STATE OF RHODE ISLAND
DEPARTMENT OF
ADMINISTRATION

OFFICE OF MANAGEMENT & BUDGET

Pandemic Recovery Office

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MEMORANDUM

To: The Honorable Daniel J. McKee, Governor

From: Paul L. Dion, Ph.D., Director

Date: October 10, 2025

Subject: **Reclassification of Unexpended State Fiscal Recovery Funds**

This memorandum summarizes the recommended reclassification of unexpended State Fiscal Recovery Funds (SFRF) and SFRF program income. The authority for reclassification of unexpended balances and program income is contained in Section 6 of Article 13 H-5076 Substitute A:

> In the event that any state fiscal recovery fund program underspends its appropriation or receives program income as defined by U.S. Treasury and would put the state at risk of forfeiture of federal funds, the governor may propose to reclassify unspent funds or program income from the at-risk program to other eligible uses as determined by U.S. Treasury. This proposal shall be referred to the General Assembly. For a state fiscal recovery fund program, if the amount of the underspend or receipt of program income is less than or equal to one million dollars ($1,000,000) and less than or equal to twenty percent (20%) of its total appropriation, the governor's proposed reclassification shall take effect immediately. For a state fiscal recovery fund program, if the amount of the underspend or receipt of program income is greater than one million dollars ($1,000,000) or greater than twenty percent (20%) of its total appropriation, the governor's proposed reclassification shall go into effect thirty (30) days after its referral to the General Assembly by the governor unless rejected by formal action of the house and senate acting concurrently within that time

DOA – ERP Implementation Support

The recommendation is the reclassification of SFRF underspend and SFRF program income to a new eligible use titled *DOA – ERP Implementation Support*. The contract for the new Enterprise Resource Planning (ERP) system was entered into by the Department of Administration (DOA) with Accenture LLP on November 23, 2022, thereby creating an obligation prior to the SFRF obligation deadline of December 31, 2024. The cost of developing and implementing the new ERP system is an eligible use of SFRF funds under the U.S. Treasury Expenditure Category of Revenue Replacement.

The following approved SFRF projects have completed and have spent less than their appropriated amounts yielding underspend that can be reclassified to the *DOA – ERP Implementation Support* project:

SFRF Project Name	Appropriation	Expenditures	Underspend
EOC – Statewide Broadband Planning and Mapping	$500,000.00	$499,999.99	$0.01
DHS – Child Care Worker Retention Bonuses	$37,398,404.27	$37,396,893.48	$1,510.79
EOC – Destination Marketing	$3,000,000.00	$2,999,999.74	$0.26
EOC – Hospitality, Tourism, and Events (HTE) Direct Grants	$8,000,000.00	$7,999,999.31	$0.69
EOC – HTE Marketing	$2,000,000.00	$1,999,999.43	$0.57
EOHHS – Pediatric Provider Relief and Recovery Phase II	$7,500,000.00	$7,499,870.70	$129.30
OPC – DCYF Foster Care Youth Scholarship (RIC)	$1,021,859.00	$1,021,858.56	$0.44
DOT – Turnpike and Bridge Authority – Safety Barriers Study	$1,750,000.00	$1,569,414.35	$180,585.65
Total	**$61,170,263.27**	**$60,988,035.66**	**$182,227.71**

In addition to the SFRF project underspend noted above, the Department of Housing's purchase of the former Charlesgate Nursing Home and its conversion to shelter for the unhoused under the *Housing – Homelessness Infrastructure II* SFRF project has created program income. This program income is generated from lease payments the Executive Office of Housing receives from former and current tenants of the facility. Pursuant to U.S, Treasury guidance, any program income generated from SFRF programs not obligated by December 31, 2024, must be allocated to another eligible SFRF use category to avoid forfeiture. Total program income received to date by the Department of Housing for the period October 1, 2024, through September 30, 2025, is $372,184. This gross amount of program income is offset by $64,402.79 of maintenance costs at Charlesgate for the period of October 1, 2024, through December 31, 2024, and a reserve amount of $170,000 to address pending expenditure obligations incurred prior to December 31, 2024. This leaves net program income available for reclassification to *DOA – ERP Implementation Support* of $137,781.21.

Thus, in total, $320,008.92 of SFRF project underspend and SFRF program income will be reclassified to *DOA – ERP Implementation Support* upon receipt of this memorandum by the General Assembly.

Please accept this memorandum as a recommendation for your referral to the General Assembly for the reclassification of SFRF project underspend and SFRF program income.

Approved for Reclassification: 

Daniel J. McKee, Governor
Dated: October 10, 2025

cc: Dorothy Pascale, State Controller
Joseph Codega, Jr., Executive Director/State Budget Officer
Hon. Marvin L. Abney, Chairman, House Finance Committee
Hon. Louis P. DiPalma, Chairman, Senate Finance Committee
Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor