PANDEMIC RECOVERY OFFICE

State Fiscal Recovery Fund

Quarterly Progress and Performance Report

Fiscal Year 2027 Quarter 1

Issued: October 31, 2026

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Purpose

The following report complies with Article 1 Section 19 of the State Fiscal Year (FY) 2027 enacted budget that requires the Pandemic Recovery Office (PRO) to submit a report on October 31, 2026, 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 19, 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.

Methodology

As this is the final Quarterly Progress and Performance Report, PRO is amending the format to ensure the information is as clear, concise, and actionable as possible. U.S. Treasury's SFRF spending deadline is December 31, 2026, and the State is taking all measures to exhaust the $1.13 billion allocation to the greatest extent possible.

The report is comprised of three sections:

1. **High Risk Projects:** This section lists projects that are at risk of having underspend by December 31, 2026, with limited options available to the State to exhaust spending. If these projects underspend, it is likely that the State would have to return this funding to U.S. Treasury. For these projects, PRO contacted the relevant State agency to gain an understanding of how it will maximize spending by the deadline for SFRF expenditure of December 31, 2026.
2. **Medium Risk Projects:** This section lists projects that, as of September 30, 2026, are at risk of having underspend and for which PRO would submit a reclassification memo in accordance with Section 6 of Article 13 of 2025 H-5076 Substitute A. As of September 30, 2026, these projects have underspend *greater than* $1 million or *greater than* 20 percent of their total appropriation, meaning that the General Assembly would have 30 days from the receipt of the reclassification memo to take formal action to override the reclassification. Given the deadline and the work necessary to reclassify the funds once the deadline passes, there is some risk of not meeting the December 31, 2026, spend deadline.
3. **Low Risk Projects:** This section lists projects that, as of September 30, 2026, are at risk of having underspend and for which PRO would submit a reclassification memo in accordance with Section 6 of Article 13 of 2025 H-5076 Substitute A that would take effect immediately. As of September 30, 2026, these projects have underspend *less than* $1 million or *less than* 20 percent of their total appropriation, meaning the reclassification would take effect upon the General Assembly's receipt of the reclassification memo. Unlike the reclassifications that require 30 days' notice, it is easier for PRO to reclassify funds from these projects, meaning that funds for these projects can be spent by the December 31, 2026, spend deadline.

Background

Through the first quarter of FY 2027, 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 fully obligated by PRO. The approved SFRF projects have planned expenditures of $1.13 billion through the first quarter of FY 2027. Total actual expenditures for the 98 approved projects were $1.08 billion, which is 95.7% of planned expenditures for those projects. The SFRF at-risk projects included in this report comprise 4.4% of the $1.13 billion SFRF allocation.

1. High Risk Projects

Project	Total Appropriation	Underspend as of 9/30/26	Projected Underspend as of 12/31/26
Executive Office of Housing			
Homelessness Assistance Phase III	$19,627,635	$379,596	-
Homelessness Infrastructure Phase II	$30,144,524	$1,054,890	$297,651
Total	**$49,772,159**	**$1,434,486**	**$297,651**

Proposed Agency Remedy

The Executive Office of Housing (EOH) anticipates fully utilizing the remaining balances associated with both projects through the reconciliation of outstanding contractual obligations and the reassignment of eligible expenditures incurred during the contract performance period ending September 30, 2026.

1. Outstanding Contractual Expenditures

EOH has identified $785,171 in outstanding expenditures associated with previously executed contracts and agreements funded through *Homelessness Assistance Phase III* and *Homelessness Infrastructure Phase II*. These expenditures are associated with the following projects:

Project	Homelessness Assistance Phase III	Homelessness Infrastructure Phase II
OpenDoors – 181 Cumberland St. Shelter	$271,147	$91,330
Crossroads – Hartford Avenue	-	$72,694
EOHHS – Medical Respite	-	$350,000
Total	**$271,147**	**$514,024**

EOH anticipates that these committed funds will be fully expended upon receipt, review, and payment of final invoices from the respective providers and partner agencies.

Additionally, EOH allocated approximately $2.2 million in *Homelessness Assistance Phase III* funding to support its winter response initiatives during the 2025-2026 program year. Following reconciliation of the final winter response invoices, approximately $52,000 of that allocation remained unexpended. These funds are already included in the *Homelessness Assistance Phase III* balance reported by PRO and are therefore accounted for in the reconciliation below.

2. Reconciliation of Remaining Balances

After accounting for outstanding contractual expenditures, EOH estimates the remaining balances as follows:

Funding Source	PRO Reported Underspend	EOH Outstanding Expenditures	Estimated Remaining Balance
Homelessness Assistance Phase III	$379,596	$271,147	$108,449
Homelessness Infrastructure Phase II	$1,054,890	$514,024	$540,866
Total	**$1,434,486**	**$785,171**	**$649,315**

EOH anticipates that the estimated remaining balance will require final reconciliation and reassignment to eligible expenditures. These estimates remain subject to confirmation of final invoices, expenditure postings, and reconciliation with PRO's financial records.

3. Plan to Fully Expend Remaining Funds

EOH intends to fully utilize the remaining SFRF allocations by identifying eligible expenditures associated with projects funded through the Program Year 2026 (PY26) Consolidated Homeless Fund (CHF) solicitation that have historically received both *Homelessness Assistance* and *Homelessness Infrastructure* funding. A potential project for this approach is OpenDoors – 1139 Main St. shelter in Pawtucket.

EOH has supported the 1139 Main St. project since 2023. The project's initial infrastructure and facility setup expenses were funded through SFRF *Homelessness Infrastructure*, while its ongoing shelter operations were supported through SFRF *Homelessness Assistance*.

The project continued receiving EOH funding through the PY26 CHF solicitation. However, SFRF was not included as an available funding source in that solicitation. Consequently, the project's PY26 award was supported through other EOH funding sources rather than SFRF.

The 1139 Main St. project incurred approximately $1.4 million in expenditures during the October 1, 2025, through September 30, 2026, performance period, providing a substantial pool of expenditures for consideration in the proposed funding reconciliation.

Furthermore, because this project previously received SFRF support, EOH has already reported many of the applicable key performance indicators (KPIs) to PRO, providing continuity in programmatic reporting and accountability.

Once all outstanding invoices have been processed and final SFRF balances are confirmed, EOH proposes to coordinate with its fiscal staff and PRO to identify eligible, properly documented expenditures from the 1139 Main St. project, or another similarly situated PY26 CHF-funded project, for reassignment to the appropriate SFRF funding source. EOH would then process the necessary accounting journal entries to replace restricted receipts expenditures with *Homelessness Assistance Phase III* and *Homelessness Infrastructure Phase II* funding, as appropriate.

All proposed expenditure adjustments would be limited to eligible costs incurred within the applicable performance period and would be subject to verification of funding eligibility, expenditure documentation, appropriate cost allocation, and any required PRO approval.

This approach allows EOH to fully utilize the remaining SFRF allocations for their intended homelessness response purposes without increasing the total funding awarded to the selected project or duplicating reimbursement of expenditures.

EOH remains committed to maximizing the utilization of its SFRF allocations and ensuring that these resources support eligible homelessness response activities in Rhode Island. EOH believes the proposed reconciliation strategy provides a reasonable and administratively efficient approach to fully expending the remaining balances while maintaining continuity with previously funded projects and reported performance outcomes.

2. Medium Risk Projects

Project	Total Appropriation	Underspend as of 9/30/26	Projected Underspend as of 12/31/26
Department of Transportation			
Municipal Roads Grant Program Phase II	$7,000,000	$1,791,840	$1,094,235
Executive Office of Housing			
TOD Zoning Municipal Technical Assistance	$618,722	$322,023	$242,050
Office of the Postsecondary Commissioner			
Rhode Island Reconnect	$7,650,000	$1,047,621	$45,937
Total	**$15,268,722**	**$3,161,484**	**$1,382,222**

3. Low Risk Projects

Project	Total Appropriation	Underspend as of 9/30/26	Projected Underspend as of 12/31/26
Department of Administration			
Out-of-School Time Education Providers	$4,000,000	$673,264	$360,190
Department of Transportation			
Municipal Roads Grant Program	$20,000,000	$581,595	-
Executive Office of Housing			
Municipal Fellows	$1,200,000	$236,274	$91,646
OHCD Support and Capacity	$1,486,143	$3,926	$543
Statewide Housing Plan	$2,000,000	$186,775	$58,666
Office of the Postsecondary Commissioner			
Fresh Start Scholarship	$5,000,000	$161,870	-
Total	**$33,686,143**	**$1,843,704**	**$511,045**