care providers in managing their federal award and anticipating prospective costs associated with the COVID-19 pandemic.	3/1-5/31

The remaining twenty-five percent (25%) of RI’s CRRSA funds will be leveraged to maintain the CCDF flexible payment practices, as well as design and explore new service-delivery models and capacity building activities to strengthen RI’s child care infrastructure. RI will regularly convene a steering committee of early childhood advocates, partners and providers to support, and advise on, future investments in RI’s child care system.

Questions regarding RI's approach to CRRSA, please contact Caitlin Molina at Caitlin.Molina@dhs.ri.gov.