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December 30, 2022

The Honorable K. Joseph Shekarchi  
Speaker of the House of Representatives  
State House, Room 323  
Providence, RI 02903

**RE: DHS Status Report on ECCE Capital Fund Impact and Distribution**

Dear House Speaker Shekarchi,

Attached please find the State's status report on the \$15 million Early Childhood Education and Capital Fund (ECCE Capital Fund) General Obligation Bond, approved in March 2021. Pursuant to Rhode Island General Laws §16-87-7, this report provides a thorough reporting of the administration of the program, specifically as it relates to the distribution and impact of capital funds.

As detailed within the status report, DHS has made significant progress in distributing funds to center and family home based child care providers through a structured and organized process aimed at ensuring children from birth to age five have access to safe, high quality learning environments.

Through the collaborative work with our partners at the Local Initiatives Support Corporation (LISC), the Center for Early Learning Professionals (CELP), and the SEIU Education and Support Fund, DHS has committed approximately \$8.5 million to 15 child care providers with technical support being provided to all 51 applicants regardless of their award status. Upon completion of these projects, the DHS anticipates there will be approximately 460 additional child care slots available for Rhode Island families. Furthermore, the DHS is beginning to see significant interest for Wave 2 of the application process anticipated to open sometime in the spring of 2023 after which the remaining dollars allocated for facilities improvements or expansions will be disbursed. Importantly, in assessing the impact and methods of disbursement, we are providing details in the following areas:

- Program Administration and Management Timeline
- Applicant Breakdown and Overview
- Grant Funding, Awardee Overview, and Technical/Training
- Next Steps, and DHS Recommendations

DHS appreciates the commitment and support of the General Assembly in helping ensure the youngest children in Rhode Island have access to high quality care in spaces parents can feel confident are safe and welcoming. If you have any questions or concerns, you are welcome to contact me directly.

Sincerely,

A handwritten signature in black ink that reads "Kimberly Merolla-Brito".

Kimberly Merolla-Brito, Acting Director  
RI Department of Human Services

CC: Raymond Simone, Chief of Staff, House Speaker's Office  
Stephen Kavanagh, Deputy Chief of Staff, House Speaker's Office



## Executive Summary

On March 2, 2021, voters approved the three-year \$15 million Early Childhood Care and Education Capital Fund (ECCE Capital Fund) general obligation bond for early learning facilities infrastructure needs, managed by the RI Department of Human Services (DHS). Shortly, thereafter, the Local Initiatives Support Corporation (LISC) was named as the vendor responsible for providing administrative support to DHS in designing and implementing the program. As part of that administrative support, LISC also provided technical assistance and training to eligible organizations in applying for and utilizing grant funds, including the successful completion of renovation and rehabilitation projects.

LISC was responsible for ensuring application quality and conducting due diligence through the application, selection, and grant award process. LISC's administrative duties included the deployment of grant funds to awardees.

In addition to providing \$15 million in grant funding through the ECCE Capital Fund for large-scale renovations, additions, and construction, the DHS also dedicated a portion of funds to augment infrastructure enhancements and address immediate health and safety improvements. Additional funding was used, for example, to support:

- Programs proposing to expand or improve infant/toddler classrooms;
- Programs proposing to expand pre-k and/or create equitable environments between classrooms in childcare settings that also house pre-k classrooms;
- Programs proposing to make physical facility improvements that have been identified through a licensing compliance report, Quality Improvement Plan (QIP), or related to modifications necessary due to the COVID-19 health emergency.

DHS worked closely with LISC throughout the first year of the bond to develop the bond rules and regulations, including the state approval. DHS was also involved in the development of the bond application and application process. An application review committee was formed, including committee members from the DHS, the LISC team, and community stakeholders. The committee utilized the rubric approved in the rules and regulations of the bond, informed by historical data and knowledge, to select the bond award recipients.

Comprehensive measures were taken to ensure the process was fair and equitable with the goal of setting recipients up for success. Wave 1 awards were announced in October 2022. Some applicants who did not receive bond funding were referred to other funding sources that were identified as more appropriate for their project. Technical assistance was offered to others to further prepare them for a successful project. DHS maintained its goal to ensure that every applicant deemed eligible to apply for this funding was either provided with funding for their project (or a portion of their project) or assistance to gain funding in the future.

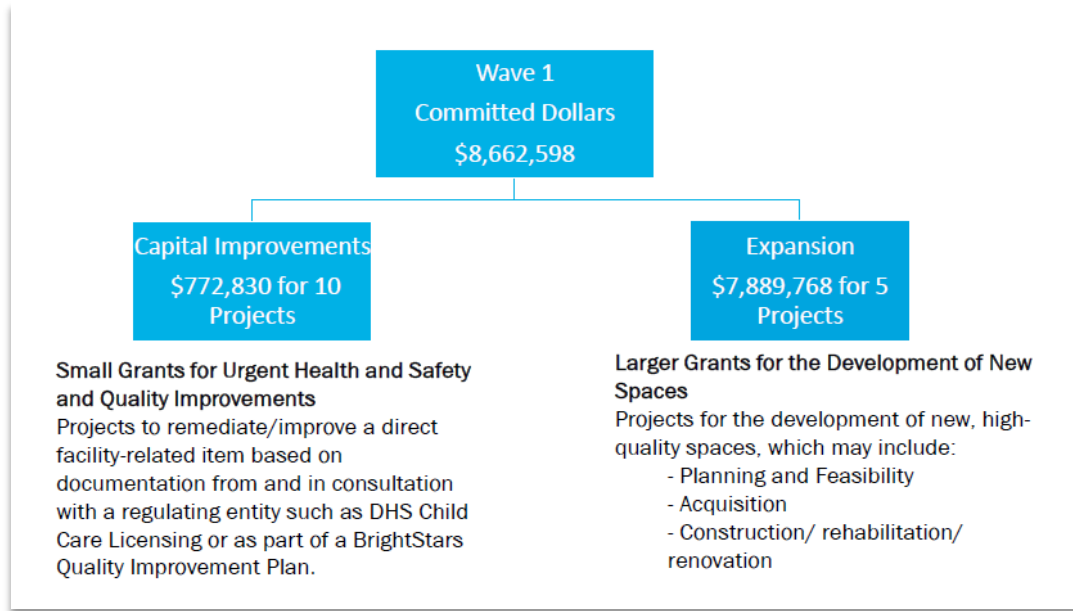
The following report details the implementation of the first year of this program, including the timeline, breakdown of applicants, awards, training and technical assistance provided, and next steps. This report also includes recommendations for programs and initiatives to ensure that early childhood education providers

utilize facilities that meet licensing and facilities standards to increase access to high-quality prekindergarten learning environments.

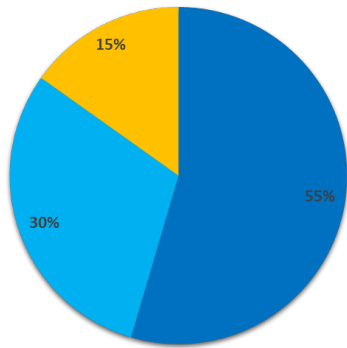
<h2>Program Administration and Management Timeline</h2>		
Pre-2022	Ramp-Up	<p>Early Childhood Care and Education Capital Fund general obligation bond vote occurred March 2, 2021 and received overwhelming support by the general public.</p> <p>Pipeline projects were identified and received intensive one-on-one technical assistance/PDG Planning Grants to build a pipeline of shovel-ready projects.</p> <ul style="list-style-type: none"> <li>Over the past three years, through a quality contract from DHS, LISC has and continues to provide technical assistance and administer pass through federal planning grant funds for predevelopment and feasibility work that is consistent with ECCE Capital Fund priorities.</li> </ul> <p>LISC hosted a Child Care Design Workshop for architects and designers to build upon a pool of qualified consultants to support potential applicants through a thoughtful planning process – a critical and often overlooked phase of development.</p>
February 2022	Program Design	DHS and LISC collaborated to develop the ECCE Capital Fund program design, eligibility criteria, priorities, and application and decision-making process, including two applications specific to the two pools of funding uses.
April 2022	ORR Review Process	The rules and regulations that govern the ECCE Capital Fund program were subject to the Office of Regulatory Reform (ORR) review process. The regulations for the bond completed the full promulgation process during this time, including a public hearing with instructions for public comment.
June 2022	Virtual Info Sessions	The virtual informational session was held with simultaneous interpretation and in partnership with DHS for 170 participants in the live Zoom event. The recording was shared via the LISC website and via eNews announcement.
July 2022	Letters of Intent	<p>On July 1, 2022, DHS and LISC began accepting Letters of Intent, reviewing internally for baseline applicants and project eligibility prior to sending the invitation to formally apply.</p> <p>LISC hosted virtual office hours, weekly, for anyone who had any questions as they made their way through the application process.</p>

		<p>The bond received 95 Letter of Intent Proposals totaling over \$30 million in grant requests that included:</p> <ul style="list-style-type: none"> <li>• 64 proposals for \$6.5 million in capital improvement projects;</li> <li>• 27 proposals for \$23.2 million in expansion projects;</li> <li>• 4 proposals for \$675,900 for both improvements and expansion.</li> </ul>
<b>August 2022</b>	Application Deadline	<p>Wave 1 ended on August 18<sup>th</sup> with a total of 51 applications totaling approximately \$25 million including:</p> <ul style="list-style-type: none"> <li>• 33 applications for \$5.3 million in capital improvement projects (28 center-based; 5 home-based)</li> <li>• 18 applications for \$19.7 million in expansion projects (16 center-based; 2 community-based organizations)</li> </ul>
<b>September 2022</b>	Committee Votes	<p>LISC managed the rubric scoring process including sharing of all Letters of Intent and application documents (barring any personal identifiable information) for rubric scoring, responding to questions from committee members, and compiling and averaging rubric scores for use and consideration at the recommendation-making meeting.</p> <p>A virtual rubric review session was held on September 7, 2022, for the decision-making committee to ensure uniform rubric usage and understanding of funding prioritization items.</p> <p>On September 21, 2022, representatives of DHS, LISC, CELP, and BrightStars convened for discussion and voted on recommendations for funding. LISC followed up with applicants for any additional information. DHS completed the final approval of recommended awardees.</p>
<b>October 2022</b>	Applicants Informed	<p>Beginning October 5, 2022, applicants began receiving notification of their award status. All applicants who did not receive funds have been offered technical assistance through a LISC consultant and/or LISC staff to help further develop project plans, re-prioritize space needs, and seek out and/or prepare for other resources for project financing.</p> <p>On October 27, 2022, DHS, LISC, EOHHS, Meeting Street, and the Governor's Office held a press conference to announce the first \$8.5 million in grants awarded and to announce a Wave 2 and shared a press release with the community.</p>
<b>November 2022 - Current</b>	Work Commences	<p>Grant contracts are executed, projects are underway, and the distribution of funds is starting. Additionally, onboarding sessions with each grantee details program expectations.</p>

# Applicant Breakdown and Overview

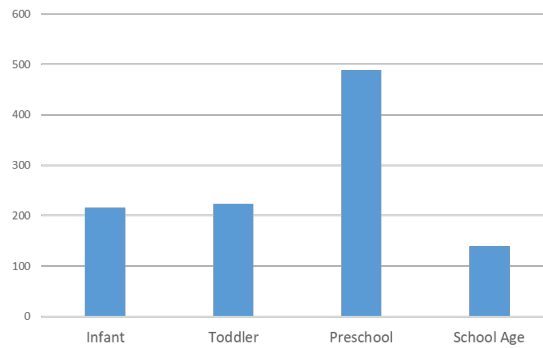


Capital Improvement Proposals

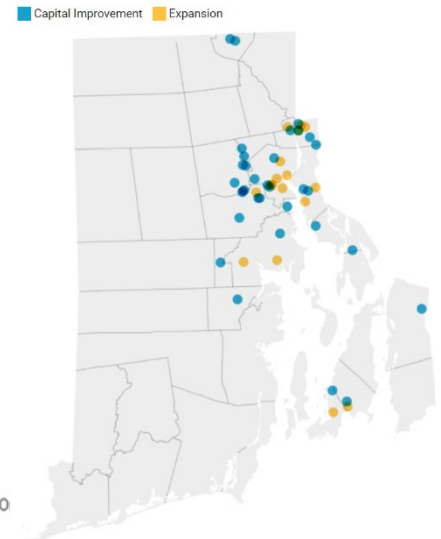


- Documented Health and Safety Issues
- Quality improvements or General Maintenance
- Reconfiguration of Space

Expansion Application Proposed New Slot Totals by Age Group



Applicant Geography



Applicants by Provider type

- Family Child Care
- Center-based Organization
- Community-Based O

Expansion Applications



Capital Improvements



## Grant Funding

Grantees who received committee recommendation and final approval by DHS were notified of award decisions. There will be 15 grantees in total.

The creation and distribution of grant agreements for signatures is underway, including grantee onboarding meetings. Once all necessary agreements and contracts are in place, grant funds will be deployed.

Grants were broken out into two categories:

**Small Capital Improvement Grants (1) and Expansion Grants (2). Small Capital Improvement Grants** are to

remediate/improve a direct facility-related item based on documentation from and in consultation with a regulating entity such as DHS Child Care Licensing or as part of a BrightStars Quality Improvement Plan.

**Expansion Grants** are for the development of new, high-quality spaces.

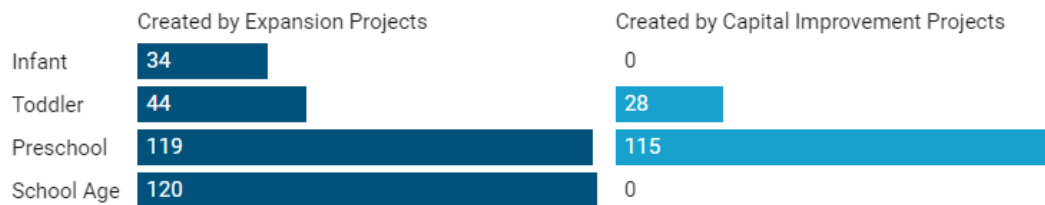
Grantee	Grant Type	Amount	Total Disbursed as of 11/30/22
New England Fitness and Wellness, LLC	Expansion	\$ 1,000,000.00	\$ -
Children's Friend and Service	Expansion	\$ 2,389,768.00	\$ -
Newport County YMCA	Expansion	\$ 3,000,000.00	\$ -
Meeting Street	Expansion	\$ 1,000,000.00	\$ -
Boys Clubs & Girls Clubs of Newport County, Inc.	Expansion	\$ 500,000.00	\$ -
Westbay Community Action Inc	Capital Improvement	\$ 10,600.00	\$ -
Kathleen Plasse (Kathy's Daycare)	Capital Improvement	\$ 35,700.00	\$ 17,850.00
East Bay Community Action Program	Capital Improvement	\$ 248,400.00	\$ -
Comprehensive Community Action, Inc.	Capital Improvement	\$ 88,050.00	\$ -
Comprehensive Community Action, Inc.	Capital Improvement	\$ 36,580.00	\$ -
Over The Rainbow Learning Center Inc	Capital Improvement	\$ 25,500.00	\$ -
Joyful Hearts Discovery Learning Center Inc	Capital Improvement w/ increased capacity	\$ 80,000.00	\$ 80,000.00
My Second Home Daycare	Capital Improvement	\$ 40,000.00	\$ 20,000.00
Genesis Center	Capital Improvement	\$ 23,000.00	\$ -
Boys and Girls Clubs of Northern Rhode Island	Capital Improvement w/ increased capacity	\$ 185,000.00	\$ -
		<b>\$ 8,662,598.00</b>	<b>\$ 117,850.00</b>

## Continued Awardee Breakdown and Overview

Expansion projects funded in Wave 1 will create a projected 317 child care slots.

Capital Improvement Projects that enhance capacity will lead to the creation of a projected 143 child care slots.

**With the completion of all Wave 1 projects Rhode Island will have added 460 child care slots.**



Through the ECCE Capital Fund Wave 1 awards, Rhode Island has invested in improving 701 existing child care slots, increasing access to safe, high-quality facilities for the State's youngest children.

### Age Group                      Number of Slots improved

Infant	44
Toddler	104
Preschool	437
School Age	116

## Training/Collaboration

- DHS Child Care Licensing, during unannounced monitoring visits, supported center and family-based child care by providing information about facilities related technical assistance when health and safety issues were identified in programs that could be rectified using these bond dollars. DHS Licensing, along with the LISC Team and BrightStars, kept a continuous line of communication open regarding facility-related quality and licensing challenges for those applying for grant funds, including joint site visits and case-management.
- The LISC RI team developed and led a training specifically for home-based child care providers to offer guidance and information on impactful small-scale repairs and renovations and how to assess their space to prioritize projects for potential funding. A video was recorded and built into a home-based provider resource page and has been approved by the Center for Early Learning Professionals.
- The LISC RI Child Care Facilities Fund worked in collaboration with the National Small Business Lending team for a Small Business Lending virtual training session (hosted November 9, 2022).
- Ongoing collaboration with other state agencies to better understand and support family child care provider needs in process includes coordination with the City of

	<p>Providence to allow for Providence-based bond applicants not funded in Wave 1 to be considered for the Early Learning Infrastructure Support Program that will be launched in 2023.</p> <ul style="list-style-type: none"> <li>• The DHS has sought out additional ways to support family home-based providers, also referred to as family child care providers (FCC), in applying for the facilities bond for their FCCs, including attending the FCC Homes of RI Networking Session on September 20, 2022, to share services available through LISC, answer questions, and provide resource materials.</li> <li>• A first draft of a new online training module on child care facility design was completed during this quarter and will be available in the coming months for those seeking to learn more about how space can support quality programming and steps in designing a new or renovated child care space – this training is one resource that will be available to help ready people for planning and feasibility work required in the early stages of successful project development. An additional training on maintaining a grant-funded capital improvement project is also in development.</li> </ul>
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<h2 style="margin: 0;">Technical Assistance/Consulting</h2>	
<p>All 51 applicants of Wave 1 are being offered ongoing technical assistance regardless of whether they were selected for a grant award.</p> <p>Each applicant is receiving either direct funding through the ECCE Capital Fund with technical assistance; technical assistance from a LISC consultant at no cost to them; or direct LISC technical assistance.</p>	<ul style="list-style-type: none"> <li>• LISC has a pool of qualified project development consultants that are being deployed to 8 providers who applied. Sites were identified through the Letter of Intent and application process to assign consultants to applicants to assist and support in further project planning.</li> <li>• All applicants that are not receiving an award, have been identified as a pipeline project, assigned a project development consultant, and/or offered additional technical assistance by LISC.</li> <li>• Throughout the Wave 1 application period alone, 41 facilities received site visits totaling 57 hours of technical assistance from LISC Staff.</li> <li>• A Spanish language translation consultant has provided simultaneous interpretation for the informational session and weekly office hours, as well as translation of communications and bond-related materials.</li> <li>• Ongoing collaboration with other state agencies to better understand and support family child care provider needs is in process and includes coordination with the City of Providence to allow for Providence-based bond applicants not funded in Wave 1 to be considered for the Early Learning Infrastructure Support Program (anticipated launch in 2023.)</li> <li>• DHS continues to partner with LISC, BrightStars, the Center for Early Learning Professionals, the SEIU Education and Support Fund, and a pool of qualified consultants to work with groups seeking to increase capacity, strengthen businesses, and improve facilities.</li> </ul>



## Reporting/Impact Review/Next Steps

Wave 1 Work Continues	Funding of \$8.6 million has been committed as of December 31, 2022, preparations are well underway to track/report on project success, including the hiring and onboarding of two professional photographers to capture before, mid-construction, and final imagery. DHS and LISC will continue to work closely to ensure tracking meets reporting requirements as needed throughout the evolving bond process.
Anticipating Wave 2	Wave 2 will be focused on expansion projects. Applications will be due April 21, 2023 with awardees selected in May. While distributions are being made for Wave 1, preparations for Wave 2 are well underway. As of November 30, 2022, DHS is reporting: <ul style="list-style-type: none"> <li>• 13 Letters of Intent received</li> <li>• 2 complete applications submitted</li> <li>• 12 pipeline projects identified (10 with planning grants working with architects and designers and 2 receiving LISC project development consultant support for planning)</li> <li>• Ongoing intensive LISC technical assistance</li> <li>• Training sessions in development</li> </ul>

## Recommendations

As the DHS continues this important work, we have provided recommendations for programs and initiatives to ensure that early childhood education providers utilize facilities that meet licensing and facilities standards. These initiatives will help increase access to high-quality prekindergarten learning environments across the state. While providing recommendations for increasing access to high-quality pre-kindergarten environments is important, ensuring any facility a child attends from the birth through age five mixed delivery system is up to health and safety standards is imperative. Space can be either a supportive tool or an obstructive hindrance to the hard and essential work done each day by early learning educators – mostly comprised of women from underrepresented communities. In addition, these projects are costly and complex, yet the state’s young children have the most to gain from a well-designed, nurturing environment in terms of brain development. For the reasons referenced above, DHS recommendations include the following:

- The need for continuation of the ECCE Capital Fund general obligation bond for early learning facilities infrastructure needs after this initial three years is complete. Already, the DHS Office of Child Care has seen the need for this type of funding in the child care community, evidenced by the outpouring of letters of intent and applications for quality projects that would improve facilities and increase the number of high-quality spaces. Continuing this work with additional bond funding in 2024 would be ideal to continue the success of this initial bond and to continue state’s steady progress towards Universal Pre-K.
- Include a line item in the state budget for a small grants program to be used for facility planning and predevelopment activities as well as urgent space-related health, safety, and quality issues. Utilize funding to emphasize state priorities. Seek matching opportunities from private funders. One of the initial successes with this bond was the “shovel-ready” projects that existed because of the Preschool Development Grant. This funding that was received allowed DHS to contract with LISC to provide planning grants. These planning grants afforded LISC the funding to provide technical assistance to

providers who needed to make improvements and to assist them on a path forward. Ensuring that we carve out funding on a consistent basis for planning grants and/or health and safety set-aside on an as-needed basis will ensure young children are learning in safe spaces.

- Increase access to training and supports to guide current and potential providers – many of which are passionate about child care and not well versed in business – through the facility improvement and development processes. Create a central clearinghouse for all regulations connected to facilities. This could be as simple as a website page that contains links to resources, all applicable regulations and key contacts. DHS understands that to assist someone in opening a child care program, accessible and easy to understand information is valuable especially in navigating the complex facilities regulations.

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