



PANDEMIC RECOVERY OFFICE

Capital Projects Fund

Quarterly Progress and Performance Report

FY 2024 Q1

Issued: October 2023

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 Capital Projects Fund (CPF). 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.

Background

The State is deploying its \$112.3 million American Rescue Plan Act (ARPA) Coronavirus Capital Projects Fund (CPF) allocation to invest \$81.7 million for the construction or renovation of multipurpose community facilities that directly and jointly enable work, education, and health monitoring, and \$25 million in high-quality broadband infrastructure. The remaining \$5.6 million is set aside as administrative funds and will be used to support the management of CPF and its approved programs.

The CPF grant funds will enable the State to make investments in those areas that were impacted or made worse by the COVID-19 pandemic. U.S. Treasury has approved the following two CPF projects:

1. *Community Learning Centers Municipal Grant:* This formula grant program is available to the state's 39 municipalities to construct or renovate multipurpose community facilities accessible to all residents. Grants will be awarded based on the municipalities' population and per capita income, with the goal of equitably distributing funding for necessary projects throughout the state while also prioritizing projects in low-income areas. This funding may only be used for capital costs; however, facilities funded under this program must commit to providing targeted programming to improve education and student performance, provide workforce training for better and higher-paying jobs, and help residents better monitor their physical and mental health for a minimum of five years.
2. *Broadband Infrastructure:* This grant program provides the State match for the minimum \$108 million of federal funds allocated in the Infrastructure Investment and Jobs Act (IIJA) under the Broadband Equity, Access, and Deployment (BEAD) program, for last mile connection between the state's middle-mile fiber optic network and businesses and households. These last mile connections will provide high-speed, reliable internet to all Rhode Islanders but with particular emphasis on underserved areas in the state.

Funding for both programs must be expended and all related services operational by December 31, 2026.

Conclusion

As of September 30, 2023, PRO does not have concerns about the CPF projects being at risk for significant underspending or noncompliance with federal or state requirements.