

MAKE IT HAPPEN:

**Investing for
Rhode Island's**

Future

Executive Summary

Guiding Principles

Recommended investments will...

- 1. Equity:** Address the root causes and conditions of systemic inequalities based on race, gender, disability, economic status, and other historically marginalized or oppressed communities which predated and were exacerbated by the COVID-19 pandemic.
- 2. Sustainability:** Deliver enduring change and solutions that enhance the resilience of impacted communities.
- 3. Impact:** Transform economic opportunities and quality of life, and build community assets for impacted communities for the short and long term.
- 4. Process:** Reflect both broad input from impacted communities and public stakeholders, as well as solid data and research.

Executive Summary

Make it Happen: Investing for Rhode Island's Future is a Rhode Island Foundation-led initiative to develop recommendations for state leaders to consider as they decide how to spend \$1.1 billion in federal American Rescue Plan Act funding.

During early Spring 2021, the Foundation contracted with the Economic Progress Institute (EPI) and the Rhode Island Public Expenditure Council (RIPEC) to staff the initiative and convened a 15-member Steering Committee to consider rigorous policy analysis, public, and stakeholder input to develop a set of spending recommendations that, if adopted, have the potential to significantly improve the lives of Rhode Islanders. The Committee, EPI, and RIPEC were focused on the recommendations that follow addressing needs that pre-existed COVID-19 and were exacerbated by the pandemic. In addition, the work was informed by a set of Guiding Principles developed cooperatively by the Steering Committee (see page 2).

A vigorous community engagement process spanned several months and included electronic submissions from individuals and groups, focus groups with populations hard-hit by COVID, community visioning sessions hosted by local nonprofits, and key stakeholder interviews (see Appendix for details). The Steering Committee considered the breadth of the subject areas in the recommendations and while agreeing on the areas in the recommendations below, acknowledged the importance of other topics—for example, education, broadband and digital access, and climate change. These are topics for which funding is available or is likely to be available through other federal investments.

Throughout 15 meetings, the Steering Committee, which broadly represented our diverse community, was provided with a large quantity of data and research, including: guidance from federal and state officials regarding American Rescue Plan Act (ARPA) fund disbursement, the ways in which other states proposed using ARPA funds, needs assessments in requested topic areas, and program and policy analyses. During this process, the Steering Committee was steadfast in its commitment to transformational change that will benefit those communities and underserved populations that have been disproportionately impacted by COVID-19.

This initiative does not examine or make recommendations for uses of other very significant ARPA earmarked funds, such as those for local cities and towns (\$542M), K-12 education (\$400M), higher education (\$168M), or the capital project fund (\$113M). It also recognizes that further federal programs are contemplated that would meet additional needs, also not addressed in this report.

However, the Steering Committee noted the real need for collaboration, coordination, and oversight in the use of the funds between municipalities and the state to achieve the best outcomes for their residents. Similarly, while each recommendation area addresses an individual component of need, the Committee emphasized that these areas are interrelated. The Committee urges that in making investments of ARPA funds attention must be paid to how funding for the different areas can be used in communities most adversely impacted by the COVID-19 pandemic, and with robust community engagement. The Committee also noted that residents should be able to easily access and receive assistance in obtaining available services that meet their needs.

This is an historic opportunity to address and counter the disparate public health and economic impacts of the coronavirus pandemic, which reflect long-standing inequities based on systemic racism, gender, and disability. And, to ensure that investment of these funds supports a genuine recovery that is broad and inclusive, efforts to allocate ARPA funds need to be transparent and accountable to all Rhode Islanders.

This initiative was committed to a rigorous, comprehensive, and inclusive process with the belief that those populations which were impacted the most by the pandemic should benefit the most from these resources.

The recommendations that follow, totaling \$1.065 billion, meet the requirements of United States Department of the Treasury's (Treasury) Interim Final Rule. By investing in the areas suggested below, Rhode Island will be addressing the needs of residents disproportionately impacted by COVID-19. These proposals target low-income residents and communities of color, and directly address many needs. Collectively, these "big ideas," if implemented, could be major vehicles for building wealth and economic opportunity to ensure a more equitable Rhode Island.

Housing \$405 million

The goals and recommendations that follow aim to address the decades-long acute shortage of housing in Rhode Island, especially for those with low to moderate income.

GOALS: Provide at least 5,150 units of affordable housing to Rhode Islanders by investing in affordable rental housing, permanent supportive housing, and homeownership opportunities; remediate lead paint for at least 2,850 units; and renovate and/or repair code violations for at least 4,000 homes.

RECOMMENDATION 1: Invest \$200 million for affordable rental housing production and preservation.

RECOMMENDATION 2: Invest \$50 million to build 500 units of permanent supportive housing and provide temporary housing for targeted populations.

RECOMMENDATION 3: Invest \$50 million to expand first-time home buyer programs to increase home ownership opportunities for Black, Indigenous, and People of Color (BIPOC) populations and/or in areas disproportionately impacted by COVID-19.

RECOMMENDATION 4: Invest \$100 million for healthy homes repairs, including the remediation of lead paint and assistance to low-income homeowners and qualifying landlords for renovations to substandard units for code compliance.

RECOMMENDATION 5: Invest \$5 million to develop a strategic plan and to improve capacity and expedite processing of housing projects that are accessing ARPA funds.

Behavioral Health \$255 million

The goals and recommendations that follow attempt to address the well-documented, ongoing, epidemic among those battling mental health and substance abuse challenges.

GOALS: Decrease statewide emergency department visits by both children and adults for acute behavioral health crises by 20% each; decrease the number of unintentional opioid overdoses and suicides by 15% each; increase the number of Rhode Island licensed outpatient mental health counselors, social workers, psychologists, and psychiatrists to reach New England's behavioral healthcare occupational median.

RECOMMENDATION 1: Invest \$170 million to build new facilities and renovate and upgrade existing facilities to expand and improve services and treatments across the behavioral health continuum of care.

RECOMMENDATION 2: Invest \$50 million in technology infrastructure, including electronic medical records and other non-facility infrastructure, including one-time investments in mobile response and stabilization services, and technology that could increase the availability and access to telemedicine.

RECOMMENDATION 3: Invest \$30 million to increase provider capacity through a loan forgiveness program, as well as stipends/bonuses, to recruit and retain behavioral health professionals. The program should target BIPOC populations to build a culturally and linguistically diverse behavioral health workforce.

RECOMMENDATION 4: Invest \$5 million to complete a strategic plan for a behavioral health system of care for adults and children.

Workforce Development \$205 million

The goals and recommendations that follow aim to address the fact that businesses of all sizes in Rhode Island are facing worker shortages, while many residents remain unemployed or underemployed and encountering barriers to employment, such as lack of affordable childcare.

GOALS: Provide 15,000 Rhode Islanders with high-quality jobs through robust training, adult education, workforce skills services, and the elimination of barriers to employment.

RECOMMENDATION 1: Invest \$150 million in high quality “earn and learn” job training programs that lead to a promotion, certificate, academic credential, and/or higher salary.

RECOMMENDATION 2: Invest \$30 million in high quality and accessible adult education/foundational workforce skills including English language, literacy, and digital skills.

RECOMMENDATION 3: Invest \$15 million for one year to continue and expand the RI Reconnect initiative that provides assistance to individuals to mitigate barriers to participation in a job training or employment opportunity.

RECOMMENDATION 4: Invest \$10 million in IT data structure improvements to the state’s longitudinal data system and support a plan for long-term sustainability of that system.

Small Business Assistance \$100 million

The goals and recommendations that follow recognize that as the backbone of Rhode Island’s economy, small businesses require significant additional support to sustain and grow their businesses.

GOALS: Provide significant financial assistance to at least 2,250 small businesses, targeted to minority-owned businesses, through forgivable loans, low-interest loans, and grants.

RECOMMENDATION 1: Invest \$50 million in Rhode Island small businesses and cooperatives through forgivable loans.

RECOMMENDATION 2: Invest \$35 million to provide technical assistance to small businesses by awarding one-time grants for business services through a newly established business resource network.

RECOMMENDATION 3: Invest \$10 million to create a new Community Development Financial Institution (CDFI) or expand capacity of one or more existing CDFIs to provide financing for projects in distressed and underserved neighborhoods in Rhode Island.

RECOMMENDATION 4: Invest \$5 million to establish a loan program for certified Minority Business Enterprises (MBEs).

Neighborhood Trusts

\$50 million

The recommendation that follows suggests that investments, directed by residents in places whose populations and communities have been impacted most by the pandemic may prove to make a significant, innovative impact for those living in a Qualified Census Tract.

RECOMMENDATION: Invest \$50 million for the creation of neighborhood trusts in Qualified Census Tracts.

Immediate Relief

\$50 million

The recommendation that follows recognizes that there is a continued short-term need to support those most impacted by COVID-19.

RECOMMENDATION: Invest \$50 million in Rhode Island nonprofit organizations to provide immediate relief to residents suffering from behavioral health disorders, economic, food and housing insecurity, lack of affordable childcare, and domestic violence, exacerbated by the COVID-19 pandemic.

Implementation, Capacity, Accountability & Oversight

RECOMMENDATION: We recommend that an office be established within the Governor’s Office and reporting directly to the Governor with the authority to oversee the recommended spending of ARPA funds pursuant to clear goals, performance metrics, and transparency. The critical responsibilities of this office would include ensuring that funds are expeditiously used and oversight of expenditures. This office would need additional staffing for the expenditure period and would coordinate with legislative input and oversight.

Each recommendation area addresses an individual component of need, but the needs of those individuals and communities most adversely impacted by the COVID-19 pandemic are interconnected. It is important, then, that these recommendations be viewed as, and implemented through, a holistic and community-driven approach prioritizing those communities most impacted by the pandemic.

Steering Committee

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