



# **PANDEMIC RECOVERY OFFICE**

## **State Fiscal Recovery Fund**

### **Quarterly Progress and Performance Report**

#### **Fiscal Year 2025 Quarter 3**

**Issued: April 29, 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.<sup>1</sup>

# 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 third 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 third 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 third 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 \$891 million through the third quarter of FY 2025. Total actual expenditures for the 95 approved projects were \$836 million, which is 93.8% of planned expenditures for those projects. The SFRF at-risk projects included in this report comprise 2.2% of the \$1.13 billion SFRF appropriation.

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<sup>1</sup> [FY 2024 Appropriations Act](#)

## At-Risk Project Table

Project	Original PRO Approval Date / Most Recent PRO Approval Date <sup>2</sup>	Total Appropriation	Planned Expenditures as of 3/31/25	Actual Expenditures as of 3/31/25	% of Planned Expenditures Spent
<b><i>Department of Housing</i></b>					
Community Revitalization	11/7/2022 10/1/2024	\$20,000,000 <sup>b</sup>	\$20,000,000	\$8,639,587	43.2%
Municipal Fellows	10/5/2023 N/A	\$1,300,000 <sup>b</sup>	\$709,213	\$59,127	8.3%
Statewide Housing Plan	9/26/2022 7/11/2024	\$2,000,000 <sup>a</sup>	\$1,434,830	\$568,786	39.6%
Transit-Oriented Development Zoning Municipal Technical Assistance	10/5/2023 N/A	\$1,000,000 <sup>b</sup>	\$1,000,000	\$0	0%
<b>Sub-Total</b>		<b>\$24,300,000</b>	<b>\$23,144,043</b>	<b>\$9,267,500</b>	<b>40.0%</b>
<b>Grand Total</b>		<b>\$24,300,000</b>	<b>\$23,144,043</b>	<b>\$9,267,500</b>	<b>40.0%</b>

<sup>2</sup> 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

## Community Revitalization

### Reason Identified

As of March 31, 2025, the project had actual expenditures of \$8,639,587. The actual expenditures are 43.2% of planned expenditures through March 31, 2025, 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 have been delays in closing several projects awarded *Community Revitalization* funds. The following projects are scheduled to close in the current quarter and are listed with the percentage of planned expenditures that will be achieved by those closings:

- *321 Knight Street*: Scheduled to close in May, with \$1.5 million to \$2 million to be disbursed at closing (approximately 50%)
- *Broad Street Homes*: Scheduled to close in late April, with \$1.5 million to \$2 million to be disbursed at closing (approximately 60%)
- *Walker Lofts*: Scheduled to close in late June, with \$2 million to be disbursed at closing (approximately 70%)

## Municipal Fellows

### Reason Identified

As of March 31, 2025, the project had actual expenditures of \$59,127. The actual expenditures are 8.3% of planned expenditures through March 31, 2025, 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

Housing fellows are working in eight municipalities – Newport, Westerly, Cranston, Foster, Lincoln, Cumberland, Johnston, and Coventry. A total of \$1,146,000 has been awarded to the municipalities and is under agreements with the Department of Housing (Department). Another \$153,000 is under agreement with Systems Change Solutions, the program manager that recruited the fellows and is managing the fellows' learning program to supplement and assist them with their duties and development.

Each fellow had a start date from December 2024 to March 2025. As some fellows were recently onboarded, some municipalities are now beginning to submit reimbursement invoices. The Department expects that spending will get on track as municipalities begin a monthly cadence for requesting reimbursements. If all fellows are retained, the Department anticipates that all funds will be expended by October 2026.

## Statewide Housing Plan

### Reason Identified

As of March 31, 2025, the project had actual expenditures of \$568,786. The actual expenditures are 39.6% of planned expenditures through March 31, 2025, 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: \$529,316:* Abt Associates provided the draft statewide housing plan to the Department. The Department is conducting a final review of the plan with the Governor's Office and is preparing to publicly publish it by the end of April 2025. All but approximately \$500 of the funding budgeted for this deliverable has been spent.
- *School Fiscal Impact Analysis: \$125,011:* 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 finalized a contract with AECOM. The project is underway, and the municipal fiscal impact analysis tool is being built. Based on current timelines, the Department anticipates that all funds will be spent by the end of 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. 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: \$130,000:* The Department posted an RFP to hire a consultant to complete this work. The RFP closed on October 14, 2024, and the Department 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 fourth quarter of FY 2025. The selected proposal came in under budget, so the Department has created a new subproject to use remaining funds, with review and approval from PRO.
- *Training and Capacity Building: \$200,000:* The Department received program approval from PRO for this initiative and posted an RFP to hire a consultant to complete this work. The 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 fourth 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 General Assembly 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 \$129,983 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.
  - With \$20,000, the Department engaged Adler, Pollock and Sheehan PC – a legal firm with expertise in governance legislative drafting and with an existing Retain Legal Counsel agreement with the Department – to draft the statutory changes to effectuate the proposals. Based on current timelines, the Department anticipates that all funds will be spent by the end of FY 2025.
- *Housing Stability: \$237,000:* The Department received approval from PRO to launch the housing stability subproject that involves hiring a consultant team to identify and map resources within state government that address homelessness and housing stability. The contract for this work was awarded to Alvarez and Marsal Public Sector Services (Alvarez and Marsal) using a master price agreement. The Department expects to receive a final report by the end of FY 2025.

## **Transit-Oriented Development Municipal Technical Assistance**

### *Reason Identified*

The project had not incurred spending as of March 31, 2025, and it had planned expenditures of \$1,000,000 through March 31, 2025. The actual expenditures are 0% of planned expenditures through March 31, 2025, 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 Department of Housing (Department) executed a subaward for the project with the Rhode Island Housing and Mortgage Finance Corporation (RIHousing) that is memorialized through a memorandum of understanding. Through this arrangement, the project is being consolidated with RIHousing’s other municipal technical assistance programs to allow for a cohesive and user-friendly system. Municipalities are enabled to select from a pre-approved consultant list for transit-oriented development-related services.

RIHousing is evaluating applications in response to a request for proposals that solicited entities interested in being on the consultant list. RIHousing will issue a notice for municipalities to apply for the

grant opportunity in May or June 2025. Based on current timelines, the Department anticipates that all funds will be under a subaward by the first quarter of FY 2026 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.<sup>3</sup>

Project	Original PRO Approval Date / Most Recent PRO Approval Date <sup>4</sup>	Total Appropriation	Planned Expenditures as of 3/31/25	Actual Expenditures as of 3/31/25	% of Planned Expenditures Spent
<b><i>Department of Administration</i></b>					
Municipal Public Safety Infrastructure Grant Program	12/27/2023 N/A	\$11,000,000 <sup>b</sup>	\$11,000,000	\$5,282,780	48.0%
<b>Sub-Total</b>		<b>\$11,000,000</b>	<b>\$11,000,000</b>	<b>\$5,282,780</b>	<b>48.0%</b>
<b><i>Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals</i></b>					
Crisis Intervention Trainings	3/21/2023 N/A	\$2,200,000 <sup>a</sup>	\$1,381,620	\$863,065	62.5%
<b>Sub-Total</b>		<b>\$2,200,000</b>	<b>\$1,381,620</b>	<b>\$863,065</b>	<b>62.5%</b>
<b><i>Department of Children, Youth and Families</i></b>					
Psychiatric Residential Treatment Facility	1/30/2023 12/30/2024	\$11,000,000 <sup>a</sup>	\$1,673,277	\$1,673,277	100%
<b>Sub-Total</b>		<b>\$11,000,000</b>	<b>\$1,673,277</b>	<b>\$1,673,277</b>	<b>100%</b>

<sup>3</sup> 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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<b><i>Department of Elementary and Secondary Education</i></b>					
Out of School Time Education Providers	3/18/2024 12/2/2024	\$4,000,000 <sup>c</sup>	\$689,607	\$427,725	62.0%
<b>Sub-Total</b>		<b>\$4,000,000</b>	<b>\$689,607</b>	<b>\$427,725</b>	<b>62.0%</b>
<b><i>Department of Housing</i></b>					
Home Repair Program	7/14/2023 12/4/2024	\$4,500,000 <sup>c</sup>	\$4,044,241	\$0	0%
Housing Related Infrastructure	12/18/2023 8/5/2024	\$3,000,000 <sup>b, c</sup>	\$556,667	\$0	0%
Public Housing Pilot Program	3/2/2023 10/1/2024	\$10,000,000 <sup>a</sup>	\$10,000,000	\$3,044,474	30.4%
<b>Sub-Total</b>		<b>\$17,500,000</b>	<b>\$14,600,908</b>	<b>\$3,044,474</b>	<b>20.9%</b>
<b><i>Department of Human Services</i></b>					
Child Care Enhanced TEACH Program	2/6/2023 N/A	\$2,000,000 <sup>a</sup>	\$1,147,576	\$662,048	57.7%
<b>Sub-Total</b>		<b>\$2,000,000</b>	<b>\$1,147,576</b>	<b>\$662,058</b>	<b>57.7%</b>

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<b><i>Executive Office of Commerce</i></b>					
Bioscience Investments	12/21/2023 12/20/2024	\$45,000,000 <sup>b</sup>	\$7,068,258	\$2,683,543	38.0%
Hospitality, Tourism, and Events Placemaking Phase II	10/3/2024 12/13/2024	\$2,053,419 <sup>c</sup>	\$319,276	\$71,151	22.3%
<b>Sub-Total</b>		<b>\$47,053,419</b>	<b>\$7,387,534</b>	<b>\$2,754,694</b>	<b>37.3%</b>
<b><i>Office of the Postsecondary Commissioner</i></b>					
Rhode Island Reconnect	11/21/2023 N/A	\$8,000,000 <sup>b</sup>	\$2,843,986	\$2,711,456	95.3%
<b>Sub-Total</b>		<b>\$8,000,000</b>	<b>\$2,843,986</b>	<b>\$2,711,456</b>	<b>95.3%</b>
<b>Grand Total</b>		<b>\$102,753,419</b>	<b>\$40,724,508</b>	<b>\$17,419,519</b>	<b>42.8%</b>