



PANDEMIC RECOVERY OFFICE

State Fiscal Recovery Fund

Quarterly Progress and Performance Report

Fiscal Year 2026 Quarter 3

Issued: April 30, 2026

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Purpose

The following report complies with Article 1 Section 18 of the State Fiscal Year (FY) 2026 enacted budget that requires the Pandemic Recovery Office (PRO) to submit a biannual report on the status of projects financed by the American Rescue Plan Act's (ARPA) 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 third quarter of FY 2026 against the planned expenditures through the same period.

SFRF projects that were flagged in the spend projection process and had actual expenditures less than 75% of planned expenditures were reviewed for a determination of at-risk status.² 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.

PRO determined any project that met at least one of the above criteria warranted monitoring. These projects are 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. SFRF projects for which the cumulative planned expenditures through the third quarter of FY 2026 are less than 10% of the projects' total appropriation are not included in this report.

In addition, SFRF projects under the U.S. Treasury revenue replacement expenditure category that met only one of the above 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 2026, PRO approved 98 SFRF projects, totaling the State's full \$1.13 billion SFRF allocation. The State's SFRF allocation has been appropriated by the General Assembly and

¹ [FY 2026 Appropriations Act](#)

² Please note that in prior reports PRO used the threshold of 50% of planned expenditures to identify projects to review for a determination of at-risk status. As the SFRF program is approximately one year from closeout, PRO increased the percentage for this and subsequent reports.

fully obligated by PRO. The approved SFRF projects have planned expenditures of \$1.12 billion through the third quarter of FY 2026. Total actual expenditures for the 98 approved projects were \$1.03 billion, which is 91.7% of planned expenditures for those projects. The SFRF at-risk projects included in this report comprise 0.7% of the \$1.13 billion SFRF allocation.

At-Risk Project Table

Project	Original PRO Approval Date / Most Recent PRO Approval Date ³	Total Appropriation	Planned Expenditures as of 3/31/26	Actual Expenditures as of 3/31/26	% of Planned Expenditures Spent
<i>Department of Transportation</i>					
Municipal Roads Grant Program Phase II	11/19/2024 N/A	\$7,000,000 ^a	\$7,000,000	\$3,549,663	50.7%
Sub-Total		\$7,000,000	\$7,000,000	\$3,549,663	50.7%
<i>Executive Office of Housing</i>					
Municipal Fellows	10/5/2023 7/8/2024	\$1,300,000 ^a	\$1,274,882	\$721,324	56.6%
Sub-Total		\$1,300,000	\$1,274,882	\$721,324	56.6%
Grand Total		\$8,300,000	\$8,274,882	\$4,270,987	51.6%

³ 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 2024 enacted budget on June 16, 2023.

At-Risk Project Narratives

Municipal Roads Grant Program Phase II

Reason Identified

As of March 31, 2026, the project had actual expenditures of \$3,549,663. The actual expenditures are 50.7% of planned expenditures through March 31, 2026, which is below PRO's threshold of 75% of planned expenditures. Additionally, the current spending forecast shows full expenditure 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 Transportation provided the following response:

There are a few factors that have resulted in the underspending to date. First, project expenditures for the Municipal Roads program are based on municipalities' reimbursement requests. The reimbursement process requires submission of a voucher, an invoice, a cancelled check, or similar evidence of payment. Many municipalities have limited administrative capacity which has resulted in delays to this reimbursement process.

Second, this project has a seasonal nature that restricts work to certain times of the year. When no work is being performed, there are no expenditures to be reimbursed, resulting in underspend.

The expectation is that reimbursement requests will increase as we move into the spring and summer months. Additionally, the Department of Transportation will notify all municipalities that after a certain cut-off date in late summer, funding that is not obligated under a municipal purchase order or already spent is subject to recapture and redistribution to other municipalities.

Municipal Fellows

Reason Identified

As of March 31, 2026, the project had actual expenditures of \$721,324. The actual expenditures are 56.6% of planned expenditures through March 31, 2026, which is below PRO's threshold of 75% of planned expenditures. Additionally, the current spending forecast shows full expenditure 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 Executive Office of Housing provided the following response:

Grants were awarded to eight municipalities – Cranston, Coventry, Cumberland, Foster, Lincoln, Johnston, Newport, and Westerly. A total of \$1,146,000 has been awarded to the municipalities through contracts with the Executive Office of Housing (EOH). EOH has also contracted with Systems Change Strategies, the program manager that recruited the fellows and managed their learning program to supplement and assist them with their duties and development.

Spending for the program manager is on track, with no anticipated underspend. Each fellow had a start date from December 2024 to March 2025, with late starts accounting for some underspend. Further underspend is anticipated due to reductions in staffing. Cranston's fellow enrolled in a graduate program and has reduced their hours. Newport's fellow resigned in December 2025, and the city hired another

fellow who began in February 2026. Fellows in Lincoln and Cumberland resigned and will not be replaced, creating additional anticipated underspend as reported to PRO on April 7, 2026. If all six remaining fellows are retained, EOH projects underspend of approximately \$200,000.⁴ EOH anticipates that all other funds will be expended by October 2026.

Monitored Projects Table

SFRF projects that are included in the Monitored Projects Table are projects that (i) have either spent less than 75% of their planned expenditures or are not forecasted to be fully spent by December 31, 2026 or (ii) have spent less than 75% of their planned expenditures and are not forecasted to be fully spent by December 31, 2026 but can have underspend transferred to a non-state entity by December 31, 2026. PRO scrutinizes these projects 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.⁵

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁶	Total Appropriation	Planned Expenditures as of 3/31/26	Actual Expenditures as of 3/31/26	% of Planned Expenditures Spent
<i>Department of Human Services</i>					
Child Care Enhanced TEACH Program	2/6/2023 N/A	\$2,000,000 ^a	\$2,000,000	\$1,408,650	70.4%
Sub-Total		\$2,000,000	\$2,000,000	\$1,408,650	70.4%

⁴ The Executive Office of Housing has notified the Pandemic Recovery Office (PRO) of this projected underspend amount. Once PRO receives formal notification of the underspend amount in the *Municipal Fellows* project, PRO will reclassify the underspend amount in accordance with U.S. Treasury rules and regulations.

⁵ The *State Fiscal Recovery Fund Quarterly Progress and Performance Report* is issued on April 30, and October 31 of a calendar year.

⁶ 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.

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁶	Total Appropriation	Planned Expenditures as of 3/31/26	Actual Expenditures as of 3/31/26	% of Planned Expenditures Spent
<i>Department of Transportation</i>					
Municipal Roads Grant Program	8/21/2023 9/20/2023	\$20,000,000 ^b	\$20,000,000	\$16,998,941	85.0%
Sub-Total		\$20,000,000	\$20,000,000	\$16,998,941	85.0%
<i>Executive Office of Housing</i>					
Home Repair Program	7/13/2023 12/4/2024	\$4,500,000 ^b	\$4,500,000	\$1,841,166	40.9%
Housing Related Infrastructure	1/19/2024 8/5/2024	\$3,000,000 ^b	\$2,610,383	\$276,930	10.6%
Middle Income Housing	11/2/2022 10/3/2024	\$20,000,000 ^a	\$20,000,000	\$13,577,271	67.9%
Priority Projects Fund	12/1/2023 12/18/2024	\$22,000,000 ^b	\$21,881,563	\$16,082,350	73.5%
Proactive Housing Development	9/26/2024 N/A	\$1,400,000 ^c	\$1,400,000	\$700,000	50.0%
Public Housing Pilot Program	3/2/2023 12/18/2024	\$10,000,000 ^a	\$10,000,000	\$4,500,879	45.0%
Transit-Oriented Zoning Municipal Technical Assistance	10/5/2023 1/22/2025	\$618,722 ^b	\$618,722	\$107,090	17.3%
Sub-Total		\$61,518,722	\$61,010,668	\$37,085,686	60.8%

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁶	Total Appropriation	Planned Expenditures as of 3/31/26	Actual Expenditures as of 3/31/26	% of Planned Expenditures Spent
<i>Office of the Postsecondary Commissioner</i>					
Rhode Island Reconnect	11/21/2023 9/18/2025	\$8,000,000 ^b	\$6,372,336	\$5,401,971	84.8%
Sub-Total		\$8,000,000	\$6,372,336	\$5,401,971	84.8%
Grand Total		\$91,518,722	\$89,383,004	\$60,895,248	68.1%

It should be noted that \$381,278 of the Executive Office of Housing’s *Transit Oriented Zoning Municipal Technical Assistance* total appropriation was reclassified to the *ERP Implementation Support* project on December 13, 2025.