



PANDEMIC RECOVERY OFFICE

State Fiscal Recovery Fund

Quarterly Progress and Performance Report

Fiscal Year 2025 Quarter 2

Issued: January 31, 2025

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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 second 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 second quarter of FY 2025 are less than 10% of the projects' total appropriation are not considered in this report.

In addition, SFRF projects under the U.S. Treasury revenue replacement expenditure category that met only one criteria, and for which there are no financial conditions imposed on the entity executing the SFRF project, are not included in this report. SFRF projects under the U.S. Treasury revenue replacement expenditure category that met both criteria, and for which there are no financial conditions imposed on the entity executing the SFRF project, are included in the monitor table of 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 second quarter of FY 2025, PRO approved 95 SFRF projects, totaling the State's full \$1.13 billion SFRF appropriation. The State's SFRF appropriation has been fully obligated. The approved SFRF projects have planned expenditures of \$823 million through the second quarter of FY 2025. Total actual expenditures for the 95 approved projects were \$777 million, which is 94.4% of planned expenditures for

¹ [FY 2024 Appropriations Act](#)

those projects. The SFRF at-risk projects included in this report comprise 3.2% of the approved SFRF projects and 0.38% of the \$1.13 billion SFRF appropriation.

At-Risk Project Table

Project	Original PRO Approval Date / Most Recent PRO Approval Date ²	Total Appropriation	Planned Expenditures as of 12/31/24	Actual Expenditures as of 12/31/24	% of Planned Expenditures Spent
<i>Department of Housing</i>					
Municipal Fellows	10/5/2023 N/A	\$1,300,000 ^b	\$551,165	\$24,553	4.5%
Statewide Housing Plan	9/26/2022 7/11/2024	\$2,000,000 ^a	\$1,060,947	\$313,819	29.6%
Transit-Oriented Development Zoning Municipal Technical Assistance	10/5/2023 N/A	\$1,000,000 ^b	\$1,000,000	\$0	0%
Sub-Total		\$4,300,000	\$2,612,112	\$338,372	13.0%
Grand Total		\$4,300,000	\$2,612,112	\$338,372	13.0%

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 FY 2023 enacted budget on June 27, 2022.

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

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

At-Risk Project Narratives

Municipal Fellows

Reason Identified

As of December 31, 2024, the project had actual expenditures of \$24,553. The actual expenditures are 4.5% of planned expenditures through December 31, 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

This project is progressing on two parallel tracks: 1) reviewing grant applications from municipalities for fellows and getting grant agreements in place for municipal grantees, and 2) recruiting fellows and developing a professional development program through the program manager.

Track 1 is nearly complete. The municipal grant solicitation was issued on March 18, 2024, and the Department of Housing (Department) received two applications. Upon reviewing those applications, the Department determined that the scoring criteria was overly restrictive and needed revision to broaden applicant eligibility. In response, the Department drafted and posted a revised solicitation with expanded eligibility criteria. The application window for the revised solicitation closed on October 1, 2024, and the review of municipal applications has been completed. Eight municipalities, Newport, Westerly, Cranston, Foster, Lincoln, Cumberland, Johnston, and Coventry, have received conditional award letters. Of these eight municipalities, six have signed and executed grant agreements (Newport, Westerly, Lincoln, Cumberland, Johnston, and Coventry). The final two municipalities (Cranston and Foster) are on track to have signed grant agreements in January 2025. Once the final two agreements are signed, all the funds allocated for grants to municipalities (\$1,146,459) will be awarded.

Track 2 is well underway. The service agreement for the program manager, Systems Change Solutions (SCS), has been finalized. The program manager has been responsible for outreach to potential fellows to match them with municipalities. A recruitment plan was developed, and a job posting was 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 reached out to 16 graduate studies programs and created a dedicated website to provide information and facilitate applications. The program manager received and screened numerous applications to identify the most qualified applications. Interviews have been conducted with seven of the eight participating municipalities (only Foster has not had an interview with a fellow candidate). Four communities have hired fellows through the program (Newport, Westerly, Cumberland, and Coventry). Three communities are in the process of onboarding fellows who have had successful interviews (Cranston, Lincoln, and Johnston). The program manager will continue this work until all participating municipalities have hired a fellow. The professional development program will commence once all the fellows have started within their respective municipalities.

Statewide Housing Plan

Reason Identified

As of December 31, 2024, the project had actual expenditures of \$313,819. The actual expenditures are 29.6% of planned expenditures through December 31, 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 to complete the project. The Department amended the contract with Abt Associates to reflect the increased contract amount. 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 in the third quarter of FY 2025 and all funds spent by the second quarter of FY 2026.
- *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, 2024, and the Department has reviewed and scored proposals. A tentative award letter was issued on December 23, 2024. 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 a contract will be finalized in the third quarter of FY 2025. The selected proposal came in under budget, so the Department is working on a plan for any unused funds in consultation with PRO.
- *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, 2024, and the Department has reviewed and scored proposals. A tentative award letter was issued on January 7, 2025. 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 third 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. On December 31, 2024, the Department submitted the governance report to the General Assembly. The Department used an existing master price agreement to retain Faulkner Consulting Group at a cost of \$150,000 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.

The Department will now draft legislative language to effectuate the proposals. Based on current timelines, the Department anticipates that all funds will be spent by the end of FY 2025.

Transit-Oriented Development Municipal Technical Assistance

Reason Identified

The project had not incurred spending as of December 31, 2024, and it had planned expenditures of \$1,000,000 through December 31, 2024. The actual expenditures are 0% of planned expenditures through December 31, 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 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 would 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. The Department is recommending that the project be subawarded to the Rhode Island Housing and Mortgage Finance Corporation (RIHousing) and is working with PRO and RIHousing to execute this arrangement. This approach will consolidate this project with other municipal technical assistance programs for a cohesive and user-friendly system that would enable municipalities to select from a pre-approved consultant list for TOD-related services. Once the project is subawarded, RIHousing would issue a request for proposals to create the consultant roster and then issue a notice for municipalities to apply for the grant opportunity. Based on current timelines, the Department anticipates that all funds will be contracted (subawarded) by the third quarter of FY 2025 and fully spent by the end of FY 2026.

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 12/31/24	Actual Expenditures as of 12/31/24	% of Planned Expenditures Spent
<i>Department of Administration</i>					
Municipal Public Safety Infrastructure Grant Program	12/27/2023 N/A	\$11,000,000 ^b	\$8,250,000	\$3,036,043	36.8%
Public Health Response Warehouse Support	11/14/2022 11/19/2024	\$4,178,347 ^{a, b, c}	\$3,104,215	\$2,598,101	84.7%
Sub-Total		\$15,178,347	\$11,354,215	\$5,634,144	49.6%
<i>Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals</i>					
Crisis Intervention Trainings	3/21/2023 N/A	\$2,200,000 ^a	\$1,244,248	\$759,111	61.0%
Sub-Total		\$2,200,000	\$1,244,248	\$759,111	61.0%

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.

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

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<i>Department of Children, Youth and Families</i>					
Psychiatric Residential Treatment Facility	1/30/2023 12/30/2024	\$11,000,000 ^a	\$1,673,277	\$1,673,277	100%
Sub-Total		\$11,000,000	\$1,673,277	\$1,673,277	100%
<i>Department of Elementary and Secondary Education</i>					
Adult Education Providers	4/3/2023 9/20/2024	\$5,000,000 ^a	\$3,276,037	\$1,826,244	55.7%
Sub-Total		\$5,000,000	\$3,276,037	\$1,826,244	55.7%
<i>Department of Housing</i>					
Home Repair Program	7/14/2023 12/4/2024	\$4,500,000 ^c	\$3,294,466	\$0	0%
Housing Related Infrastructure	12/18/2023 8/5/2024	\$3,000,000 ^{b, c}	\$341,102	\$0	0%
Municipal Homelessness Support Initiative	10/11/2023 10/15/2024	\$2,200,000 ^{c, d}	\$1,934,205	\$888,607	45.9%
Public Housing Pilot Program	3/2/2023 10/1/2024	\$10,000,000 ^a	\$10,000,000	\$3,038,754	30.4%
Sub-Total		\$19,700,000	\$15,569,773	\$3,927,361	25.2%

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Planned Expenditures as of 12/31/24	Actual Expenditures as of 12/31/24	% of Planned Expenditures Spent
<i>Department of Human Services</i>					
Child Care Enhanced TEACH Program	2/6/2023 N/A	\$2,000,000 ^a	\$716,311	\$557,253	77.8%
Sub-Total		\$2,000,000	\$716,311	\$557,253	77.8%
<i>Department of Public Safety</i>					
Support for Survivors of Domestic Violence	10/14/2022 5/13/2024	\$10,500,000 ^a	\$10,420,860	\$3,093,344	29.7%
Sub-Total		\$10,500,000	\$10,420,860	\$3,093,344	29.7%
<i>Office of the Postsecondary Commissioner</i>					
Foster Care Youth Scholarship *	8/21/2024 N/A	\$1,021,859 ^c	\$1,021,859	\$0	0%
Rhode Island Reconnect	11/21/2023 N/A	\$8,000,000 ^b	\$2,110,849	\$1,823,412	86.4%
Sub-Total		\$9,021,859	\$3,132,708	\$1,823,412	58.2%
Grand Total		\$74,600,206	\$47,387,429	\$19,294,146	40.7%

* All project funds were transferred in January 2025, meaning this project will not be included in future editions of this report.