

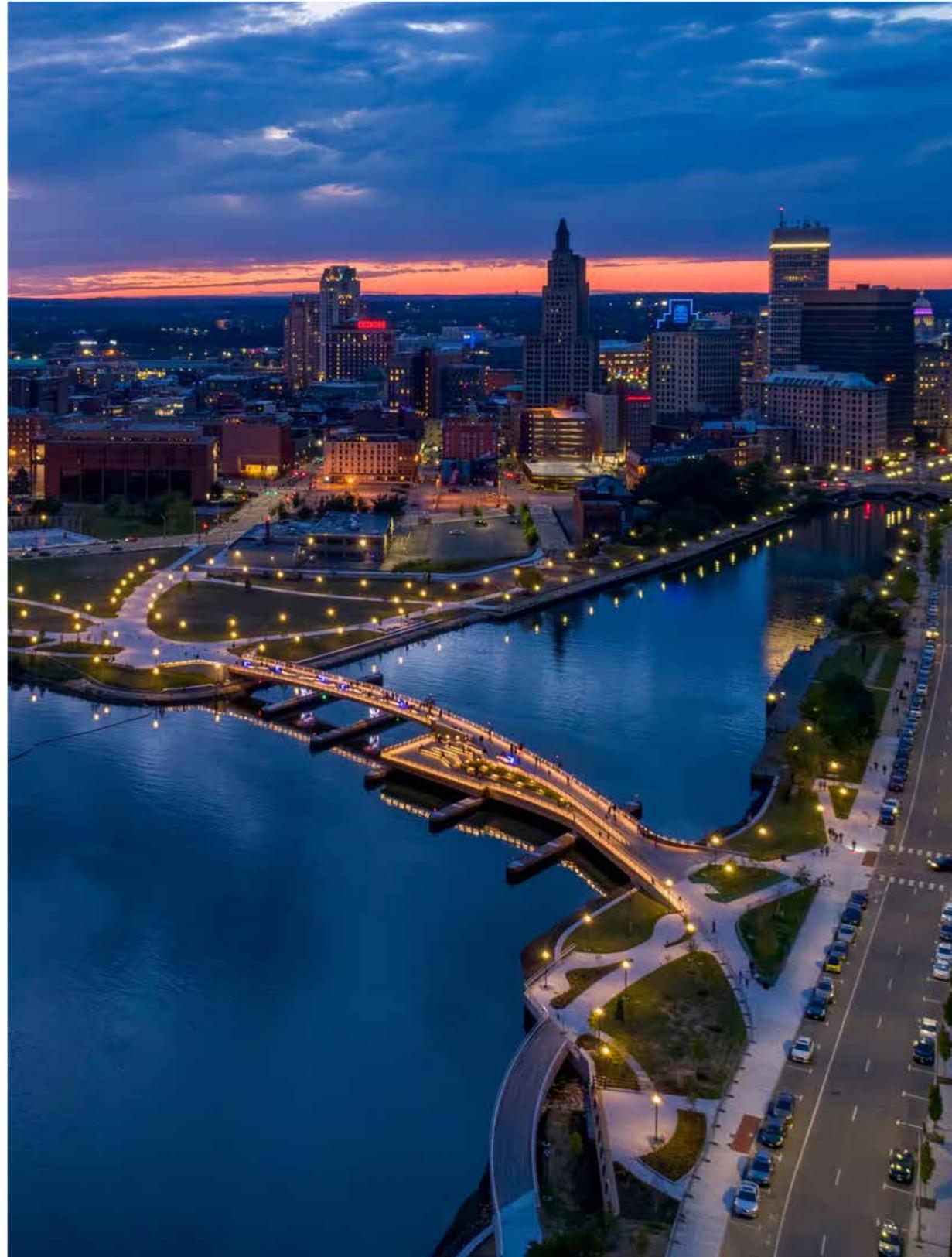


RI
2030

Charting a Course for the FUTURE OF THE OCEAN STATE

A Working Document
2022

Office of Governor Daniel J. McKee | Office of Lt. Governor Sabina Matos



A Letter From The McKee-Matos Administration

Dear Rhode Islanders:

As Rhode Island emerges from a once-in-a-century public health crisis, we have a once-in-a-generation opportunity to build a more resilient, prosperous, and equitable state for all. Making the most of this opportunity will require a collaborative effort to address not only the challenges caused by the pandemic, but also those that existed long before.

That’s why our Administration launched RI 2030: to craft a vision both for the state’s recovery as well as for what we want Rhode Island to look like in the years ahead. As Governor and Lt. Governor, we are pleased to share this RI 2030 living strategy document with both short-term and long-term action steps that will help guide policy priorities, federal spending decisions, strategic collaborations, legislation, and other initiatives. While RI 2030 is not aimed solely at addressing the federal dollars coming into the state, a key goal of this initiative is to help Rhode Island leverage the State Fiscal Recovery Fund and other federal funding sources to achieve the goals set through our RI 2030 process.

The RI 2030 process began with a series of virtual community conversations focused on key topics of interest for Rhode Islanders, such as housing, tourism, small business, climate change, children and youth services, health, higher education, and more. These conversations included discussions with a diverse panel of Rhode Island community stakeholders, keynote speakers with national expertise, and members of the General Assembly. So far, our virtual community conversations have been viewed more than 15,000 times and garnered more than 500 comments from the public.

After the conclusion of these community conversations, our Administration issued a RI 2030 working document that compiled key takeaways from the conversations, including specific goals, objectives, and recommendations on a wide range of topics. The working document as well as all the virtual community conversations were published on the RI 2030 website and made available to the public.

Following the release of the working document, our Administration organized a series of seven in-person public input sessions across Rhode Island to collect ideas, comments, and recommendations. In addition to our opening remarks, each session featured a presentation

on the RI 2030 process by high-ranking Cabinet members and enabled attending Rhode Islanders to share their ideas, either through topic-specific breakout groups or an open comment forum. These in-person public input sessions were paired with an online public input form on the RI 2030 website, where organizations and individuals could provide comments.

In total, more than 200 Rhode Islanders provided more than 600 ideas, recommendations, and other comments on topics ranging from housing and K-12 education to transportation and small business. Our Administration reviewed each of these comments closely and shared them with leaders across Rhode Island state government. This updated RI 2030 living strategy document incorporates what we heard from Rhode Islanders about their priorities and vision for the state over the next decade to guide future investments.

We are grateful to the URI Research Foundation’s collaboration and partnership throughout this process. The Research Foundation and faculty at URI played an important role in assembling the input received, performing useful analysis on topics like our economy and workforce, and otherwise contributing to the RI 2030 initiative.

This document is our Administration’s RI 2030 vision, and we will continue to update this document going forward.

We have appreciated working with Rhode Islanders from across our state during this process, and your feedback has been invaluable as we have framed our collective vision for the future together.

Sincerely,

Daniel J. McKee
Governor of Rhode Island

Sabina Matos
Lt. Governor of Rhode Island

RI 2030 PRIORITY: ADDRESSING CLIMATE CHANGE



The costs of climate change are becoming clearer and clearer as the planet warms and significant weather events increase in their intensity and frequency. While some areas are likely to experience drought conditions, the northeastern part of the United States is likely to see increased rain and flooding in the coming decades. As a coastal state, Rhode Island will have to make the decisions and investments necessary to protect its communities, economy, and the natural environment, grounded in values of environmental justice throughout.

There are many aspects of climate change that make it particularly difficult to address. Unlike pollution that stays in the local air or water, greenhouse gases (GHG) add up across the globe to affect the entire planet. While Rhode Island can and should do its part to reduce these gases, we are not able to eliminate the problem single-handedly. Climate change is also a problem that has been building since the dawn of the industrial revolution – for example, fossil fuels burned over the last 200 years are still having an effect and warming the planet. Our society is now facing the very real consequences of widespread, generational impacts on our environment, and we in the Ocean State must be part of the solution.

WHAT WE HEARD FROM YOU

- Climate change policies need to be equitable and make sure that they benefit all Rhode Islanders and no group is left holding an unfair share of the costs.
- As a coastal state, Rhode Island needs to be prepared for the flooding, rising seas, and increased storms that will come from climate change.

“There’s a huge drive to produce technologies, the supply chain, vessels, transportation, manufacturing to be completely zero carbon in the future. So as this enormous industry comes into our front yard, we’ll be pushed to develop and support true green technologies to support that industry.”

— Drew Carey, CEO, INSPIRE Environmental / Community Conversation Participant

- Rhode Island is well-positioned to take advantage of the opportunities that addressing climate change head-on presents, including offshore wind, coastal resiliency, and sustainable aquaculture.
- Reaching net zero emissions by 2050 will require significant investment in changes to home heating, electricity generation, and transportation.

CURRENT STATE AGENCY INITIATIVES

The 2021 Act on Climate updated Rhode Island’s climate-emission reduction goals, positioning the state to boldly address climate change and prepare for a global economy that will be shifting to adapt to clean technology. Under the 2021 Act on Climate, the state will develop a plan to incrementally reduce climate emissions to net-zero by 2050. The plan will be updated every 5 years and will address areas such as environmental injustices, public health inequities and a fair employment transition as fossil-fuel jobs are replaced by green energy jobs. The Executive Climate Change Coordinating Council (EC4) charged with producing this plan, will, as of September 2021, meet more frequently and in locations across the state to encourage robust public engagement throughout. At the September 2021 EC4 meeting, the EC4 Advisory Board presented a draft set of climate justice priorities to the EC4, to be further socialized and refined in furtherance of advancing environmental justice.

RI 2030 CLIMATE GOAL: By the next decade, Rhode Island will be a national leader in renewable electricity generation, will be on the path to net zero emissions by 2050, and will be making the investments needed to protect its coast and other areas under threat by climate change, particularly environmental justice communities.

CLIMATE OBJECTIVES

- Codify and implement a 100% Renewable Energy Standard by 2030 and examine opportunities for a renewable thermal standard and/or clean peak standard or similar policy mechanism to reduce

- emissions across sectors, particularly heating and transportation. This should include setting an objective for offshore wind electricity generation.
- Replace fossil fuel electricity generation with renewable resources, while recognizing the benefit of protected green space.
- Protect people and infrastructure in coastal and riverine communities from storms and floods due to climate change.
- Modernize the electrical grid to support increased use of electricity, renewable energy generation, and battery storage and explore opportunities to invest in advanced metering functionalities.
- Reduce the cost of electricity to encourage transition away from fossil fuels.
- Invest in wastewater treatment facilities that are resilient to threat from climate change and protects coastal waterways.
- Reduce our consumption of single-use plastics.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

Rhode Island has adopted aggressive goals to address climate change. The 2021 Act on Climate has established incremental greenhouse gas emissions reduction targets culminating in a net-zero standard by 2050. In addition, there are several nonprofit organizations, agencies, businesses, and municipalities focused on the effects of climate change in the state. We now need to make the necessary investments to achieve these ambitious goals while also preparing the state for the inevitable impacts driven by global climate change.

Just as climate change will inevitably bring increased costs to Rhode Island, it also brings opportunities. Investments in renewable electricity generation, as well as electric transportation and heating, will not only provide business and employment opportunities for Rhode Islanders, but it will also put the state in a

much better position for the future in terms of climate resilience.

It must be noted that climate change is having a significant impact on broader economic and societal systems. For example, increased pollution and changing weather patterns are affecting air quality, which, in turn, fosters public health challenges such as increased asthma, increased exposure to pollen and mold, and diminished lung functioning. This is especially true for at-risk populations, such as the elderly, children, and those suffering from heart or lung disease.

Furthermore, we must do more to address the inequitable impacts of a changing climate on frontline and historically marginalized communities. These often include low-income communities and communities of color that face the brunt of pollution and climate change impacts, but face significant barriers in accessing the necessary tools, resources, and investments needed to address them. It is crucial that Rhode Island's future mitigation and resiliency investments center on equity and foster more equitable outcomes for people and businesses in these communities.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Implement the Act on Climate. In upcoming budgets, the state needs to identify new positions and funding so the Department of Environmental Management, Office of Energy Resources and other Executive Climate Change Coordinating Council-related agencies can continue to make progress on meeting the state's ambitious climate goals. Support for FTEs, outside consultant services, and economic incentives (e.g., electric vehicles, electric heat pumps, renewable energy) should all be considered.
- Procure utility-scale offshore wind. This will leverage cross-state market development with strong local economic development impacts, advancing the state toward 100% renewable energy.

- Pass a 100% Renewable Energy Standard to ensure we are on track to decarbonize the power sector as we work toward net-zero by 2050.
- Identify a sustainable funding source to incentivize thermal electrification. This will reduce greenhouse gas emissions, create jobs, and fill a funding gap that would advance the market for decarbonized heating solutions in the state.
- Continue investment in foundational energy efficiency. Rhode Island has been recognized as a national leader for its energy efficiency programs, which support economic recovery, reduce utility bills, build financial resilience, and support clean energy jobs – 6 out of every 10 clean energy jobs created in Rhode Island pre-COVID.
- Identify strategies for improving access to electric vehicles and electric vehicle charging infrastructure across the state, as demonstrated in the Office of Energy Resources December 2021 electric vehicle charging station plan, Electrifying Transportation.



What we really need is climate in all policies in a way similar to we're seeing in the Biden Administration, where climate is part of transportation, it's part of economic developments. There's no green economy—it's the economy. All the investments we make need to be made with climate change as a lens.

— Sue AnderBois, Climate & Energy Program Manager, The Nature Conservancy / Community Conversation Participant

The Governor's proposed FY23 budget proposes \$132 million in climate change investments including in port development to position Rhode Island for offshore wind development (\$60.0M for Quonset/Port of Davisville; \$35.0M for South Quay in East Providence), coupled with support for households and community organizations to convert to electric heat (\$37.0M).

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- The creation of a whole of government approach to resilience and mitigation of greenhouse gas emissions will be required if Rhode Island wants to meet its statutorily required reduction targets. As resources are dedicated to housing, infrastructure and transportation, and workforce development, ensure that these investments are being made with climate change in mind so that we are properly preparing Rhode Island for the future. This means building energy efficiency, weatherization, and renewable energy generation into our long-term planning, particularly the state's housing plan, and ensuring the economic benefits and job growth that come with Rhode Island's clean energy future are fairly distributed across the state.
 - Continue to invest in our ports to support the growing offshore wind industry and fisheries.
 - Support efforts and initiatives that drive down electricity rates.
- Investments made in the Blue Economy should be made to help prepare the state for the effects that will come with climate change. This goes beyond development of an offshore wind supply chain; there will be a variety of employment opportunities at all levels as the Blue (and Green) Economy grows, and it will be crucial to begin strengthening those career pathways now to ensure our success in 2030 and beyond.
- Focus on needed climate-related job skills training in programs such as Real Jobs RI and Pathways RI including solar roof installation, electricians, and construction, particularly for frontline communities.
- Continue and expand financial incentives for individuals and businesses to install rooftop solar and switch to electric vehicles while working with public-private partnerships to provide the charging infrastructure that will be needed for electric vehicles.
- Increase support for additional initiatives to help communities most affected by pollution and lack of access to green spaces throughout the state, such as green justice zones and conservation districts.

RI 2030 PRIORITY: ADVANCING INFRASTRUCTURE AND TRANSPORTATION

Infrastructure and transportation are what allows a modern economy to function and helps us live the lives we want. Goods and people travel on the roads and highways in our buses, cars, and trucks while electricity is generated and distributed to homes and businesses around the state. The clean water we have available keeps us healthy, along with the sewer systems that keep our cities and towns clean and free of disease. Broadband internet allows us to communicate more readily with colleagues, classmates, health care workers, potential employers, and our loved ones. All of these are some of the most important pieces of infrastructure in a modern community. In Rhode Island we also depend on our bridges, airports, and ports to keep us connected to one another and to the rest of the world. As we move deeper into the 21st century, we recognize the importance of decreasing our use of fossil fuels in everything from electricity generation to transportation to heating.



WHAT WE HEARD FROM YOU

- Rhode Island—like the rest of the U.S.—has historically underinvested in infrastructure and transportation. As such, the state needs to boost investments in these areas to propel long-term economic growth.
- The state must think broadly about its infrastructure needs—focusing not only on traditional areas like transportation and utilities, but also areas like housing, historic buildings, hospitals, and foundational broadband connectivity.
- There is ample opportunity for regional collaboration in areas like rail, airports, highways, broadband, and offshore wind.
- Improved access to broadband across all of Rhode Island is essential for equitable development.
- It is important for Rhode Island to enhance public transportation and micro-mobility options to improve accessibility. This includes increasing RIPTA routes and the frequency of service, renovating existing bike paths and creating new ones, and improving walkability of our cities, while preserving community safety, especially as new technologies like electric bikes and scooters become more popular.

CURRENT STATE AGENCY INITIATIVES

Rhode Island must continue to leverage the use of Rhode Works and the ten-year State Transportation Improvement Program to bring our roads and bridges to a state of good repair. Contained collaboration between the Rhode Island Department of Transportation (RIDOT) and the Rhode Island Public Transit Authority (RIPTA) will move the State’s public transit goals forward by creating more bus routes, streamlined connections, and ease of use. Moreover, Rhode Island recognizes that all Rhode Islanders must have access to the internet.

RI 2030 INFRASTRUCTURE & TRANSPORTATION GOAL:

By the next decade, Rhode Island will have a state-of-the-art infrastructure and 21st century transportation system that improves quality of life, connects all Rhode Islanders, integrates Rhode Island with the broader region, and drives economic growth over the long-term.

INFRASTRUCTURE & TRANSPORTATION OBJECTIVES

Provide well-maintained roads and bridges that are safe, reliable, structurally sound, and meet or exceed current design standards at both the state and local level.

Have ubiquitous, reliable broadband internet coverage across the state that is affordable and upgradeable to meet the ever-evolving needs of residents and businesses.

Advance a transit system that easily connects workers and employers both within Rhode Island as well as connecting us to economic hubs like Boston and New York.

Build out infrastructure that supports the Blue Economy and life sciences, including ports that support offshore wind activity and site readiness work that enables future industrial and commercial development.

Develop infrastructure that supports both the mitigation of greenhouse gas use (renewable power generation, modern updated electrical grid, charging stations for electric cars, etc.), as well as the resiliency of the state in the face of climate change, while upholding the state’s considerable conservation efforts.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

Infrastructure, including transportation, touches every component of the Rhode Island economy, from workforce development to child care to healthcare. Robust and functional infrastructure provides the foundation for economic growth and allows residents and visitors to access everything the state has to offer. The pandemic also emphasized the need for robust healthcare infrastructure along with the need for modern HVAC systems throughout the state in schools, commercial buildings, and homes.

As many workers moved online and education, healthcare, and everyday communications became increasingly digital, the pandemic underscored the need for reliable internet access across the state. Even before the pandemic, 80% of 8th graders needed the internet to complete their homework, while 90% of job applications were online. At the same time, Rhode Islanders currently face significant inequities in internet access despite the state’s robust middle mile. Preliminary speed test data show that 45% of Rhode Islanders live in census blocks that lack access to reliable internet above the new federal minimum threshold. With an eye towards the future, only 2% of Rhode Island reliably receives 200/200mbps speeds, which is necessary to ensure a family of 2-4 can email large files and stream videos concurrently.

There are a number of areas of focus within infrastructure where investments will allow Rhode Island to have a significant positive impact on our vital and connecting systems: (1) traditional transportation infrastructure, such as roads and bridges, need to be brought to a state of good



The transit master plan proposed a set of light rail and bus rapid transit investments that will link the urban core of cities large and small across Rhode Island with each other, with the airport, and into the main stem of the Northeast corridor and the connections to New York and to Boston...A major focus, of course, is going to be on the development of offshore wind facilities at Quonset and other locations across the state, making sure that we have the road and rail access to those locations to make sure that Rhode Island gets its fair share or more than its fair share of the economic impact associated with the offshore wind industry.

— Bob Yaro, President, North Atlantic Rail Alliance / Community Conversation Participant

repair; (2) transit to improve the ability of the state’s workers and firms to more fully connect the state to our neighbors, especially Boston; (3) broadband connectivity for the state’s residents and businesses; (4) port infrastructure to support the Blue Economy; (5) industrial infrastructure to boost site readiness across the state; and (6) more resilient infrastructure to combat the effects of climate change. This last area is especially important and comes with significant opportunities in renewable electricity generation, storage, and distribution.

The federal Infrastructure Investment and Jobs Act will bring millions of dollars to the state for improvement to our infrastructure. This includes over \$100 million to make sure every Rhode Islander has access to high-speed internet and related tools to meet their educational, health, social, and business needs, a \$23 million electric vehicle charging infrastructure program, and funding to expedite more than 100 projects from the state’s 10-year transportation plan, among others. This once-in-a-generation investment is a critical opportunity to improve our quality of life.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Leverage federal and other funding sources to expand and improve broadband access across Rhode Island, especially in areas with limited access (e.g., Aquidneck Island) and historically-underserved communities. With a strong broadband middle mile, Rhode Island is in a good position to take advantage of federal funding to aid in the state’s economic recovery and allow the state to accelerate and enhance ongoing strategic efforts to provide high-speed, affordable broadband.
- Invest in workforce development and training to make sure construction companies and associated professions have the workers they will need to implement these plans and help people earn credentials that will increase their income.
- Invest in the healthcare infrastructure of hospitals, community health clinics, and the broader public

The Governor’s proposed FY23 budget establishes a Pawtucket Bus Hub Passenger Facility to accommodate volume increases associated with the new train station (\$5.0M) and supports municipal commercial districts through the Main Street Revitalization program (\$5.0M). In addition, a strategic broadband plan (\$500,000 from RI Rebounds) to unlock \$5 million in federal funds that will build toward a five-year action plan.

health system to help the state be prepared for the next potential public health crisis.

- Develop a strategic broadband plan to unlock \$5 million in federal funds and lay a strong foundation needed to create a five-year action plan to potentially unlock \$100 million in federal funds to set Rhode Island up for a digital transformation to support a thriving 21st century economy.
- Establish a broadband and digital equity office within Commerce to coordinate efforts across the state related to broadband infrastructure, technology deployment, and digital equity/digital literacy.
- Continue and increase investment in water, sewer, and stormwater management to ensure a high quality of life and improvement in building equitable, healthy, and green communities statewide.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Continue to invest in infrastructure needed for offshore wind in pursuit of the state’s renewable energy goals and establish a statewide network of charging stations and otherwise facilitate and promote the expansion of electric vehicle (EV) infrastructure (e.g., supports for EV-ready infrastructure in new developments).
- Implement the vision outlined in the state Long Range Transportation Plan, including the Rhode Island Transit Master Plan 2040, to better connect Rhode Islanders with each other and neighboring states. A particular focus should be placed upon connecting rural and otherwise underserved parts of the state with public

transit opportunities. In parallel to these efforts, the state should research and pursue the opportunity of high-speed rail connections in the Northeast corridor, including but not limited to connections to Boston.

- Collaborate with municipalities to invest in downtown and Main Street areas to facilitate transit, denser housing, broadband access, and business opportunities and build brighter and more sustainable communities and downtowns across Rhode Island’s 39 cities and towns—through everything from quality of place initiatives to improvements in streetscapes and sidewalks.
- Invest in building additional green and clean infrastructure, including increased energy efficiency for public and private buildings (e.g., installing solar panels, improving HVAC units).
- Build out the State’s first ever Infrastructure Data for Effective Action (IDEA) center. Provide FTEs for data management and analysis, working hand in hand with the Office of Management and Budget (OMB) and Division of Information Technology (DOIT), as well as the many agencies who need and utilize infrastructure data. Fund the positions through federal appropriations, grants, state revenue, and public/private partnerships. House this group with staff to the state’s single Metropolitan Planning Organization (MPO), the Division of Statewide Planning. The development of the IDEA center can position the Governor to actively manage the state’s infrastructure portfolio. Additional efforts should be made to increase awareness and transparency of transportation-related infrastructure investments.

RI 2030 PRIORITY: DRIVING ECONOMIC GROWTH



Before the pandemic, the Rhode Island economy and labor market were in a strong position. In 2019, the state’s unemployment rate stood at 3.6% (the lowest level in more than three decades) and employment was at an all-time high in the state. Despite the progress Rhode Island has made recovering from both the Great Recession and decades of impact from technological transformation and the loss of manufacturing jobs, several weaknesses in the economy persist, some of which have been exacerbated by the pandemic. For example, Rhode Island has lower average household income than our southern New England neighbors, in part because our firms and workers are less productive. There are also enduring inequities in Rhode Island’s economy. Whereas the White unemployment rate was 3.3% in 2019, the Black/African American unemployment rate was 4.6% and the Hispanic/Latino unemployment rate was 6.1%.

A key reason Rhode Island has historically struggled to regain economic momentum following the loss of manufacturing jobs stems from the fact that, despite meaningful strengths, Rhode Island is not home to deep regional specializations in the same way as some other states with more mature and potent focuses. These specializations drive economic growth by drawing on the region’s relative strengths, which may be a result of geography, history, accident, or coordinated planning. Well-known examples of regional clusters include biotechnology in Boston, finance in New York, and Silicon Valley technology in the San Francisco area. Regional clusters foster productivity and innovation, as firms benefit from a skilled labor market and a high density of suppliers and customers. In addition, workers find it easier to find good jobs in the positions and firms that best suit them.

Regional industry clusters often result from careful economic development planning. Historically, Rhode Island has benefited from industry clusters such as traditional textiles and jewelry (where it still enjoys a regional advantage), but these are no longer major drivers of economic growth. Today, there are significant opportunities in advanced textile clusters and manufacturing, as well as emerging industries in the Blue Economy and biosciences. By focusing our efforts on building a regional advantage in these industries and working across sectors to increase productivity, Rhode Island can ensure a thriving economy that will have the resources to support the kind of state in which we all want to live and work in 2030 and beyond.



Clean energy is going to be an important driver to our economy, climates, and investments over the course of the next couple decades. Rhode Island has an advantage in clean energy, and that’s offshore wind. It’s got the only fully operational offshore wind farm in the United States. The Biden Administration has made the environment and clean energy a priority. Rhode Island’s got the expertise to contribute to its growth.

— Joseph Zidle, Chief Investment Strategist, Blackstone Group / Community Conversation Participant

WHAT WE HEARD FROM YOU

- The State has made progress expanding traditional industries, supporting small businesses, and cultivating advanced industries. This broad-based approach is necessary to ensure a strong recovery and a prosperous, dynamic, and resilient economy over the long term.
- For success over the decades to come, Rhode Island must prioritize building an inclusive,

equitable, and sustainable economy – with special focuses on innovation, entrepreneurship, and expanded opportunities for historically disadvantaged groups and marginalized communities.

- Rhode Island has geographic, research, workforce, and business advantages when it comes to the Blue Economy, especially in ocean science, maritime, offshore wind, and defense, and the state also benefits from its growing expertise and proximity to the major metropolitan areas of New York City and Boston for industries like life sciences, tech, manufacturing, and advanced business services.

CURRENT STATE AGENCY INITIATIVES

Rhode Island has a broad range of initiatives in place to support the state’s recovery from the COVID-19 crisis and to drive economic growth over the long-term. To support Rhode Island’s economic recovery, the state (1) implemented a careful reopening strategy that enabled businesses and consumers to safely resume economic activity, (2) provided more than \$140 million in funds to assist more than 9,000 small businesses and pandemic-impacted organizations, and (3) assisted small businesses with accessing key federal programs like the Paycheck Protection Program (PPP), Restaurant Revitalization Fund (RRF), and Shuttered Venue Operators Grant (SVOG) program. Most recently, Governor McKee and the General Assembly passed the \$119 RI Rebounds package, which includes \$32 million for small businesses and \$13 million for COVID-impacted industries, among other initiatives.

Rhode Island also has many programs in place to catalyze economic growth over the long-term, including (1) tax credit programs such as the Investment Tax Credit, the Qualified Jobs Incentive Tax Credit, and the Rebuild RI Tax Credit, (2) innovation-oriented programs like the Industry Cluster Grants program, the Innovation Campus initiative, the Innovation Network Matching Grants program, and the Innovation Voucher program, and (3) thoughtful reforms to improve the state’s business climate, such as repealing the sales tax on energy and



eliminating more than 150 regulations. Key initiatives under development by the State are intended to promote a more inclusive and equitable economy by assisting small and minority-owned businesses, aid unemployed and underemployed Rhode Islanders, and increase economic opportunities in low-income communities.

RI 2030 ECONOMIC GROWTH GOAL: Rhode Island will have a more prosperous, equitable, and resilient economy with more economic opportunity and family-sustaining jobs where businesses – both big and small – can thrive and meet the many challenges of the 21st century, from climate change to technological innovation.

ECONOMIC GROWTH OBJECTIVES

- Fully recover from the impacts of the COVID-19 pandemic.
- Have an ever-growing population and workforce in Rhode Island.
- Lead the region in median wage and household income growth.
- Reduce enduring inequities throughout Rhode Island’s economy, including the disparate levels of unemployment, wages, wealth, and business ownership by race, ethnicity, and gender.
- Strengthen our position as the national leader in the Blue Economy and grow key industry clusters such as bioscience and advanced manufacturing.
- Increase the resiliency of Rhode Island’s industry sectors, such as tourism, that are especially susceptible to seasonality and economic downturns.



WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

A key short-run problem for the Rhode Island economy is centered on the labor market. The pre-COVID Rhode Island economy saw employment at an all-time high of 507,200 jobs and an unemployment rate of just 4% in February 2020. Two months later, those numbers were 399,200 jobs (-21.3%) and an unemployment rate of 17.4%. However, the state has experienced a strong recovery (for much of 2021, Moody’s ranked Rhode Island in the top-10 nationally for its Back-to-Normal Index), and in December 2021 employment was at 485,800 (4.2% below the pre-pandemic peak) and the unemployment rate was 4.8%. Federal and state relief programs, for both businesses and individuals, proved effective for many (but not all) Rhode Islanders, and total personal income rose from \$61.0 billion in Q1 2020 to \$70.4 billion in Q1 2021. Combined with a lack of spending opportunities during the pandemic, this has led to a large amount of pent-up demand.

While Rhode Island’s 2019 median household income of \$71,169 exceeded that of the U.S. (\$65,712), its income lags those of neighboring states like New York (\$72,108), Connecticut (\$78,833), and Massachusetts (\$85,843). In the long run, the State must work in partnership with industry, labor, community stakeholders, and others to increase economic growth and productivity while focusing on lifting household income and increasing the number of higher-wage, family-sustaining jobs for Rhode Islanders. Rhode Island has lower worker productivity than its New England neighbors, with many Rhode Islanders currently working in lower productivity industries. Output per employee had fallen between 2010 and 2016 before rising modestly before the pandemic.

In addition, the population of Rhode Island is projected to grow slowly until 2035 and then start to slowly decline. The typical working age in Rhode Island’s is 20-64. Unfortunately, this group is projected to fall from 59% of the population to 55% of the

population, posing additional challenges. To attract and retain talent in-state, Rhode Island will have to continuously drive economic growth and job creation while also constantly improving quality of life in the state to make it a more attractive place to live. To offset its current population trends, Rhode Island must bring in new workers and boost productivity for existing jobs.

Rhode Island has already done significant work in identifying its strategic advantages and potential growth industries, including (1) the Blue Economy focused on the ocean and offshore wind, (2) Life Sciences, (3) IT, Data Analytics, and Cyber Security, (4) Design, Food, and Custom Manufacturing, and (5) Advanced Business Services. While these industries still represent a relatively small percentage of Rhode Island employment, they show strong growth potential. These sectors take advantage of Rhode Island’s geographic location and expertise as the Ocean State as well as the state’s strategic position between the two metropolitan areas of Boston and New York City.

Successful regional clusters attract new and existing firms to the area by offering access to talented workers, critical infrastructure, and relevant trade groups. For example, Rhode Island’s robust manufacturing sector is an essential source of economic growth and jobs. In addition, a focus on the Blue Economy has the potential to benefit Rhode Island in a world that is increasingly affected by climate change. Several industry groups, such as the Southeastern New England Defense Industry Alliance (SENEDIA) and the Rhode Island Marine Trades Association, already focus on areas of the Blue Economy (defense and marine trades) while other industry groups have grown up focusing on advanced manufacturing (e.g., the Rhode Island Manufacturers Association, Polaris MEP) and design (e.g., Design XRI). Rhode Island’s Quonset Business Park plays a pivotal role in attracting investment and promoting innovation, especially in the Blue Economy. To continue this work, Rhode Island will have to improve its business climate and make the state more competitive.

The global pandemic has had a significant and varied impact on Rhode Island's economy. While some sectors like construction and manufacturing quickly rebounded and have already recovered the jobs lost during the pandemic (in fact, the state's construction industry in 2021 reached the highest number of jobs on record since 2007), the leisure and hospitality industry is still 7,100 jobs below its pre-pandemic peak. It is thus essential that Rhode Island continues to support business development and increased capacity across a broad range of sectors, including advanced industries and foundational sectors of the economy. There is also considerable uncertainty about the future of office work and the small businesses, workers, and downtown districts that depend upon offices and the foot traffic they generate (e.g., restaurants, custodial services, dry cleaners). According to an analysis by Harvard's Project on Workforce, 32% of Rhode Island's workforce can work remotely. Additionally, according to the Providence Foundation's survey of downtown employers, 62% of respondents plan on offering hybrid work arrangements. The shift to new work arrangements and workplace practices may impact the office districts, urban downtowns, and main street corridors that serve as centers for office work and the small businesses that cater to this segment of the economy.

Finally, the pandemic has had a disproportionate economic impact on women and people of color. Whereas the unemployment rate for men was 9.1% in 2020, this figure stood at 9.6% for women. Additionally, while the unemployment rate for White people was 8.6% in 2020, this figure was 9.4% for Black/African American people, 9.9% for Asian people, and 15.2% for Hispanic/Latino people. Addressing these and other economic disparities should be a central focus to support an inclusive and broad-based economic recovery and to advance economic growth over the long term.

HIGHLIGHT ON TOURISM

With a national reputation for food, history, arts, beaches, and more, the Ocean State offers diverse

assets that attract visitors to the state year after year. Tourism provides significant benefits to Rhode Island, including jobs in restaurants, hotels, food service, and other supporting industries, and attracts spending from outside the region. In addition, Rhode Island's tourism assets, ranging from its natural beauty to its arts and music festivals, help make the state an attractive place to live for Rhode Islanders year-round.

However, tourism in the state also faces several challenges. The tourism sector fluctuates seasonally, with a disproportionate share of the state's visits – and a commensurate level of spending and available jobs – concentrated in the summer months. In addition, the sector has a disproportionate share of lower wage and economically vulnerable jobs, as highlighted by the COVID-19 pandemic.

The onset of the global pandemic in 2020 had a significant impact on the tourism sector, with leisure and hospitality employment declining sharply and consumer spending at restaurants, hotels, entertainment establishments, and other leisure and hospitality businesses falling significantly. While the sector has since experienced a rebound, especially in 2021, it remains weaker than before the pandemic, with industry employment and hotel occupancy still below pre-pandemic levels. In addition, certain segments of the sector, including business travel and large in-person events, continue to struggle. Finally, while coastal areas of the state have rebounded faster, downtown districts and main street corridors have recovered more slowly.

While tourism remains a cornerstone of the Rhode Island economy, there are numerous opportunities to make the sector more resilient and successfully attract more visitors year-round from both near and afar. Specific actions that the state can take to support the tourism sector include:

- Increase marketing and branding efforts to bring tourism and business travel back to the state and further position Rhode Island as a best-in-class domestic and international tourist destination, including through destination marketing in cities with direct flights into Rhode Island.



- Advance nation-leading tourism infrastructure and marketing technology to support a thriving tourism sector, including an enhanced VisitRhodeIsland.com website and the development of a Visit Rhode Island app.
- Study the possibility of increasing business travel opportunities in the Newport area, including expanded event venues, assets, and amenities.
- Invest in transportation infrastructure (e.g., enhanced regional rail connectivity, airport upgrades, transit, parking, and ferry service) to facilitate tourist travel to and within the state.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Fund programs that train and match unemployed workers and others re-entering the labor force with firms that are having trouble finding the workers they need through additional funding for programs like Real Jobs RI and Back to Work RI.
- Identify government rules, regulations, and practices at both the state and local levels that were changed

during the pandemic and that can remain changed in the long run to benefit both businesses and consumers.

- Provide direct and technical assistance to small businesses and impacted industries that have seen a pandemic-related drop in revenue and need financing to survive.
- Continue providing key supports (e.g., rental assistance, SNAP benefits) to COVID-impacted workers and households to help them weather the economic downturn.
- Explore innovative approaches to addressing the challenges Rhode Island-based offices are facing, including the conversion of underutilized office space into housing and coworking spaces, including for entrepreneurs.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Invest in Blue Economy and Bioscience innovation campuses and other initiatives to spur innovation and workforce development in these clusters.

The Governor’s proposed FY23 budget proposes investments in growing sectors, such as the blue economy (\$70.0M) and biosciences (\$30.0M).

- Expand workforce development programs with both high school and post-secondary education with a focus on identified industry growth clusters to increase productivity with a particular emphasis on disadvantaged groups.
- Facilitate private capital financing – including the creation of a venture fund or early-stage growth fund – to foster growth clusters. Such a fund might be based in the private or non-profit sectors.
- In conjunction with efforts to support small businesses, continue to implement targeted policy reforms –from supporting lower energy costs to partnering with cities and towns on sensible municipal tax reforms and beyond –that make the cost of doing business in Rhode Island more competitive with other peer states and otherwise improve the business climate.
- Develop a new or support an existing Community Development Financial Institution (CDFI) to specifically support small and minority-owned businesses.
- Work with municipalities on site readiness to prepare sites for development to attract new and growing firms in innovative industries such as the Blue Economy, life sciences, and advanced manufacturing.
- Create a GlobalRI initiative to expand the state’s ability to secure foreign direct investment and to increase Rhode Island firm exports by increasing training and networking opportunities.
- Expand SupplyRI to increase the number of small and minority-owned businesses benefiting from procurement connections to anchor institutions, firms in high-growth industries, and the public sector. This will entail conducting intensive industry-specific supply chain analysis to identify key opportunities, boosting the number of SupplyRI events, increasing staffing to provide additional technical assistance, and integrating access to capital into SupplyRI program offerings.
- Launch a Main Street program that aims to support and revitalize downtown commercial districts across the 39 cities and towns of Rhode Island. Currently, Rhode Island is one of only a few states in the U.S. without a Main Street America Coordinating Program.
- Invest in quality of place improvements to help make Rhode Island a more attractive state to live and work in with the ultimate goal of increasing the state’s population and workforce and retaining more Rhode Island postsecondary graduates.
- Execute a tourism marketing plan for domestic and international markets that differentiates Rhode Island from other states by focusing on our competitive strengths: environmental and coastal assets, culinary offerings, arts, history, and culture, as well as our proximity to the international markets of New York City and Boston.
- Enhance and establish attractions and destination events that bring tourists to the state, especially during the “shoulder” weeks and off-season time frames. Examples of existing events to potentially strengthen include seafood festivals in South County, a public art festival in Providence, the Glass Float Project by Eben Horton on Block Island, Newport Mansions art exhibits, the Sandcastle Competition in South County, and the Polar Express in Blackstone Valley, while examples of new events include an international design convention or a global maritime convention.

RI 2030 PRIORITY: ENHANCING PUBLIC HEALTH AND WELLNESS

The global pandemic has emphasized the importance of our public health systems and access to services that drive optimal health for all Rhode Islanders. Working to ensure that Rhode Islanders are healthy includes preventing illness and injury, providing accessible and affordable, quality health care for all, focusing on the social determinants of health – where people, live, work, and play at the community level – and carrying out our work with a race equity lens. Together, these strategies can drastically improve our quality of life and optimize health and wellness

High-quality healthcare (e.g., primary care, community health clinics, behavioral health services, oral health providers hospitals, and nursing homes) will create a more responsive public health system, where prevention and healthcare is provided how and when it is needed. Although Rhode Island’s rate of those without health insurance has declined significantly since 2008, the last 2 years have emphasized the importance of health and health infrastructure in Rhode Island.

WHAT WE HEARD FROM YOU

- The pandemic highlighted significant challenges for Rhode Island’s health system (e.g., health disparities, a behavioral health crisis, equitable access, solvency of providers, particularly primary care providers) but also showed opportunities for innovation (e.g., telehealth, enhanced partnerships).
- Rhode Island’s health system requires additional investments to expand capacity, address workforce shortages, ensure diversity, and tackle the many challenges highlighted by the pandemic.
- Race equity, health access, and a focus on social determinants of health, including access to safe and affordable housing, are key components of a successful health system.

- Gun violence should be treated as a public health crisis. To address this challenge, funding towards proven targeted violence prevention programs will ensure a safer Rhode Island.



We need to think differently about public health and healthcare and how they intersect. If we look back at the greatest success of our state over the last 16 months, those came from moments of innovation and cross-sectoral collaboration. I would say that looking forward, we must think about public health and healthcare as not being two separate things but rather being synonymous.

– Dr. Megan Ranney, Director, Brown-Lifespan Center for Digital Health; Warren Alpert Endowed Associate Professor of Emergency Medicine, Brown University / Community Conversation Participant

- Residents want behavioral health treatment options instead of reliance on emergency department visits as well as alternative responses to 911 calls for nonviolent behavioral health situations.
- Rhode Island should invest in community-based services and treatments to address the overdose epidemic and expand the continuum of care for substance use disorder across the state.

- Chart a course to eliminate health disparities and promote health equity by race, ethnicity, languages spoken, sexual orientation and gender identity, and geography for all Rhode Islanders.

CURRENT STATE AGENCY INITIATIVES

With a race equity lens, Rhode Island’s health-focused state agencies have a broad and diverse set of health initiatives, with significant interagency communication and alignment to ensure maximum effectiveness toward the state’s shared goals. Some of the Executive Office of Health and Human Services’ (EOHHS) critical initiatives include the shared focus on social determinants of health through the Accountable Entities, the Health Equity Zones, and the State Data Ecosystem.

RI 2030 PUBLIC HEALTH & WELLNESS GOAL: By the next decade, Rhode Island will have a health system that supports affordable and accessible services to maximize good health outcomes for all Rhode Islanders, emphasizing preventive care, addressing social determinants of health, supporting our healthcare providers and increasing their diversity, and addressing health disparities.

PUBLIC HEALTH & WELLNESS OBJECTIVES

- Move toward a unified state health system that prioritizes prevention and primary care, and physical and behavioral health system transformation to simplify access, payment, and data collection and analysis by:
 - Addressing Rhode Island’s workforce challenges
 - Continuing to rebalance the provision of healthcare from the most restrictive and expensive services toward prevention and home and community-based services and to support



The pandemic really challenged healthcare delivery and capacity in Rhode Island. While telehealth was one of the silver linings, we must recognize the gaps in services for behavioral health, including community step down facilities, and the shortages in our workforces. The pandemic especially highlighted the shortage of linguistically- and clinically-competent providers across the board, particularly in the area of behavioral health. This has clearly disproportionately impacted communities of color.

— Teresa Paiva-Weed,
President, Hospital
Association of Rhode Island
/ Community Conversation
Participant

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

The COVID-19 pandemic showed both the strengths and weaknesses of the Rhode Island health system. As of March 2022, the pandemic entered the endemic state as we recognized that COVID was now a preventable and treatable disease. Our endemic plan included 3 main concepts, Prevent, Detect and Treat as we learn to live in balance with the SARS-CoV2 virus and look to our future. The state was able to set up high-quality COVID-19 testing and treatment, but the pandemic highlighted inequities in access to care. It also emphasized the necessity of ensuring the availability of quality behavioral health services across the lifespan (for children, youth, families, and single adults) addressing mental health and substance use. Here are descriptions of some of the highest areas of need as Rhode Island emerges from the pandemic:

Workforce Shortages: The pandemic highlighted the challenges faced by nursing homes and hospitals to address workforce shortages and retain the workers necessary to provide safe and quality care. Ongoing COVID-19 surges have continued to exacerbate healthcare staffing shortages across the spectrum of occupations (e.g., CNAs, RNs, physicians) and healthcare services and providers overwhelming number of seniors prefer to age in place. This trend has increased during the pandemic, as the state saw a drop in nursing home admissions. The state must consider the needs and preferences of its long-term care population in future investments in the health field, especially as the need for these services continues to increase.

Health System Issues: While the rates of those who are uninsured are at a very low level, issues with access and affordability still exist for many Rhode Islanders. Language, immigration status, culture, location, and cost, especially high co-pays and deductibles, limit access to services. One way to reduce the overall cost of healthcare is to ensure that everyone has convenient and regular access to preventive care so the system can address issues before they become acute. In addition, the state

should particularly invest in preventive care and services for pregnant women and children.

Health Innovations Healthcare: Providers across the state found new and innovative ways to deliver healthcare. Examples of these pandemic-related innovations include the community vaccine clinics and testing sites, statewide COVID-19 testing, contract tracing program, enhanced public-private partnerships and state-municipal partnerships, and expanded telehealth opportunities.

Social Determinants of Health: The pandemic has highlighted the need to focus more closely on the social determinants of health and disparities by geography, race, ethnicity, and education. For example, lack of affordable, safe, and healthy housing contributes to poor health outcomes, including overdoses and the spread of infectious disease (as demonstrated during the pandemic), as well as reincarceration, stigma, and further systemic oppression. Food insecurity is also a key priority, especially given the challenges posed throughout the pandemic, and the state should work to ensure that all Rhode Islanders have access to affordable and healthy food.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Address Rhode Island’s healthcare workforce challenges.
 - Stabilize the Direct Care Workforce to increase access to home and community-based services.
 - Address the gaps in key service lines and a shortage of linguistically and culturally competent providers.
- Invest in physical and behavioral health system transformation as detailed throughout this document, including:
 - Investing in Certified Community Behavioral Health Clinics which are required to have a full range of behavioral health services.
 - Provide funding for capital improvements or renovations to increase residential psychiatric facilities needed within the continuum of care.

The Governor’s proposed FY23 budget includes \$150 million for continued support for the state’s efforts to address COVID-19, including \$50 million of assistance to health care providers to address the pandemic’s impacts on their workforce.

- Develop and implement the new 988 behavioral healthcare emergency phone number.
- Decrease the criminalization of mental illness through Crisis Intervention Teams (CIT) which trains first-responders to recognize the signs and symptoms of a behavioral health crisis.
- Continue to rebalance the provision of healthcare from the most restrictive and expensive services toward prevention and home and community-based services.
- Address the overdose epidemic and expanding the continuum of care for substance use disorder.
 - Crisis Intervention Teams (CIT) will divert people with mental illness, substance use disorder and/or other behavioral health issues from entering the criminal justice system to treatment and recovery.
 - Divert individuals suffering from behavioral health disorders to a Mental Health Court.
- Address and counter the bias, stigmatism, and discrimination against Rhode Islanders who have substance use disorders and mental illnesses.
- Continue to support the aging population in Rhode Island and assist our seniors with long-term care options and decisions and ensure all older Rhode Islanders have access to appropriate and timely supports and services.
- Continue to collaborate with Veterans, Veteran Services, and our federal partners at the Veterans Administration on services for veterans, members of the military, and their families.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Promote cross-sector investments in sustainable infrastructure and align a diverse set of resources that support municipal-identified priorities and positively impact socioeconomic and environmental conditions.
- Ensure care for priority populations:
 - Ensure access to healthcare services for Rhode Islanders who are undocumented.
 - Use a race equity lens to address the needs of Rhode Islanders who experience structural racism and provide culturally, linguistically, and developmentally appropriate care within all health systems.
- Continue to drive innovation in Rhode Island’s health system.
 - Continue to promote the growth of provider-led practices where care coordination and care management can be closer to the patient through the Medicaid Accountable Entity program and its Health System Transformation Project, regulations through the Office of the Health Insurance Commissioner, and the Rhode Island Cost Trends Committee.
 - Continue the state’s commitment to data-driven decision-making, by ongoing investments in the State Data Ecosystem.
 - Invest in one-time technology enhancements that increase efficiency in accessing services, eliminate outdated legacy systems, and improve the customer experience.
- Move forward on Social Determinants of Health by targeting investments in housing, transportation, clean air, and teams of community health workers to support Health Equity Zones.
- Fund proven targeted violence prevention programs that will ensure a safer Rhode Island.

RI 2030 PRIORITY: ENHANCING WORKFORCE DEVELOPMENT AND POSTSECONDARY EDUCATION



Workers with a college degree earn a higher income and are less likely to be unemployed than those without a degree. As an increasing number of jobs require a college degree, associate’s through graduate level, or another postsecondary credential, it will become increasingly important that the state works with all levels of its educational and training institutions to help all Rhode Islanders. This provides flexibility for residents to receive the education and workforce development that will benefit them most. This includes removing barriers to education and working with graduates to ease post-graduation burdens, such as student loans and job opportunities.

Well-designed workforce development programs help both workers and employers by providing workers with in-demand skills and training necessary for an ever-changing economy. The state plays a critical role in coordinating these training programs to match the skills needed by Rhode Island employers with the workers looking for better pay and better career opportunities. Workforce development can play a crucial role in the state’s regional economic development strategy by providing training to employees and workers to firms in potential growth clusters.

WHAT WE HEARD FROM YOU

- Although Rhode Island has expanded access to training and postsecondary education, significant growth must occur to ensure most Rhode Islanders are on a solid pathway to a postsecondary credential of value to their careers (whether it be a college degree, trade union certificate, or professional license)—especially for underrepresented segments of the population.
- Rhode Island’s public schools should offer more “life-readiness” opportunities like advanced placement courses, robust hands-on civics courses, and high quality, accessible internships.
- Continued investment in innovation (e.g., research, entrepreneurship, technology) is a key driver of broad-based economic growth and prosperity.

- Rhode Island needs to address the many challenges (e.g., disenrollment, child care access) and opportunities (e.g., hybrid learning, increased institutional collaboration, credentialing, and competency-based credits) stemming from the global pandemic.

CURRENT STATE AGENCY INITIATIVES

As one of Rhode Island’s premier workforce development initiatives, Real Jobs RI, provides targeted education and skills training for workers with the aim of ensuring employers have access to employees with the necessary skills to compete and grow, as well as to support Rhode Island workers who were displaced as a result of the COVID-19 pandemic. Back to Work RI has provided wraparound supports and services (e.g. funds for childcare, transportation, or other barriers to employment) and facilitated the training and hiring of thousands of workers to-date.

In the area of education, PrepareRI is an interagency initiative that supports college readiness, overall credential attainment and Career and Technical Education (CTE) to help students earn an industry credential and prepare them to enter the workforce that will lead to a range of high-wage, high-skill, and high-demand careers. Rhode Island Promise provides free tuition for recent high school graduates at the Community College of Rhode Island for up to 2 years which has been proven to increase the degree rate in the state.

RI 2030 WORKFORCE DEVELOPMENT & POSTSECONDARY EDUCATION GOAL: By the next decade, Rhode Island will have an equitable, innovative, and integrated workforce development and postsecondary education system that provides opportunity to all Rhode Islanders, drives job creation, economic growth, and innovation over the long term.

WORKFORCE DEVELOPMENT & POSTSECONDARY EDUCATION OBJECTIVES

- Increase the percent of Rhode Islanders with an associate’s, bachelor’s and/or graduate degree to the level of its southern New England neighbors

and increase the percent of Rhode Islanders with a postsecondary credential.

- Enhance our longitudinal data system across K-12 education, higher education, and the state’s workforce development system to better identify and meet the needs of Rhode Island workers and employers.
- Prepare Rhode Island’s workers for careers in emerging growth sectors.
- Bolster Rhode Island’s Office of Apprenticeship (DLT). Because the higher education route is not for everyone, Rhode Island must work to expand access to the skilled work and, further, increase trade programming, particularly with the federal Infrastructure package. This includes expanding work in the more traditional trades, like construction and steel work, but also investing heavily in Blue Economy trades like wind and solar.
- Make the labor market more equitable. Increasing wages in various underpaid fields is long overdue. Child care workers, nursing home staff, and tipped workers are severely underpaid.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

The pandemic has had a devastating impact on employment here in Rhode Island and across the country. In April 2020, at the height of the pandemic, Rhode Island’s unemployment rate hit 17.4%. Substantial progress has been made with the state’s unemployment rate decreasing to 4.8% by December 2021. People who had degrees fared better throughout the pandemic. Those with 4-year degrees earn more than their non-degree counterparts. Increasing 2- to 4-year degree production and wrap around supports is necessary to ensure that Rhode Island’s workforce is accessible, competitive, and equitable. Aligning education with workforce is essential to both employees and employers.

Workforce development is a collaborative process between education (K-12 and postsecondary), business, labor, and government with the goal of

increasing a worker’s skills and pay. The challenge of such programs is in matching the skills provided by workers with those needed by employers to ensure that both workers and employers benefit; this can be difficult in a changing and developing economy. Workforce development programs can be informed by regional economic development plans to train workers for jobs in identified growth clusters.

Rhode Island has taken a strong lead in workforce development through programs such as Real Jobs RI, working with colleges, universities, and partner employers. This helps to ensure that workers attain the skills and competencies that will increase their pay and employability while also placing these workers in permanent employment. While these programs have been successful, there is still work to do, particularly around helping workers who have historically been disadvantaged in the labor market, including women, people of color, immigrants, and the formerly incarcerated. Women and people of color were disproportionately impacted by the pandemic; the state has made significant strides in addressing inequity through its workforce development programs and legislation, including the Fair Pay Act and increasing the state’s minimum wage. In order to address these ongoing disparities, the state will need to address barriers such as child care, transportation, health care and technology assistance to provide equal and accessible opportunities.

Meaningful criminal justice reform is critical. We know that righting past injustices and creating new opportunities for Rhode Islanders is some of the most important work of the state. This means building career pathways to high-paying, in-demand jobs and providing educational opportunities, not only in our schools, but in our cities and towns and behind prison walls. This means investing in the physical and mental health of Rhode Islanders to foster the strong, flourishing communities we want to see. But this also means reducing barriers – to health care access, jobs, education, and housing.

Currently, Rhode Island lags behind most of its New England neighbors in the percent of the population with a bachelor’s or graduate degree, which contributes to lower incomes and higher unemployment rates. While only 52.3% of working-aged Rhode Islanders had some form of post-secondary credential in September 2021, it is estimated that 72% of jobs in the state will require postsecondary education by 2030. During COVID-19, institutions realized that much could be done online, so they improved their online offerings by offering digital or hybrid programming. However, to meet the needs for an educated and trained workforce, the state will have to better align postsecondary credentials with the demands of the labor market while also ensuring that the programs that provide these credentials are accessible, affordable, and scaled.



When you’re able to offer livable wages to a training program, people want to be a part of it. They want to keep growing, they want to learn and thrive. But we also have to make it attractive for them to be able to do so ... [and] you need dollars and resources for that.

— Nina Pande, SkillsRI / Community Conversation Participant



“ Sometimes meeting a person where they are is about providing them with something that can get them started and make them incrementally more competitive. You can look at certificate programs in software development, in data analytics, in some of these emergent fields... We not only need to create and innovate—we need to operate. Once all those innovations come to the fore, they require an enormous number of people to develop the knowledge and skills and ability to make those entities happen

— Sara Enright, Chief Outcomes Officer and VP for Student Services, Community College of Rhode Island

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Continue investing in and expanding workforce development initiatives like Real Jobs RI and Back to Work RI.
- Provide increased financial support to Rhode Island’s postsecondary students who saw their education disrupted or delayed because of the pandemic. Additionally, work to assist those who have not completed their education, for whatever reason, including those formerly in foster care, to complete their degree program, so that Rhode Island has a more educated and more competitive workforce.
- Continue to support and promote flexibility in options for education and training, including online and hybrid models, to ensure programming is accessible to students and trainees who may need to work or have other commitments while in a program. The pandemic has demonstrated that flexibility is important in all programming as it increases access to opportunities for all.
- Expand sector-based workforce development programming across additional industries to create a wider array of options for workers. This includes creating “earn-and-learn” and apprenticeship-style career pathways in a variety of industries and sectors.
- Expand targeted support for adults (18+) to enroll and succeed in high-quality postsecondary options by establishing a Higher Ed Academy. This would be a 4–8-week program with navigation support, wrap-around services, advising, and college readiness

The Governor’s proposed FY23 budget includes investments in Real Jobs RI (\$40.0M) and the creation of new Higher Ed Academies (\$22.5M).

- with the intent to enroll adults in postsecondary education opportunities that end in credentials of value. It would expand existing programming to provide support for adult learners by navigating government programs and options needed for many Rhode Islanders to be able to continue their education. Moreover, the state should promote and recruit individuals to the Higher Ed Academy to serve both under-employed and employed individuals and address systemic inequalities.
- Additionally expand programming and supports for individuals with disabilities to access workforce development programs and secure meaningful employment opportunities. Support college readiness programming through increased investment in early college opportunities (e.g., dual and concurrent courses, AP and youth apprenticeships), counseling, and advising supports.
- Better align the system of re-skilling and up-skilling, including with the Adult Education program, programming overseen by the Department of Labor & Training, and alignment with our postsecondary institutions.
- Codify proven workforce and education models into law to ensure the continuity of beneficial programs.
- Expand the RI Reconnect program. To date, this program has provided people with advising services to enter postsecondary programs and provided support services to individuals in the Back to Work Program. Expansion will ensure that adults who qualify and need the additional wraparound supports get this support (e.g., child care, housing, transportation).
- Invest in graduates. The state is facing serious issues with employee recruitment and retention,

particularly in the STEM field. Reducing the barriers to workforce, regardless of the field, will benefit all. The creation of programs to give a student loan stipend for employees, assisting in cost of various forms of education and requirements for targeted populations, will benefit the workforce and overall economy.

- Increase access to driver’s licenses to create an equitable path for immigrants to obtain a driver’s license and provide opportunities for jobs and education that will not be limited by their zip code.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Expand Real Jobs RI and commit that most training investments go towards jobs in in-demand sectors and at least half goes to targeted industry clusters, including the Blue Economy, IT/data analytics, and biosciences.
- Commit funding for training and employment for formerly incarcerated Rhode Islanders through Real Jobs RI.
- Allow DLT’s newly established Office of Community Engagement to be driven by community feedback and need.
- Establish an Unemployment Insurance interface system that allows users more access to their information, prompt service, and access to additional tools such as job postings, career coaching, and career-readiness assistance.
- Establish a coordinated approach between Rhode Island’s higher education facilities and targeted industry clusters, creating a network of innovation campuses.
- Create a comprehensive career pathway approach



RI 2030 PRIORITY: INVESTING IN OUR CHILDREN, EARLY EDUCATION, AND FAMILIES

Healthy children and families are the foundation of a resilient and productive state. Strengthening early childhood education, health care and behavioral health care, improving child welfare and juvenile justice systems, and reducing child poverty are vital to Rhode Island's success. Investments in children and families not only support our state today, but also ensure the future strength of Rhode Island's economy. Despite the importance of supporting children, we know that families struggle to afford and access early education and health services, the care workforce that provides those services is not adequately compensated, and children have inequitable experiences due to historic and systemic racism. It is vital that Rhode Island prioritize the health, well-being, and positive development of our children in every decision as we look towards the future to ensure that Rhode Island is a place where every family would want to raise their child.

and have enough capacity for all children, but also must meet Rhode Islanders' diverse cultural, language, transportation, and other needs.

- Progress for children cannot happen without ensuring that the people who care for and create opportunities for kids—i.e., families, educators, and service providers—are meaningfully engaged and supported. For educators and service providers, this includes ensuring fair compensation that has pay parity to other professions with commensurate experience and qualifications.

CHILDREN, FAMILIES, AND EARLY EDUCATION OBJECTIVES

- Reduce and eliminate disparities by race and ethnicity in child poverty, early educational opportunities, health care outcomes, and behavioral health care outcomes by using a race equity lens in all policy development and by developing policy in collaboration with the community.
- Work towards ensuring all children, starting in infancy, have access to high-quality affordable child care in which no family in the state must spend more than 7% of their income to access high-quality childcare (the federal standard of childcare affordability).
- Implement universal, high-quality Pre-K for children ages 3 and 4 through a mixed delivery system.
- Ensure that children enter Kindergarten ready to learn and are on a path to reading proficiently in third grade.
- Implement universal access to health insurance for children, regardless of immigration status, and ensure families can access health resources equitably.

WHAT WE HEARD FROM YOU

- To ensure children are successful in school and beyond, children and their families must have access to holistic, community-embedded supports, including health services, behavioral health services, and high-quality early education. This requires additional investment and partnership among government, communities, and providers. It also requires a whole family approach to policy and programs that supports families in a comprehensive way, recognizing and supporting the diversity of families and family structures in our state.
- Inequitable access to high-quality services continues to drive disparities in our state, particularly for children in low-income, immigrant, and/or households of color and for children with special needs. To achieve truly equitable access, programs and services must not only be affordable

that aligns Rhode Island's workforce and postsecondary system to ensure that the wide range of workforce training and credential programs across the state's colleges and universities is demand-driven and coordinated to meet the needs of employers and Rhode Islanders.

- Expand small and medium business resource hubs across the state for talent and business services. Rhode Island's economy is small business-based, so this is essential to aid the state in employee retention and recruitment.
- Focus intentionally on student supports and outcomes across postsecondary education institutions that focus on mental health services and civics education. Pre-pandemic, mental health and civics made headlines as some of the top areas of focus needed in schools. COVID-19 has exacerbated all issues, but it has highlighted the need for mental

health supports and civic engagement in particular. Students want to be able to learn and participate in their home state, and Rhode Island can better prepare its future adult population by supporting these areas.

- Perform extensive research on Rhode Island's economy to understand areas of potential growth and need, allowing the state to focus on key areas to advance its economy and workforce. Rhode Island can harness its unique natural tools to compete with a changing global economy.
- Refine the state's capacity to identify employees in industries that are at risk from forces such as automation. Develop a targeted approach to providing them with 360-degree career and supportive services to prepare them to enter a new line of work and flourish in a changing economy.



- Ensure that all children experiencing behavioral health challenges have access to a comprehensive system of care.
- Ensure that the child welfare system is meeting the needs of children and families by having the response, placement, goals, and timing required to best support children, and address child welfare with an equity lens.
- Ensure that families experiencing poverty have access to the resources they need to support themselves and their children to lead healthy lives, including food, housing, education, and job training.

CURRENT STATE AGENCY INITIATIVES

Rhode Island has implemented several key initiatives to support children and families, with a focus on addressing opportunity gaps existing among the youngest children and supporting working families to access supports and services. During the pandemic, Rhode Island took action to address gaps in care for children, including focused actions to increase routine vaccination rates and well-child visits. Even prior to the pandemic, there had been growing concern about behavioral health supports for children. The State is in the process of collaborating with internal and external stakeholders to develop a comprehensive system of care plan for children’s behavioral health. Within child

welfare and juvenile justice, the state has focused on prevention and getting back to basics with strong results.

RI 2030 CHILDREN, FAMILIES, AND EARLY EDUCATION GOAL: By the next decade, Rhode Island will have a comprehensive, culturally responsive system of services and supports that ensures every child has the opportunity to thrive in a system that eradicates disparities.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

The pandemic forced many parents out of the labor force because they had to take care of their children. The labor force participation rate fell from 64.2% in 2019 to 63.4% in 2020, and participation in the Child Care Assistance Program (CCAP), the state’s program to subsidize child care costs for lower-income families, fell by as much as 40% during the pandemic, leaving child care providers with low enrollment and thus lower revenues, causing them to close classrooms. However, as families look to re-enter the workforce, the early learning system – including Head Start, Pre-K, infant/toddler care, center-based, and Family Child Care – is struggling to find qualified educators to keep existing classrooms open and to open new rooms due to the persistent low wages within the field. This is a pay equity concern, as most

early childhood education staff are women, and many are women of color.

Even before the pandemic, the child care system was not meeting the needs of families. In Rhode Island, the average annual cost of child care for an infant is approximately \$13,000. Based on the federal child care affordability guidelines that families should spend no more than 7% of their income on child care, Rhode Islanders would need to earn over \$180,000 a year on average for infant care to be considered affordable. According to the U.S. Treasury Department, the child care system represents a market failure, in which workers are paid low wages but the service is still unaffordable for many families. While CCAP is designed to help lower-income families afford child care, the current rates do not cover the true cost of high-quality care. Programs like Head Start and Rhode Island Pre-K are vital to supporting access to quality early childhood education for low-income families, but there is limited capacity available.

The pandemic also impacted the overall engagement in services and supports that are vital to healthy physical and behavioral development in children. While Rhode Island leads the nation for rates of children’s health insurance coverage (with 98.1% of children covered, ranking #2 in the nation), our system does not ensure that every child can equitably access care; in particular, undocumented children do not have access to health insurance. As families sheltered in place, the systems that typically identify and support families were unable to reach families. Between FY19 and FY20, there was an approximately 45% decrease in Child Outreach screening to identify children for Early Childhood Special Education and a 15.3% decline in referrals to Early Intervention. As a result, many children who would normally benefit from services have not received them during a crucial part of their development. As of December 2021, Rhode Island has accumulated more than 80,000 “lost doses” of routine childhood vaccines and is still missing more than 6,000 lead screenings. In addition, the national journal *Pediatrics* found that 14% of parents are reporting worsening behavioral health issues due to the pandemic from their children, and

the state has seen an increase in child and adolescent uses of psychiatric emergency departments. Racial disparities exist across all health measures, and there are significant racial disparities in addressing child behavioral health, as children of color are more likely to be criminalized, less likely to be identified for supports, and less likely to have supports that are culturally competent.

The COVID-19 pandemic has had significant impacts on child welfare and juvenile justice operations. As with other child service providers, community providers have also been hit hard by the pandemic and are experiencing severe difficulties in adequately staffing their programs due to reimbursement rates that have not kept pace with the cost of living. Despite the impacts of the pandemic, in the last two years, the Department of Children, Youth & Families (DCYF) has made significant strides in keeping children safe at home with their families and out of the juvenile justice system. As of September 2021, compared to September 2019, there are now 192 fewer children involved in the child welfare system (6% decrease), 131 fewer children in out-of-home care (7% decrease), 61 fewer children in congregate care settings (16% decrease), 100 fewer youth being overseen by Juvenile Probation (35% decrease), and 12 fewer children at the Training School (26% decrease).



The historic and ongoing systemic exclusion of people of color from economic opportunity has led families of color in Rhode Island to be trapped in the cycle of poverty at higher rates than White families. Between 2015 and 2019, 55% of Native American, 33% of Hispanic, and 27% of Black children in Rhode Island lived in poverty, compared to 12% of Asian children and 13% of White children. The experience of living in poverty can have adverse impacts on a child's growth and development. While pandemic programs such as the Child Tax Credit have temporarily helped to reduce child poverty, longer-term systemic changes must be implemented to eliminate child poverty and support families in achieving economic self-sufficiency.

Through the FY22 Supplemental RI Rebounds investment, Governor McKee is investing in child care capacity, targeted funding for Early Intervention and pediatricians to support pediatric health and behavioral health recovery across the mixed delivery system to serve families through investing in temporary wage enhancements for the child care workforce and supporting a pipeline of new family child care providers. The Governor's FY23 budget proposes extending both the retention bonus program and the family child care pipeline supports for an additional year.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Invest in increased Child Care Assistance Program rates for child care providers so low-income families can access high-quality child care and return to work.
- Deliver community services tailored to meet the needs of children disproportionately impacted by the pandemic.
- Invest in preventative health and behavioral health initiatives to ensure children are on track for child and adolescent well visits, vaccinations, lead screenings, and behavioral health screenings to address the impacts of the pandemic on early health and avoid expensive healthcare costs in coming years.



I really feel like [at] the state and [federal level] we need to invest in early childhood education in order to make sure we can attract and retain qualified educators during those critical years where the relationship between a child and their teacher is so important. You know, it's building that foundation of security and that foundation so that they can be successful when they enter school. I believe these early years, it's not really an achievement gap, it's an opportunity gap. And especially our youngest children in Rhode Island, about 45% of them are children of color. We really could benefit from investing in quality family-based child care and center-based child care.

— Khadija Lewis-Khan, Executive Director, Beautiful Beginnings Child Care Center / Community Conversation Participant

The Governor's proposed FY23 budget includes wage incentives and supports for child care providers (\$42.0M), pediatric relief programs to encourage doctors' visits (\$15.0M) and additional funding for early intervention programs (\$11.0M).

- Ensure that providers of key children's services – such as Early Intervention, pediatricians, and child welfare supports – can recover from the pandemic, hire and retain staff, and address the need for services without creating waiting lists or restricting access. This requires that the rates paid to providers are sufficient to ensure quality and access for all children, as well as ensure fair compensation for the workforce.
- Divert families from entering the "front door" of DCYF by investing in community-based prevention supports and meet the goal of licensing 250 new foster families.
- Strengthen family-friendly workplace policies such as paid sick leave and economic support for families.
- Increase coordination and alignment between the early learning system and the K-12 school system in each community to ensure all children are on a path to academic success.
- Improve maternal health outcomes by expanding Medicaid coverage to 12 months postpartum. Expand and enhance health insurance to cover all children and invest in innovative, community-based, integrated health models that address social determinants of health.
- Build the Family Home Visiting First Connections program to be universally accessible and increase capacity for long-term evidence-based Family Home Visiting programs.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Increase public investment in early childhood education – with a focus on increased Child Care Assistance Program rates that cover the true cost of quality care – to ensure that families can find high-quality, affordable care and that providers can make needed investments in quality and staff compensation to ensure fair pay for early educators.
- Expand eligibility for the Child Care Assistance Program to ensure all families making at least the state median salary have access to financial supports for child care, putting Rhode Island on a path to ensuring no family pays more than 7% of their income to access high quality child care.
- Provide direct wage supplements and free or reduced-price educational opportunities for early childhood educators to increase their certifications.
- Expand Rhode Island's nationally top-ranked Pre-K program to all three and four year olds through a mixed delivery system that strengthens the entire birth through age 5 system, inclusive of Head Start, Family Child Care, and center-based care.
- Implement a comprehensive children's behavioral health system of care.
- Invest in the systems that support children with developmental needs – including Early Intervention, Early Childhood Special Education, and Special Education – to ensure they are coordinated, accessible, sustainable, and reflect and respond to the diversity of children and families.
- Shift child welfare and juvenile justice systems to be more prevention-focused, beginning with implementation of the five-year Family First Prevention Services Act plan and achieving national human services accreditation from the Council Accreditation.
- Expand in-state psychiatric and high-end residential care to meet the needs of children and adolescents.
- Decrease child poverty by implementing enhanced RI Works supports and coordinating state policies and programs for job training, adult education, housing, food access, and more to support families to achieve economic self-sufficiency.

RI 2030 PRIORITY: MOVING STATE GOVERNMENT INTO 2030

With the emergence of the global pandemic, the State of Rhode Island faced unprecedented challenges in 2020. As the footprint of remote work activities increased, so did the demand on the core IT network, HR, web and security infrastructure, necessitating an immediate response by the Division of Information Technology (DoIT) enterprise IT team and Division of Human Resources. Innovative new platforms needed to be implemented rapidly to increase remote work capacity, improve network performance, enable more online services, and ensure the safety of both our state employees and residents. The State's DoIT, Division of Purchasing and Division of Human Resources have successfully met the unique challenges of this past

First, it will allow state agencies to continue to offer more services online, allowing Rhode Islanders easier access to everything from business registration to public procurement, and from paying taxes to signing up for unemployment benefits. Rhode Island agencies have already made significant strides in this area and citizens will increasingly expect to interact with government online.

Second, updating the backend government systems, from HR to IT to procurement will increase government efficiency. This will allow state government employees to access benefits online, move purchasing online, and much more, saving time and cost.

Third, digital recordkeeping will open increasing amounts of data that will allow the state and researchers to better evaluate programs to find out what is working, what is not, and suggest changes to improve decision-making and boost advocacy for public interests.

Beyond these digitization and modernization efforts, Rhode Island should strive to improve and enhance the accessibility, delivery, and impact of government services and functions more generally. Given the critical role local governments play in Rhode Island, continued collaboration must remain a focus between the state and all 39 cities and towns to make Rhode Island a better play to live, work, and do business. At the same time, it is necessary to safeguard the state's financial future, as Rhode Island currently boasts strong bond ratings (Aa2 by Moody's, AA by S&P, and AA by Fitch).

Improving the technological capabilities of state government will play a pivotal role in supporting and enabling all of the recommendations proposed throughout this document.

The Governor's proposed FY23 budget includes wage incentives and supports for child care providers (\$42.0M), pediatric relief programs to encourage doctors' visits (\$15.0M) and additional funding for early intervention programs (\$11.0M).

year by rapidly deploying solutions to meet needs created by the pandemic and to improve the level of service residents receive.

However, throughout the state, numerous agencies still rely on outdated legacy systems and network architecture. As the world has gone increasingly digital, governments around the country have been some of the last to update both their resident-facing services and internal processes from legacy paper formats. It was not until an executive directive in 2014 that the federal government introduced a requirement for all executive agencies to move to digital recordkeeping. It is now time for the Rhode Island state government to follow that lead and move to update both services for the residents and businesses of Rhode Island as well as internal processes and recordkeeping into the digital world.

Modernizing government services will take thoughtful and careful planning through 2030, and efforts have already begun within the Department of Administration to progress the state towards this goal. There are three main benefits to having the state government go digital.

RI 2030 PRIORITY: PRIORITIZING HOUSING



Having enough housing at each level of affordability, from subsidized affordable housing to rental units to starter homes and beyond, is a key attribute of a healthy and growing region. While Rhode Island's overall population growth has been slow, natural loss of units coupled with demand for housing from both Rhode Islanders and those from out of state have been strong. This increased demand has pushed up prices and reduced the available supply for Rhode Islanders across the state. For Rhode Island to be an attractive place to live, work, and raise a family, the state needs to address the availability, quality and affordability of housing while also paying particular attention to those Rhode Islanders with specific housing needs: those with less income, those with disabilities, those who want to age in their home, and those who are experiencing homelessness. Housing and homeownership also have important roles to play as we seek to create opportunities for families and to promote economic growth throughout Rhode Island – across all regions of our state and across income levels. It is especially important to increase homeownership opportunities for households of color, which have disproportionately lower homeownership rates.

“When we talk about housing affordability challenges, whether it's affordable housing or for-sale housing, it really is limitations on the availability of supply, and without additional construction, we're really not going to be able to address these affordability challenges.”

— Robert Dietz, Chief Economist and Senior Vice President for Economics and Housing Policy, National Association of Home Builders / Community Conversation Participant

WHAT WE HEARD FROM YOU

- Housing supply has consistently fallen short of demand, resulting from a range of barriers (e.g., financing challenges, workforce shortages, local planning, and zoning factors).
- Housing affordability is a statewide challenge across all income, racial, and age groups—but especially for low- and moderate income households and for households of color.

In his FY23 budget, the Governor invests \$250 million in Federal American Rescue Plan Act funds toward a comprehensive approach to address the state’s housing crisis including, homelessness assistance (\$25.0M), development of affordable housing (\$90.0M), down payment assistance (\$50.0M), and incentives for workforce housing for middle-income Rhode Islanders (\$20.0M) among others.

- Specific housing challenges face Rhode Island, including homelessness, inadequate senior housing, an aging housing stock, insufficient housing options for individuals with disabilities or behavioral health issues, and inequity in homeownership rates.
- Addressing homelessness is an urgent need, especially during the COVID-19 pandemic. Acting swiftly to provide shelter, supportive services, and housing to meet the rising level of need requires dedication to short-term and long-term improvements to our health, housing, and homelessness systems to achieve functional zero level of homelessness.

CURRENT STATE AGENCY INITIATIVES

Rhode Island has several programs and initiatives that address housing challenges in the state, including eviction assistance, affordable housing support, permanent supportive housing, and more. Current programs and initiatives include deploying more than \$11.6 million in rental assistance through Safe Harbor and Housing Help RI and more than \$100 million (and counting) through Rent Relief RI to thousands of Rhode Island families throughout the pandemic; implementation of a five-year Pay for Success permanent supportive housing pilot; and efforts to eliminate health hazards (lead, asbestos, etc.) and improve accessibility in our housing stock. Rhode Island Housing has established a Homeowner Assistance Program to provide mortgage assistance for homeowners impacted by the pandemic. Recently,

Governor McKee and the General Assembly worked together to pass the \$119 million RI Rebounds package, which includes \$29.5 million to promote affordable housing, housing stability supports, and broadband.

RI 2030 HOUSING GOAL: By the next decade, Rhode Island will have a growing and ever-improving housing stock that is affordable, accessible, and meets the needs of all Rhode Islanders.

HOUSING OBJECTIVES

- Support population growth and encourage equitable growth through initiatives that advance the creation of new affordable, workforce, and market-rate housing.
- Stabilize households that are at risk of involuntary displacement and/or homelessness.
- Promote supportive and accessible housing that includes social services, including expanding options for seniors, persons living with disabilities, and persons experiencing homelessness.
- Strengthen the fabric of local neighborhoods through targeted investments.
- Improve the quality and safety of the existing housing stock.
- Develop a statewide housing plan that establishes a target level of housing production.

- Reduce the disparity of housing outcomes for Rhode Island households of color, including homeownership rates.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

The main issue facing many Rhode Islanders looking for housing is one of affordability driven by low supply and increased demand for real estate. In addition, buyers from other states accounted for 24% of total sales in November of 2021, compared with 21% in the spring of 2020, and the average single-family home was on the market for only 27 days in June 2021, compared to over 50 days in June 2019 and 2020. Furthermore, Rhode Island’s older housing stock needs updating from disability access to weatherization to lead abatement. Finally, Rhode Island is facing a shortage of skilled workers in the construction sector.

Building construction employment increased 35% from 2010, which is ahead of most New England states, but still lags behind Massachusetts and the country as a whole. While the increase in home prices has provided a boon for Rhode Island homeowners, the increase in housing prices exacerbates affordability challenges across income levels. In addition, the need for more affordable housing, housing to support aging in place, and permanent supportive housing remains must be met to reduce and eventually eliminate homelessness.

Homeownership is an important tool for building wealth. While homeownership rates in Rhode Island have been increasing since 2016 and are almost back to their pre-financial crisis high, large disparities exist by race and ethnicity. Moreover, approximately half of Rhode Island renters are cost burdened (spending over 30% of income on housing) and between 20-25% are severely cost burdened (spending over 50% of income on housing). Black and Latino homeowners are more likely to face a cost burden than White homeowners. In addition, Rhode Island’s homeless shelter system is currently overburdened and, coupled with the broader housing

system, does not meet demand. As of January 8, 2022, there were 362 people living outdoors or in cars and on shelter waiting lists in a 14-day period. After decreasing from 2017 to 2019, there was a 4.6% increase in homelessness in Rhode Island from 2019 to 2020, and the share of Black and Latino individuals experiencing homelessness exceeds their proportion of the state’s population. The state must do more to better serve the housing needs of Black, Indigenous, and People of Color (BIPOC). The State is currently working to partner with the Narragansett Tribe to help secure eligible federal grants within the Bipartisan Infrastructure Law. Additionally, the state is reaching out to work with its tribal partners to ensure that every member of the Narragansetts has access to affordable housing and high-speed, reliable broadband.

Prior to the COVID-19 pandemic, Rhode Island had one of the highest rates of eviction in the region (3.04% in 2016 compared to 2.34% in the country and 1.52% in Massachusetts, according to Eviction Lab data), while the state currently faces a low rental vacancy rate of 2.2% in Q2 of 2021. The economic crisis resulting from COVID-19 has presented major challenges to keep impacted Rhode Islanders in their homes. If there was any doubt that housing is an essential component of the social determinants of health, Rhode Island’s experience during the pandemic has shown the importance of having a safe and stable home, not only to safely quarantine and isolate to mitigate the spread of the virus, but also to take care of ourselves and our families’ overarching health needs.

Governor McKee allocated \$5 million to expand winter shelter capacity by approximately 275 beds and created space for quarantine and isolation to provide safe shelter options. Also, RI Rebounds funding expands housing stability services with a \$1.5 investment. It further expands funding for affordable housing development and site acquisition, and \$500,000 for capacity building at Office of Housing and Community Development to support housing production.



RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Decrease the housing disparities by race and ethnicity that are currently common in the state.
- Increase the availability and ease of applying for financing for projects that advance the state’s housing goals and would otherwise not be funded.
- Explore how changes to zoning and land use can facilitate the production of residential housing in former commercial real estate.
- Devote additional resources to create comprehensive supportive services through a Housing First model that serves high-need populations such as people with disabilities, mental health issues, or behavioral health issues as well as chronically homeless individuals.
- Increase the accessibility and utilization of rental assistance programs to keep Rhode Islanders housed through partnerships with trusted community-based organizations across the state.
- Devote additional funds to expand housing stability services.
- Support the new Deputy Secretary for Housing, a position authorized by the General Assembly, as he updates the state’s housing plans to assess and address Rhode Island’s housing needs and to develop targeted strategies to meet our 2030 goals.
- Devote additional funds to expanding winter shelter capacity and creating quarantine and isolation space to meet the increased level of need resulting from the COVID-19 pandemic.

“ I think zoning is the racial justice issue of our time and...when I look at those numbers around homeownership rates for minorities in the state, which have not significantly budged since the late 1960s...that means that generations of families have been left out of the one solid way of creating wealth and stability for your family.

— Brenda Clement, Director, HousingWorks RI / Community Conversation Participant

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Increase housing production overall
 - Establish a statewide plan increasing housing production and meeting the needs of Rhode Islanders in all 39 cities and towns.
 - Work with interested cities and towns across the state to create a more favorable and consistent planning, zoning, and development environment.
 - Invest in infrastructure so that more and denser housing can be built where there is demand while paying particular attention to current and future transit locations and economic development plans.
 - Support builders in conducting workforce development and help them find and train the carpenters, plumbers, electricians, and others who will build the housing we need.
 - Work with builders and educational institutions to invest in the construction workforce by creating internship opportunities for those interested in going into the trades.
- Increase affordable housing production in particular
 - Increase funding for affordable and supportive housing to levels that are, on a proportional basis, equal to or exceed our neighboring states.
 - Promote the use of publicly owned property to develop affordable housing.
 - Explore innovative models to enable the acquisition of properties for development or conversion to affordable housing and accelerate their development.
 - Streamline the application process for affordable housing financing and development. Reduce the number of forms and application processes and explore unified or “one-stop” solutions.
 - Engage interested municipalities in a robust dialogue about how to reach the state’s affordable housing goals and how municipalities can help achieve these goals. To be successful, cities and towns need the tools to focus on zoning within their local context so

that more housing can be built in areas where there is demand and land. Work with municipalities on thoughtful reforms to land use, permitting, and code enforcement processes. Explore ways to increase incentives for interested municipalities to provide affordable housing to meet municipal and statewide goals, including measures such as accessory dwelling units (ADUs).

- Invest in increased staff capacity at state, municipal, nonprofit, and development partners.
- Address Homelessness
 - Increase capacity of shelter beds and other temporary housing solutions.
 - Increase and improve comprehensive supportive services through Housing First models to reduce chronic homelessness.
- Decrease homeownership racial disparities
 - Invest in significant levels of down-payment and other assistance to help bridge the racial and income-based divide in homeownership.
 - Expand opportunities for financial literacy and homebuyer training, homeowner counseling, and mortgage assistance products that take into consideration non-traditional income and credit histories, in multiple languages.
- Prevent homelessness
 - Create a centralized diversion assistance initiative to help households remain housed and to prevent homelessness.
 - Expand funding for rental assistance programs.
 - Expand resources for comprehensive supportive services emphasizing a “Housing First” model.
- Support healthy and accessible housing
 - Increase funding for property owners to make improvements to existing housing, including weatherization, lead abatement, disability access, and critical repairs.

RI 2030 PRIORITY: SUPPORTING SENIORS AND VETERANS



While the global pandemic impacted all Rhode Islanders, seniors and Veterans were particularly hard hit. Loneliness has proven to be an epidemic for people of all ages throughout the pandemic, but older adults are often more likely to face harm from loneliness and social isolation, particularly due to the digital divide and public health safety precautions like social distancing. The number of isolated older adults, including community-dwelling adults, nursing home residents, and hospital patients has risen. The pandemic further highlighted the struggles of seniors and Veterans in nursing homes and hospitals to receive timely, safe, and quality care, as they experienced emergency department and hospital bed overcrowding from COVID-19 surges, behavioral health challenges, and overdose cases. Nursing homes, hospitals, and home- and community-based healthcare services continue to experience significant workforce shortages, contributing to the burden of institutionalized settings.

Investments in older Rhode Islanders and Veterans not only support these individuals but also benefit our 39 cities and towns over the long term. Adults are important contributors to the economy well past the traditional retirement age. The contributions of adults 50 years and over benefit the state, as growing numbers of older adult's work, pay taxes, support the job market, give time and money to charitable causes, and provide caregiving support to family and friends.

WHAT WE HEARD FROM YOU

- The state should increase support for Veterans and seniors.
- Aging adults and Veterans need access to healthcare and home services to address and prevent isolation, to allow those individuals to remain in their homes whenever possible, and to otherwise improve quality of life.
- A shortage of in-home healthcare workers needs to be addressed along with support for caregivers.
- Rhode Island should invest in both short-term and

long-term home care to ensure that the increasing wait lists for services are eliminated and seniors and Veterans have timely access to home services.

CURRENT STATE AGENCY INITIATIVES

The Rhode Island Office of Veterans Services (Veterans Services) ensures Rhode Island's Veterans, active duty, guard and reserve, and their families have access to free mental health resources and necessary supports. Rhode Island is a major participant in the Substance Abuse and Mental Health Services Administration's "Governor's Challenge to Prevent Suicide Among Service Members, Veterans and Their

The Governor's proposed FY23 budget provides income tax relief for residents receiving military service pensions through a 5-year phaseout. The Governor has proposed \$800,000 to expand the Stay Invested in RI Wavemaker program, which will provide tuition-reimbursement awards to 100 eligible healthcare fellows in an effort to increase the healthcare workforce.

Families." This national call to action brings together military, civilians, and Veterans on interagency teams to collaborate, plan, and implement suicide prevention best practices and policies for service members, Veterans, and their families. In addition, Veterans Services continues to partner with the Department of Labor & Training's Veterans employment counselors to identify appropriate employment and training opportunities for those who have served. Veterans Services also works with the Governor's Workforce Board, the Rhode Island Department of Business Regulation, and the federal VA's Vocational Rehabilitation program.

Rhode Island's Office of Healthy Aging's (OHA) mission centers around empowering all Rhode Islanders to age strong and to connect them to information and resources that support that goal. Through advocacy, programs and community partnership, OHA empowers older Rhode Islanders and adults living with disabilities to age healthily. OHA offers programs that provide a broad range of supports, including respite care, community and home-delivered meals, in-home and day-care cost assistance, prescription drug cost and transportation assistance, mental health/substance use support, senior and community center programs, and elder protective services. OHA invests primarily through the Older Americans Act in local programs and initiatives that help fulfill this mission by offering an array of services through government and community partnerships.

VETERANS AND SENIORS OBJECTIVES

- Ensure that every Veteran has an opportunity to flourish and be successful in Rhode Island by reducing homelessness, poverty, and unemployment among Veterans.
- Increase Veterans' access to quality healthcare, including behavioral healthcare services.

- Promote health, social/community engagement, and equity for older Rhode Islanders.
- Engage at the systems level to make Rhode Island more age-friendly through investments in infrastructure, workforce, and community networks.
- Support our Veterans, military families, and aging population with comprehensive healthcare, in-home services, and other necessary support services to ensure a high quality of life in Rhode Island.

RI 2030 VETERANS AND SENIORS GOALS: By the next decade, Rhode Island will be a place where every Veteran and senior are supported by an inclusive and culturally responsive suite of services and have the opportunity to thrive.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

The COVID-19 pandemic has emphasized the importance of healthcare and supports for our seniors and Veterans. Healthcare staffing shortages throughout the system of care have made it difficult for healthcare providers to hire and retain staff and volunteers at agencies who provide home care or support services to seniors, Veterans, adults living with disabilities, and family caregivers. In addition, Veterans and older adults who have been isolated since the pandemic need additional supportive services including food and housing insecurity assistance and access to behavioral healthcare. Behavioral health services are essential to address increased stress and PTSD exacerbated by the pandemic for many service members and Veterans making an already-challenging transition from military to civilian life. Rhode Island should ensure that every Veteran has access to resources that may have been limited during the pandemic.

Since the onset of the COVID-19 pandemic, OHA has co-lead efforts with the Rhode Island Department of Health (RIDOH) to implement community vaccination clinics for older Rhode Islanders and related informational campaigns. Through community feedback and engagement, work in this area led to the creation of Project HELLO and the digiAGE Collaborative to address the impact social isolation has amongst our aging and home-bound populations. Community partners through these initiatives provide grandparents, homebound elders, and caregivers smart devices, internet services, and related training to help them better access online resources, work and study remotely, access telehealth, and virtually connect with family and friends

Older adults and Veterans have also faced increased food insecurity. Organizations such as Meals on Wheels RI, provides daily delivered meals, well-being checks, and social visits to homebound older adults across the state. A pilot program with the Elisha Project delivered culturally relevant hot meals and food and supply boxes to individuals living in households and communities with the greatest social and economic need in Rhode Island. In addition, the Governor directed \$4.5 million in remaining CARES funding in December of 2021 to nonprofit organizations that support the needs of Veterans and seniors, among others.

Despite the pandemic, older Rhode Islanders continue to play an important role in our state's economy. The economic impact of our residents aged 50 and older will continue to help drive economic growth through workforce participation, wages, salaries, and payment of state and local taxes.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Provide adequate wages, loan forgiveness, and other incentives for healthcare workers, both in-home and in residential-type facilities, who care for and support our seniors, their caregivers, Veterans, and military families to increase the supply of healthcare workers.
- Provide funding to nonprofit organizations that respond to seniors' and Veterans' needs that were exacerbated



by COVID-19, including but not limited to reducing housing and food insecurity and treating physical and behavioral health issues.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Support our Veterans and military families by exempting military pensions from state income tax.
- Create more affordable housing opportunities for seniors and adults living with disabilities to remain in their homes or communities.
- Expand and support the continuum of care for healthcare and behavioral healthcare to comprehensively address the needs of seniors and Veterans.

RI 2030 PRIORITY: STRENGTHENING K-12 EDUCATION



Primary and secondary education are essential for both individual and community success. High-quality learning experiences help ensure students of all backgrounds are prepared to lead fulfilling, productive lives. Learning can occur inside and outside of the traditional classroom setting, as local communities must also be invested and involved in ensuring the educational success for youth; school systems, municipalities, community-based organizations, and parent organizations should intentionally partner and collaborate to meet the needs of ALL students.

In the 21st century economy, a high school diploma is no longer the guaranteed ticket to success it once was as more and more jobs require a post-secondary degree or other credential. Rhode Island's K-12 education system must focus on creating college, career, and technical education pathways. Each of our 39 cities and towns is preparing students for these continuing education and training opportunities and for success in college, careers, and life. And each of our city's towns will soon have the opportunity to develop tutoring, mentorship, leadership programs by applying for a municipal learning center and / or the municipal higher matching program. An "all hands-on deck" approach is what we need as we emerge from the pandemic.

Educators across Rhode Island demonstrate a deep commitment to providing excellent instruction for students. However, as is the case in much of the country, students in our state face inequitable access to high-quality educational opportunities. There are varying factors, but some of these disparities result from local control and funding of education. While education is a service provided by local cities and towns in Rhode Island, state government plays a critical role in ensuring access to equitable opportunities by equalizing funding, making sure local school districts comply with state and federal guidelines, and providing support to local districts as needed.

As our state emerges from the COVID-19 pandemic, a national public health and economic crisis that laid bare root inequities in education, we have a tremendous opportunity to rebuild a high-quality public education system that provides all Rhode Islanders with equitable access to a world-class primary and secondary education.



Student-centered learning: creating individualized learning plans for our students and making sure that they're setting their own goals and that they're making sure that they are getting their education tailored to them, because students are the experts in their own education, and that's a really important thing that we seem to forget a lot, is the fact that our students know what we need, and we know what we need in order to succeed as well... And then also looking at a culturally relevant curriculum and making sure that we are teaching our students about African-American history and about the history of women.

— Jaychele Nicole,
Gen Z: We Want to Live /
Community Conversation
Participant

WHAT WE HEARD FROM YOU

- As more careers today and in the future require a post-secondary degree or credential, we need to ensure that our high school graduates are well prepared for the next steps they choose in their education.
- The State should aim to increase diversity in the curriculum with a focus on non-traditional courses, including financial literacy, technical and trade career pathways, environmental and civics education.
- The State should build on the strong Career and Technical pathways we have created so Rhode Island students can access high paying jobs in the trades and 21st Century green economy jobs.
- Rhode Island must improve student outcomes with data-driven measures for success
- The pandemic highlighted the digital divide that still exists for our K-12 students in which some students and districts were able to transition much more easily to virtual learning than others.
- Education inequities by race, language, socioeconomic status, ability, or other identities continue to be a dominant force holding back both individual Rhode Islanders and our state.
- Rhode Island should take a more holistic approach to supporting our students both inside the classroom, including expanded mental health services, and outside the classroom, including more afterschool and summer programming.
- Schools should expand access to electronic devices, ensure equitable broadband access, and provide digital literacy programming.

CURRENT STATE AGENCY INITIATIVES

Rhode Island has set high standards for students, educators, and schools, and is committed to providing holistic support to meet these goals. To

The Governor's proposed FY23 budget, public school districts will receive education funding formula aid based on pre-pandemic student enrollment or current enrollment, whichever is greater. This proposal prevents school districts from experiencing funding cuts resulting from declining enrollment due to COVID-19.

ensure all Rhode Island students are prepared for success in college, careers, and life, the state is taking steps to ensure that students have equitable access to high-quality curriculum materials aligned to rigorous college- and career-ready standards, and that educators have the professional learning opportunities and supports they need to implement research-based, culturally responsive, and equitable pedagogical approaches that address the needs of the whole child.

RI 2030 K-12 EDUCATION GOAL: By the next decade, Rhode Island will have a public education system that provides all Rhode islanders, regardless of their race, ethnicity, language, or geography, with equitable access to a high-quality primary and secondary education, which supports student learning and the development of the whole child and prepares students for post-secondary training and education.

K-12 EDUCATION OBJECTIVES

Education systems have a responsibility to identify and dismantle the root causes of educational inequity so that all students, regardless of race, language, socioeconomic status, ability, or other identities, have access to equitable opportunities.

- Ensure that all students, regardless of race, language, socioeconomic status, ability, or other identities, achieve at least one year's worth of learning every year.
- Increase the 4-year graduation rate and decrease the level of chronic absence among students.
- Significantly increase proficiency in reading, math, and science.

- Enhance engagement and collaboration between families, community members, school administrators, teachers, and students to improve student-centered policies and decisions.
- Promote professional development opportunities for educators.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

Throughout the COVID-19 pandemic, Rhode Island educators, school staff, and families have gone to tremendous lengths to support student learning while prioritizing the health and safety of school communities. Rhode Island led the way in returning to the classroom reopening schools in September 2020, and then returning to full in-person learning in the 2020-21 school year.

Despite these efforts, students' academic growth continues to be impacted by the learning disruption created by the pandemic. The consequences have been greatest on those students already facing systemic educational disparities that the pandemic has magnified and exacerbated: namely, students from low-income communities, students of color, differently-abled students, and multilingual learners.

The Rhode Island Department of Education quickly worked to identify the impact of the pandemic on students and develop strategies to accelerate learning and help students get up to speed through the convening of the Learning, Equity & Accelerated Pathways (LEAP) Task Force, which released its report and recommendations in April. These inequities continue to have profound impacts on students' lives. According to the U.S. Department



of Education, Rhode Island has the lowest four-year high school graduation rate in New England at 84%, two points below the national average of 86%. While Black students in Rhode Island are somewhat less likely to graduate than their white counterparts, the big difference is between white students and Hispanic students (88% vs. 76%).

The Department of Education responded by creating the LEAP District Support Program to support the state's districts that were disproportionately impacted by COVID-19 and align their post-pandemic recovery efforts to the recommendations of the Learning, Equity and Accelerated Pathways (LEAP) Task Force. Participating districts will be eligible for matching funds from a pool of more than \$20 million to invest in programs that will accelerate student learning in the coming years, as well as specialized supports. The pandemic has magnified numerous longstanding systemic inequities impacting Rhode Island students. Rhode Island has an unprecedented opportunity and responsibility to address the roots of systemic inequity in the state and build a system that guarantees all students' equitable access to high-quality, culturally responsive instruction that prepares them for success in college, careers, and life.

In addition to the responsive work the Department of Education is leading, communities across Rhode Island will be eligible to apply for the municipal

learning center and the municipal higher education matching program, MLCs will serve students in their communities, after school, in the evening and on weekends. They will provide tutoring, mentoring and leadership development programs. The pandemic has been devastating and our students deserve every chance to catch up and move forward with confidence.

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Energize our school communities— students and educators— by launching a back-to-school campaign and statewide toolkit, with attention to students who are chronically absent.
- Ensure all students have access to high-quality and personalized support from adults, both during the school day and through extended learning, partnerships for before/after school, and summer learning opportunities.
- Universally screen all students academically, socially and emotionally and align resources to those needs.
- Improve and support student transitions, across grades and systems.

- Close the digital divide.
- Provide funds for schools to update physical buildings with better HVAC equipment to reduce the potential spread of disease.
- Work to turn around the Providence Public Schools and transition the district back to local control after goals of the Turnaround Action Plan, which was crafted with significant input from the community, have been met.
- Reform the policy and legislative foundations of statewide transportation and foster the associated conversation regarding regional cooperation.
- Ensure per pupil funding for schools throughout Rhode Island based on pre-pandemic enrollment.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Provide additional resources to support lower-income districts in addressing the causes of educational inequities based on race, language, socioeconomic status, ability, or other identities.
- Continue to build Career and Technical Education programs designed to provide students with the academic and experiential skills to be equipped to succeed in a range of high-wage, high-skill and high demand careers.
- Strengthen the instruction of core subjects (English and Language Arts, mathematics, and science) by providing local school districts with high-quality instructional materials, focusing particularly on multilingual learners and others who need additional support and providing professional learning for educators to support curriculum implementation.
- Increase collaboration between traditional school systems and local communities, including leveraging community partners, to provide additional instruction, enrichment, extended learning opportunities, and summer learning programs.

- Collaborate with the early learning sector to ensure coordination and alignment to improve transitions and ensure all students are entering Kindergarten on a path to reading proficiently.
- Work with Rhode Island's colleges and universities to ensure all high school graduates are prepared for the next step in their education.
- Reimagine the high school experience by revising graduation requirements to align with college and career readiness standards so students graduate ready for college and prepared to work.



RI 2030 PRIORITY: SUPPORTING SMALL BUSINESSES



Rhode Island has been called the quintessential small business state. Small businesses in Rhode Island make up 98.9% of all businesses in the state and employ more than half (52.2%) of all workers, compared with 46.8% nationally. These operations range from small family-owned retail or restaurant businesses to larger professional services, construction, and advanced manufacturing firms. Some of our small businesses started small and want to remain that way, while others have their sights set on rapid growth. Not only are small businesses a crucial part of Rhode Island's economy, but entrepreneurship represents an important opportunity for job creation, wealth building, and economic growth.

Small businesses face several challenges, from accessing capital to navigating regulatory requirements at the federal, state, and local levels. The COVID-19 pandemic has exacerbated many of these challenges while introducing new ones, like reduced consumer confidence and workforce shortages. This is especially true for COVID-impacted industries such as Rhode Island's prized tourism and hospitality sector, as well as disproportionately impacted minority-owned businesses and those particularly centered in hard-hit cities. Additionally, during the pandemic, supply chains and business models were disrupted for most industries (e.g., manufacturers, retailers, agricultural businesses). Addressing these challenges are key to facilitating the full and broad-based recovery of our small business community across all 39 cities and towns.

“ I have been the only female, the only Black person, or the only immigrant in many different scenarios, and I think that there needs to be a connection for entrepreneurs, or mentorship for people who look like me from people who look like me, so I think that's another really big gap that I have noticed throughout my time.

— Saron Mechale, goTeff, Inc.
Community Conversation Participant

WHAT WE HEARD FROM YOU

- While Rhode Island provided a range of small business supports throughout the COVID-19 crisis and is outperforming many neighboring states, small businesses and impacted industries, such as retail, tourism, hospitality, and child care, continue to face challenges.
- Disparities and barriers persist for small business owners in historically disadvantaged groups and marginalized communities. Barriers include access to capital, translation services, and technical back-office assistance.
- Small businesses confront multiple barriers that impede their long-term success, especially in areas like licensing, zoning, regulatory compliance, and access to resources.
- Streamlining and unifying the regulation process for small businesses will help businesses operate with fewer barriers.

CURRENT STATE AGENCY INITIATIVES

Through the pandemic, the state has provided more than \$140 million in federal funds to assist more than 9,000 small businesses. This included multiple rounds of direct relief as well as more targeted rounds of assistance, including the \$3.6 million Business Adaptation program, the \$7.4 million Take It Outside program, and the \$15 million Hospitality Arts Tourism (HArT) program. The small business supports launched in response to the global pandemic built upon a range of existing agency initiatives, including the Innovation Voucher program, SupplyRI, and the John H. Chafee Center for International Business at Bryant University. Additionally, to address ongoing inequities in business ownership across the state, Rhode Island Commerce has partnered with the Rhode Island Foundation to fund a \$150,000 minority-owned business landscape analysis and strategic planning report to lay the foundation for future initiatives to increase the number of and enhance support for minority-owned businesses in the state.

Most recently, Governor McKee worked closely with the General Assembly to pass \$45 million in federal stimulus to support small businesses and impacted industries.

RI 2030 SMALL BUSINESS GOAL: By the next decade, Rhode Island will have an equitable, thriving, and diverse small business ecosystem that has emerged stronger and more resilient from the global pandemic and is a key driver of opportunity, job creation, and economic growth.

SMALL BUSINESS OBJECTIVES

- Support a full and broad-based recovery for Rhode Island's small business community and COVID-impacted industries such as retail, tourism, hospitality, and many others.
- Expand the number of small businesses with access to the knowledge, technology, service providers, local vendors, procurement opportunities, and capital they need to operate and grow their businesses.
- Increase the dollar amount of federal and Community Development Financial Institution (CDFI) funding for small businesses as well as the number of CDFIs operating in Rhode Island.
- Increase the number, percent, and long-term success of minority-owned businesses across the state.
- Make Rhode Island the premier state in the region for the speed, predictability, and ease of starting and running a business while also increasing Rhode Island's competitiveness with peer states in terms of cost of doing business.

WHERE WE ARE TODAY AS RHODE ISLAND EMERGES FROM THE PANDEMIC

As in the rest of the country, the global pandemic hit small businesses in Rhode Island hard. Consumer confidence for activities like dining out at restaurants, going to movie theaters, and attending large in-person

events declined considerably. Additionally, to mitigate the most severe effects of COVID-19, Rhode Island implemented a series of temporary public health measures that impacted small business operations. These and other factors resulted in revenue and employment declines and led many small businesses to change business models, create new revenue streams, and shift from in-person to online selling. The global pandemic had a disproportionate impact on small businesses and minority-owned businesses, since many of these businesses operate without financial safety nets.

A range of federal and state programs, from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) to the state's Restore RI grant program, delivered critical support to Rhode Island's small business community. Additionally, the state and many municipalities eased certain restrictions on businesses, such as temporarily relaxing business filing requirements, permitting additional outdoor dining capacity, and allowing carry out alcohol from restaurants. These and other interventions provided a key lifeline to businesses to survive the economic downturn. While certain segments of the small business community (e.g., manufacturing and construction) have experienced a strong recovery, others (e.g., tourism, hospitality, Main Street retailers,

and others) have yet to fully recover. Supporting COVID-impacted industries and addressing the broader range of COVID-related challenges are essential to facilitate a full and broad-based recovery of Rhode Island's small business community.

Beyond the COVID-19 pandemic, small businesses face several challenges. Hiring workers with the appropriate skillsets remains a major challenge. In July 2021, the U.S. had a record 11.1 million unfilled positions, and 51% of small business owners reported having open positions that cannot be filled (the highest rate on record). Small businesses, especially those owned by people of color, often face barriers and/or higher costs for financing as well. According to the Federal Reserve's 2021 Small Business Credit Survey, 53% of small businesses report that their credit needs are not met. CDFIs play an important role in expanding small business' access to capital; however, Rhode Island lacks an established CDFI focused exclusively on small businesses in the state. With fewer employees, small business owners and employees are often playing multiple parts in the business and lack access to specialized roles or service providers (e.g., legal and accounting). Many businesses struggle to navigate federal, state, and local regulations. The complexity surrounding matters like business formation, annual registration,



The Governor's FY23 proposed budget includes key initiatives such as providing tangible tax relief to small businesses, allowing for production of cottage foods and liquor-to-go, and creating a taxpayer steward to support small businesses.

tax filing, licensing, and regulatory compliance not only pose barriers to entrepreneurship and growth but can also increase the cost of doing business. Assisting businesses with these requirements and advancing policies that simplify and reduce regulatory burdens are important for improving the business climate, supporting entrepreneurship, and facilitating economic growth over the long-term.

As with the rest of the U.S., there are ongoing inequities in small business ownership in Rhode Island. Whereas Black/African American people comprise 5.7% of the Rhode Island population, they only represent 1.4% of business ownership. Similarly, Hispanic/Latino people make up 16.6% of the population, but they represent a mere 2.4% of business ownership. Women make up 51.3% of the population but represent only 18.4% of business ownership. Addressing these disparities is critical for advancing a more inclusive and equitable economy, creating meaningful opportunities for wealth building, and catalyzing entrepreneurship, innovation, and economic growth.

HIGHLIGHT ON NONPROFITS

Throughout the course of the pandemic, Rhode Island's nonprofit organizations played an essential role in providing services to individuals, households, and businesses. Nonprofits are essential partners with the State and the private sector in addressing a number of the issues outlined across RI 2030's topic areas, notably including children, youth, & families, climate, small business, housing, public health and wellness, and K-12 education. These issues range from support for arts and culture to essential mental and behavioral health services to housing and

homelessness services. Many of these organizations are on the frontline in addressing essential needs in their respective areas of expertise and best understand their communities and constituents.

However, the COVID-19 pandemic has carried a significant toll on nonprofits, which have been faced with unprecedented levels of need and have had to adjust their operations accordingly. Many organizations are now in critical need of support, and the continued provision of services to their constituents will depend on these organizations' sustained strength.

Given the vital role that nonprofits play across Rhode Island (both in responding to the pandemic and in building a brighter future for our state), it is essential that Rhode Island both continues and expands support for the state's vibrant nonprofit ecosystem. Specific actions that the state can take to support its nonprofit sector include:

- Invest additional resources in nonprofits to enable these organizations to increase their staff capacity and ultimately expand and improve essential services to Rhode Islanders.
- Provide direct funding, technical assistance, and other forms of support to nonprofits that have been key partners and providers during the pandemic.
- Increase support specifically for nonprofits that serve historically marginalized communities.
- Collaborate with nonprofits working in the area of innovation to promote entrepreneurship and economic development across the state.



As we emerge from the COVID-19 pandemic, the hospitality industry will have several needs. However, in the short term, we've identified the top three. That would be: workforce development using Real Jobs spending; funding for inside HVAC systems for clean air; and assisting us with expanded outdoor dining, particularly as we work with the cities and towns, and also to step it up a little bit and make the outdoors much more convenient, much more friendly, and much more comfortable for our consumer.

— Dale Venturini, President & CEO, RI Hospitality Association / Community Conversation Participant

RECOVERING FROM THE PANDEMIC: SHORT-TERM ACTIONS

- Provide support for small businesses and COVID-impacted industries like tourism and hospitality to upgrade HVAC systems, increase outdoor capacity, and make other pandemic-related adaptations with an eye towards boosting consumer confidence, catalyzing additional economic activity, and increasing resiliency.
- Evaluate rule and regulation changes instituted during the pandemic (e.g., outdoor dining expansion, liquor-to-go) that can be continued to benefit both businesses and consumers.
- Increase and enhance marketing efforts to bring tourism and business travel back to the state as the pandemic comes to an end.
- Fund new and support the expansion of existing direct and technical assistance programming for small businesses – especially women- and minority-owned businesses. This should include (1) direct business assistance, (2) back office services and supports that can be offered to clusters or categories of businesses, (3) educational resources to support businesses with activities like applying for grant programs and developing marketing plans, and (4) programming to encourage small businesses to improve operations and increase productivity through investments in technology. As part of this work, Rhode Island should facilitate networking opportunities for small business owners. In addition, it is essential that the state continue to reduce potential barriers to technical assistance and other opportunities through services such as translation.

THE ROAD TO RI 2030: LONG-TERM ACTIONS

- Expand access to capital by (1) leveraging federal funding to create funding programs



for small businesses, particularly small businesses with strong growth potential, those operating within growth industries such as the Blue Economy, and those pivoting in response to the global pandemic, (2) strengthening and growing capital programs—supported through public and private funding—for historically underserved and marginalized business owners, including minority- and women-owned businesses (e.g., through establishing a minority business support initiative), and (3) establishing or attracting CDFIs focused on providing financing to small businesses in Rhode Island—especially businesses that are often excluded from traditional funding sources.

- Expand successful workforce development programs (such as Real Jobs RI and Back to Work RI) and continue the partnerships that have been developed between educational institutions and small businesses in order to address ongoing workforce shortage and skills gap challenges.
- Explore models such as health insurance cooperatives and other collective services to help streamline the process, increase buying power and affordability for small businesses to provide employee benefits and secure other services.

- Work to eliminate paper forms for business licensing permits and more at both the state and municipal level, replacing them with digital business licensing permit processes at the state and local level. This will streamline the licensing process and ease the burden for both business and government. However, it is essential to keep paper forms available for those who need and prefer them. Draw upon this digital integration to create a gateway for a coordinated approach to government support for small businesses.
- Help retiring small business owners keep ownership local and encourage employee ownership (ESOP) takeovers where possible.
- Continue to ease licensing and permitting requirements and reduce costs to encourage additional small business formation and otherwise improve the business climate.
- Increase and simplify access to federal, state, and local procurement contracts for small businesses through low or no-cost innovations.
- Create a taxpayer steward to help small businesses navigate tax administrative processes.