STATE OF RHODE ISLAND
DEPARTMENT OF ADMINISTRATION

OFFICE OF MANAGEMENT & BUDGET

Pandemic Recovery Office

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 222-2280

MEMORANDUM

To: The Honorable Daniel J. McKee, Governor

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

Date: October 7, 2026

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

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

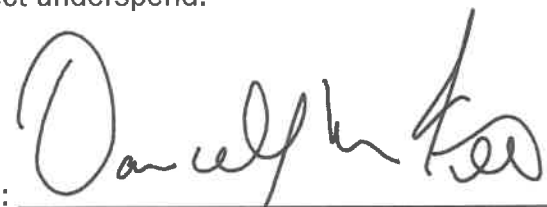
> In the event that any state fiscal recovery fund program underspends its appropriation or receives program income as defined by U.S. Treasury and would put the state at risk of forfeiture of federal funds, the governor may propose to reclassify unspent funds or program income from the at-risk program 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 to the *DOA – ERP Implementation Support* project. 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 Rhode Island Executive Office of Housing (EOH) has notified the Pandemic Recovery Office that EOH will underspend its appropriation for the SFRF project *Proactive Housing Development*. As of October 1, 2026, EOH had spent $1,049,790 of the $1,399,580 appropriation, net of audit fees, on the project with an additional $91,870 to be spent on the project by EOH as a reimbursement to EOH's subrecipient, Rhode Island Housing in the month of October. This will leave $257,920 in underspend from the project. The amount of underspend is less than $1,000,000 and is 18.4% of the project's total appropriation. As a result, this underspend will be reclassified to the *DOA – ERP Implementation Support* SFRF project 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.

Approved for Reclassification: 

Daniel J. McKee, Governor
Dated: October 7, 2026

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