



PANDEMIC RECOVERY OFFICE

State Fiscal Recovery Fund

Quarterly Progress and Performance Report

Fiscal Year 2025 Quarter 1

Issued: October 31, 2024

This project was supported, in whole or in part, by federal award number SLFRP0136 awarded to the State of Rhode Island by the U.S. Department of Treasury.

Purpose

The following report complies with Article 1 Section 18 of the State Fiscal Year (FY) 2024 enacted budget that requires the Pandemic Recovery Office (PRO) to submit a quarterly report on the status of projects financed by the State Fiscal Recovery Fund (SFRF). As specified in Article 1 Section 18, the report identifies projects that are at risk of significant underspending or noncompliance with federal or state requirements and includes an assessment of how these projects can be remedied.¹

Methodology

To help identify projects potentially at risk of significant underspending, PRO considers two factors:

- A spend projection model to estimate how long it will take each project to exhaust its SFRF appropriation based on prior project spending patterns.
- A comparison of actual expenditures through the first quarter of FY 2025 against the planned expenditures through the same period.

SFRF projects that were flagged in the spend projection process and had actual expenditures less than 50% of planned expenditures were reviewed for a determination of at-risk status. PRO considered all other relevant factors in making a final determination as to whether a project is at risk.

For all projects that were deemed to be at risk, PRO contacted the relevant State agencies to gain an understanding as to why spending is significantly behind expectations. PRO also requested information regarding plans to accelerate spending so that all funds are spent by U.S. Treasury's expenditure deadline of December 31, 2026.

Any project that met at least one of the criteria that PRO determined warranted monitoring is included in a separate monitored table in this report. PRO will continue to monitor these projects and may include them in subsequent editions of this report as needed.

It should be noted that SFRF projects for which the cumulative planned expenditures through the first quarter of FY 2025 are less than 10% of the projects' total appropriation are not considered in this report. In addition, those SFRF projects that are categorized under the U.S. Treasury Expenditure Category Revenue Replacement, and for which there are no financial conditions imposed on the entity executing the SFRF project, are not included in this report. Under these circumstances, the State could satisfy the U.S. Treasury requirement that SFRF monies be spent by December 31, 2026, by transferring the unspent amount of the appropriation to the entity prior to that date.

Background

Through the first quarter of FY 2025, PRO approved 90 SFRF projects, totaling \$1.06 billion of the State's \$1.13 billion SFRF appropriation. The \$1.06 billion in approved appropriations has all been obligated, with planned expenditures of \$779 million through the first quarter of FY 2025. Total actual expenditures for the 90 approved projects were \$706 million, which is 90.6% of planned expenditures for those projects. The SFRF at-risk projects included in this report comprise 7.8% of the approved SFRF projects and 4.4% of the \$1.13 billion SFRF appropriation.

¹ [FY 2024 Appropriations Act](#)

At-Risk Project Table

Project	Original PRO Approval Date / Most Recent PRO Approval Date ²	Total Appropriation	Planned Expenditures as of 9/30/24	Actual Expenditures as of 9/30/24	% of Planned Expenditures Spent
<i>Department of Children, Youth, and Families</i>					
Psychiatric Residential Treatment Facility	2/1/2023 Project paused on 6/14/2024	\$11,000,000 ^b	\$10,281,500	\$1,673,277	17%
Sub-Total		\$11,000,000	\$10,281,500	\$1,673,277	17%
<i>Department of Housing</i>					
Community Revitalization	11/7/2022 10/3/2024	\$20,000,000 ^b	\$13,573,541	\$6,545,069	48%
Home Repair Program	7/13/2023 N/A	\$4,500,000 ^b	\$2,544,691	\$0	0%
Municipal Fellows	10/5/2023 N/A	\$1,300,000 ^c	\$371,111	\$0	0%
Statewide Housing Plan	9/26/2022 7/28/2023	\$2,000,000 ^b	\$860,258	\$248,282	29%

² PRO reapproves projects for various reasons, including but not limited to, the appropriation of additional funds for a project that must be accounted for in the project budget; revised project timelines; and updated key performance indicators to ensure the State is tracking relevant data.

a Appropriation was made in Rhode Island Rebounds legislation on January 4, 2022.

b Appropriation was made in FY 2023 enacted budget on June 27, 2022.

c Appropriation was made in FY 2024 enacted budget on June 16, 2023.

d Appropriation was made in FY 2025 enacted budget on June 17, 2024.

Project	Original PRO Approval Date / Most Recent PRO Approval Date ²	Total Appropriation	Planned Expenditures as of 9/30/24	Actual Expenditures as of 9/30/24	% of Planned Expenditures Spent
Transit-Oriented Development Zoning Municipal Technical Assistance	10/5/2023 N/A	\$1,000,000 ^c	\$624,187	\$0	0%
Sub-Total		\$28,800,000	\$17,973,788	\$6,793,351	38%
<i>Department of Public Safety</i>					
Support for Survivors of Domestic Violence	10/14/2022 7/1/2024	\$10,500,000 ^b	\$10,381,290	\$1,267,996	12%
Sub-Total		\$10,500,000	\$10,381,290	\$1,267,996	12%
Grand Total		\$50,300,000	\$38,636,578	\$9,734,624	25%

At-Risk Project Narratives

Psychiatric Residential Treatment Facility

Reason Identified

As of September 30, 2024, the project had actual expenditures of \$1,673,277. The actual expenditures are 17% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Additionally, the current spending forecast shows full spend after the SFRF expenditure deadline of December 31, 2026. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

There has been no progress on the project since the update in the Quarterly Progress and Performance Report submitted on July 31, 2024, and after the June 14, 2024, letter issued by the Department of Administration, Division of Purchases at the request of the Department of Children, Youth, and Families (DCYF) Director requiring that St. Mary's cease work on the project.

As of the end of June 2024, all DCYF youth were transitioned out of St. Mary's, and no children remain in its residential facility. Moving the youth out of St. Mary's was based upon performance issues with the programming provided to the children under residential placement.

On or about July 19, 2024, St. Mary's issued a detailed document regarding the status of the build project, including the amount of work completed in the categories of the deliverables of the build contract.

On or about August 13, 2024, at the request of DCYF, St. Mary's issued a detailed summary and accounting of all funds paid to St. Mary's. A total of \$644,724.97 was accounted for as unexpended funds, which were returned to the State.

DCYF is exploring all options to increase the availability of residential placements for children.

Community Revitalization

Reason Identified

As of September 30, 2024, the project had actual expenditures of \$6,545,069. The actual expenditures are 48% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Additionally, the current spending forecast shows full spend after the SFRF expenditure deadline of December 31, 2026. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

On July 12, 2024, the Rhode Island Housing and Mortgage Finance Corporation (RIHousing) requested the transfer of \$7 million from the State to cover the closing costs for projects that had been awarded funding under the Community Revitalization program. The transfer of the requested State Fiscal Recovery Funds (SFRF) was delayed until October 9, 2024. In the interim, those projects that were to receive Community Revitalization funding closed, and RIHousing had to use other funds awarded to the projects to cover the closing costs and initial construction requisitions. The total paid from these other funds, rather than Community Revitalization, was \$4 million. Had the requested transfer to RIHousing been processed in time, Community Revitalization expenditures through September 30, 2024, would have totaled \$10,545,069. At this level of expenditure, the program would have attained 78% of its planned expenditures and would have been projected to be fully spent by December 31, 2026. Under these

circumstances, the program would not have met PRO's "at risk" criteria and would not have been included in this report.

Home Repair Program

Reason Identified

The project had not incurred spending as of September 30, 2024, and the project had planned expenditures of \$2,544,691 through September 30, 2024. The actual expenditures are 0% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Since there was no actual expenditure data, PRO was unable to forecast spending for the project and could not determine a date at which full expenditure would occur. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

The project will provide up to \$75,000 per structure for eligible rehabilitation activities on properties occupied by low/moderate income households and located in qualified census tracts (i.e., more than 50% of the properties are occupied by households at or below 60% of area median income).

From December 2023 to January 2024, the State solicited a vendor to serve as the administrative agency for the State's residential rehabilitation program. On February 2, 2024, the State issued a tentative selection award to the Providence Revolving Fund to serve as the administrative agency for this initiative. After the submission of required documentation, the State issued a contract which has been fully executed by all parties (occurred in April after the end of the third quarter of FY 2024).

The selected vendor has rolled out the program and started accepting applications on July 1, 2024. With applications open, the Department of Housing is working to expedite implementation. As of October 2024, the Providence Revolving Fund accepted over 100 applications which are at various stages of review.

Municipal Fellows

Reason Identified

The project had not incurred spending as of September 30, 2024, and the project had planned expenditures of \$371,111 through September 30, 2024. The actual expenditures are 0% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Since there was no actual expenditure data, PRO was unable to forecast spending for the project and could not determine a date at which full expenditure would occur. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

This project is advancing on two parallel tracks: 1) reviewing grant applications from municipalities for fellows and 2) recruiting fellows and developing a professional development program through the program manager. The municipal grant solicitation was issued on March 18, 2024, and the Department of Housing (Department) received two applications. However, in reviewing these applications, the Department determined that the scoring criteria was overly restrictive and needed to be revised to broaden applicant eligibility. In response, the Department drafted and posted a revised solicitation. The application window for the revised solicitation closed on October 1, 2024, and the review of municipal applications is on track for completion. Two municipalities, Newport and Coventry, received conditional award letters for \$168,000 each, while all other applications are under review. Applicants will be notified of their status before the end of October 2024.

The service agreement for the program manager, Systems Change Solutions, LLC (SCS), has been finalized. The program manager will be responsible for outreach to potential fellows to match with municipalities. A recruitment plan has been developed, and a job posting has been shared on LinkedIn, the American Planning Association's job page, Rhode Island Community Jobs Listserv, and the Rhode Island League of Cities and Towns job page. Additionally, the program manager has reached out to 16 graduate studies programs and has created a dedicated website to provide information and facilitate applications. The program is currently accepting applications and will process them on a rolling basis until all participating municipalities have hired a fellow.

Statewide Housing Plan

Reason Identified

As of September 30, 2024, the project had actual expenditures of \$248,282. The actual expenditures are 29% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Additionally, the current spending forecast shows full spend after the SFRF expenditure deadline of December 31, 2026. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

The Department of Housing (Department) is working on several subprojects under the Statewide Housing Plan project, each of which involves contracted support. The Department built out its staff capacity, which enabled it to develop and launch the following subprojects:

- *Statewide Housing Plan Consultant (Abt Associates): \$529,316:* Abt Associates is developing the statewide housing plan with the Department. Abt Associates assisted with the Annual Integrated Housing Report (published in December 2023) and is conducting additional analysis and stakeholder engagement for this project. The Department received approval from the Department of Administration, Division of Purchases to increase the contract amount from \$339,316 to \$529,316 and is currently finalizing that contract expansion. Based upon current timelines, the Department anticipates all funds will be spent by the end of March 2025.
- *School Fiscal Impact Analysis: \$125,000:* The Department has conducted a request for proposals (RFP) to hire a consultant to conduct a fiscal impact analysis on local school costs and the net fiscal impact of new housing on municipalities. The Department has selected a vendor and issued a tentative award letter. The Department is in the process of executing the contract with the selected vendor. Based on current timelines, the Department anticipates that all funds will be contracted within 30 days and all funds spent by the fourth quarter of FY 2025.
- *Vacant/Underutilized State and Municipal Property Assessment: \$495,084:* The Department has conducted an RFP to hire a consultant to support municipalities and the State in developing cost estimates and proof of concept designs for housing and/or shelters on State, municipal, and other properties. Through that process, the Department selected SignalWorks Architecture to conduct this work. A contract has been signed, obligating the full amount of funding available. Based on current timelines, the Department anticipates that all funds will be spent by the end of the first quarter of FY 2027.
- *Visualization and Implementation Support: \$450,000:* The Department recently received program approval from PRO for this initiative and posted an RFP to hire a consultant to complete this work. That RFP closed on October 14, and the Department is beginning the process of reviewing and scoring proposals. This subproject involves identifying enabling conditions for the development of housing, conducting analysis to identify sites that meet those conditions, and

creating visualizations of how housing could look at those sites. Based on current timelines, the Department anticipates that all funds will be contracted by the end of the second quarter of FY 2025 and all funds spent by the end of the first quarter of FY 2027.

- *Training and Capacity Building: \$250,000:* The Department recently received program approval from PRO for this initiative and posted an RFP to hire a consultant to complete this work. That RFP closed on October 10, and the Department is beginning the process of reviewing and scoring proposals. This subproject involves developing a toolkit and trainings for municipalities to help meet housing needs and accomplish housing goals. Based on current timelines, the Department anticipates that all funds will be contracted by the end of the second quarter of FY 2025 and all funds spent by the end of the first quarter of FY 2027.
- *Governance Model: \$150,000:* The Department had been developing a Governance Model project through the program approval process with PRO. During that time, the Legislature tasked the Department with providing governance recommendations by the end of calendar year 2024. As a result of the earlier deadline, the Department will use an existing master price agreement to retain a consultant to do the following: analyze the mission, role, authority, make-up, and capacity of the various agencies, quasi-public entities, boards, and commissions involved with housing and homelessness in Rhode Island; facilitate discussions with key entities, including interviews and focus groups; develop recommendations for an updated structure (if merited) with delineated roles, purview and/or authority, as well as models for partnering and coordination among the entities; and develop potential legislative language to enact these changes. Based on current timelines, the Department anticipates that all funds will be contracted by the end of the second quarter of FY 2025 and all funds spent by the end of the third quarter of FY 2025.

Transit-Oriented Development Municipal Technical Assistance

Reason Identified

The project had not incurred spending as of September 30, 2024, and it had planned expenditures of \$624,187 through September 30, 2024. The actual expenditures are 0% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Since there was no actual expenditure data, PRO was unable to forecast spending for the project and could not determine a date at which full expenditure would occur. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

The project was initially designed to provide grants directly to municipalities after they engage with a consultant to update their zoning ordinances and zoning maps. Upon review, the Department of Housing (Department) determined that this approach would limit municipal participation and lead to a lack of efficiency and coordination within transit corridors.

The Department is working with the Pandemic Recovery Office (PRO) to address these concerns through a revised program design and municipal grant solicitation to open it up to municipalities that do not already have TOD site(s) selected, make the application process more user friendly, coordinate with the development of the Metro Connector project and TOD Pilot Program, and increase the effectiveness of the program. Grant funds could then be used by municipalities for consulting services to identify and designate a TOD district. This approach aims to conserve resources and reduce redundancy by having a consultant take a regional approach in analyzing potential TOD sites, impacts, and solutions before moving to the phase of writing TOD zoning amendments.

The Department is also working with PRO to determine the most effective structure for the grants to municipalities. Once the Department and PRO agree on the best path forward, the Department will issue a revised municipal grant solicitation. Based on current timelines, the Department anticipates that all funds will be contracted by the end of second quarter of FY 2025 and fully spent by the end of FY 2026.

Support for Survivors of Domestic Violence

Reason Identified

As of September 30, 2024, the project had actual expenditures of \$1,267,996. The actual expenditures are 12% of planned expenditures through September 30, 2024, which is below PRO's threshold of 50% of planned expenditures. Additionally, the current spending forecast shows full spend after the SFRF expenditure deadline of December 31, 2026. The project met both of PRO's criteria for being categorized as "at risk."

Proposed Agency Remedy

Spending has increased in recent months, and the Department of Public Safety (DPS) is moving to the advance funding to the Blackstone Valley Advocacy Center for the building it has purchased. DPS is processing additional reimbursements for the Blackstone Valley Advocacy Center for prior activity.

One issue that has resulted in delayed spending is the limited number of available units for sale that meet the needs and desired locations of this project. There has been increased activity as agencies have hired additional staff and begun to make significant purchases in support of the program.

Agencies cannot move forward with rendering services to victims until units are purchased.

Monitored Projects Table

SFRF projects that are included in the Monitored Projects Table are projects that PRO scrutinizes at a higher level than other projects that are not included in the *State Fiscal Recovery Fund Quarterly Progress and Performance Report*. Typically, categorization of these projects is fluid with the possibility of a given project moving to the “at risk” category or being removed from the next report depending on project specific circumstances.³

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Planned Expenditures as of 9/30/24	Actual Expenditures as of 9/30/24	% of Planned Expenditures Spent
<i>Department of Administration</i>					
Municipal Public Safety Infrastructure Grant Program	12/27/2023 N/A	\$11,000,000 ^c	\$4,125,000	\$2,382,513	58%
Sub-Total		\$11,000,000	\$4,125,000	\$2,382,513	58%
<i>Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals</i>					
9-8-8 Mental Health Hotline	8/29/2022 8/31/2023	\$5,350,000 ^{b, c, d}	\$1,840,956	\$1,837,342	99%
Crisis Intervention Trainings	3/21/2023 N/A	\$2,200,000 ^b	\$1,095,527	\$550,114	50%
Sub-Total		\$7,550,000	\$2,936,483	\$2,387,456	81%

³ The *State Fiscal Recovery Fund Quarterly Progress and Performance Report* is issued on January 31, April 30, July 31, and October 31 of a calendar year.

⁴ PRO reapproves projects for various reasons, including but not limited to, the appropriation of additional funds for a project that must be accounted for in the project budget; revised project timelines; and updated key performance indicators to ensure the State is tracking relevant data.

a Appropriation was made in Rhode Island Rebounds legislation on January 4, 2022.

b Appropriation was made in FY 2023 enacted budget on June 27, 2022.

c Appropriation was made in FY 2024 enacted budget on June 16, 2023.

d Appropriation was made in FY 2025 enacted budget on June 17, 2024.

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Planned Expenditures as of 9/30/24	Actual Expenditures as of 9/30/24	% of Planned Expenditures Spent
<i>Department of Elementary and Secondary Education</i>					
Adult Education Providers	4/3/2023 9/20/2024	\$5,000,000 ^b	\$2,989,427	\$1,414,076	47%
Sub-Total		\$5,000,000	\$2,989,427	\$1,414,076	47%
<i>Department of Housing</i>					
Housing Related Infrastructure	1/19/2024 N/A	\$3,000,000 ^{c, d}	\$125,538	\$0	0%
Municipal Homelessness Support Initiative	10/11/2023 N/A	\$2,200,000 ^{c, d}	\$1,718,515	\$608,523	35%
Preservation of Affordable Housing	9/13/2023 N/A	\$500,000 ^c	\$500,000	\$0	0%
Public Housing Pilot Program	3/2/2023 N/A	\$10,000,000 ^b	\$7,974,392	\$2,035,309	26%
Sub-Total		\$15,700,000	\$10,318,445	\$2,643,832	26%
<i>Department of Human Services</i>					
Child Care Enhanced TEACH Program	2/6/2023 N/A	\$2,000,000 ^b	\$700,381	\$373,081	53%
Sub-Total		\$2,000,000	\$700,381	\$373,081	53%

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Planned Expenditures as of 9/30/24	Actual Expenditures as of 9/30/24	% of Planned Expenditures Spent
<i>Department of Transportation</i>					
Municipal Roads Grant Program	8/21/2023 9/20/2023	\$20,000,000 ^c	\$7,499,999	\$6,052,818	81%
Sub-Total		\$20,000,000	\$7,499,999	\$6,052,818	81%
<i>Executive Office of Commerce</i>					
Minority Business Accelerator	11/14/2022 6/10/2024	\$5,200,000 ^b	\$4,734,860	\$2,129,212	45%
Sub-Total		\$5,200,000	\$4,734,860	\$2,129,212	45%
<i>Office of the Postsecondary Commissioner</i>					
Rhode Island Reconnect	11/21/2023 N/A	\$8,000,000 ^c	\$1,440,231	\$1,196,756	83%
Sub-Total		\$8,000,000	\$1,440,231	\$1,196,756	83%
Grand Total		\$74,450,000	\$34,744,826	\$18,579,744	53%