



PANDEMIC RECOVERY OFFICE

State Fiscal Recovery 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 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.

Methodology

Every SFRF project approved by PRO has a planned expenditure schedule created by the State agency implementing it. To assist in identifying projects potentially at risk of significant underspending, PRO measured each SFRF project's actual expenditures through the first quarter of FY 2024 against its planned expenditure through the same period. PRO identified projects with actual expenditures that were less than 25% of planned expenditures through the first quarter of FY 2024 and contacted the relevant State agency to explain why spending is significantly behind expectations and how spending will accelerate so that all funds are obligated by U.S. Treasury's deadline of December 31, 2024, and spent by U.S. Treasury's deadline of December 31, 2026.

PRO considered those explanations when determining which projects to include in this report. PRO broke projects into two categories, Level I Monitored Projects and Level II Monitored Projects. A Level I Monitored Project is an SFRF funded project that is "at risk of significant underspending." For each Level I Monitored Project included, PRO stated why it was identified as being at risk of significant underspending and/or noncompliance with federal or state requirements and includes the remedy proposed by the State agency to address this finding. A Level II Monitored Project is a project that PRO is monitoring for potential significant underspending in the future. PRO will provide an update on all monitored projects in the next quarterly report.

Background

Through the first quarter of FY 2024, PRO approved 71 SFRF projects, totaling \$916 million of the State's \$1.13 billion SFRF allocation. Of the \$916 million in approved appropriations, \$708 million was obligated, with planned expenditures of \$521 million through the first quarter of FY 2024. Total expenditures for these 71 projects were \$410 million, which is 78.7% of planned expenditures. The SFRF projects included in this report comprise 20.7% of the total number of SFRF projects, both approved and unapproved, and 17.6% of the \$1.13 billion SFRF appropriation.

Table of Level I Monitored Projects

Project	Original PRO Approval Date / Most Recent PRO Approval Date ¹	Total Appropriation	Total Obligations	Planned Expenditures as of 9/30/23	Actual Expenditures as of 9/30/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Department of Administration</i>							
Auto-Enrollment Program	12/9/22 N/A	\$2,614,068 ^{b, c}	\$574,495	\$565,436	\$485,599	85.9%	\$79,837
Ongoing COVID-19 Response	N/A	\$41,787,709 ^{b, c}	-	-	-	-	-
Sub-Total		\$44,401,777	\$574,495	\$565,436	\$485,599	N/A	\$79,837
<i>Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals</i>							
9-8-8 Mental Health Hotline	8/29/22 5/9/23	\$3,475,000 ^{b, c}	\$1,519,390	\$1,534,091	\$115,407	7.5%	\$1,418,684
Sub-Total		\$3,475,000	\$1,519,390	\$1,534,091	\$115,407	7.5%	\$1,418,684

¹ 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 Rhode Island Rebounds legislation on January 4, 2022.

b Appropriation was made in FY 2023 enacted budget on June 27, 2022.

c Appropriation was made in FY 2024 enacted budget on June 16, 2023.

Project	Original PRO Approval Date / Most Recent PRO Approval Date ¹	Total Appropriation	Total Obligations	Planned Expenditures as of 9/30/23	Actual Expenditures as of 9/30/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Department of Children, Youth, and Families</i>							
Fire Safety Upgrades in Foster Homes	N/A	\$875,000 ^b	-	-	-	-	-
Sub-Total		\$875,000	-	-	-	-	-
<i>Department of Elementary and Secondary Education</i>							
Adult Education Providers	4/3/23 N/A	\$5,000,000 ^b	\$28,359	\$732,845	\$28,359	3.9%	\$704,486
Sub-Total		\$5,000,000	\$28,359	\$732,845	\$28,359	3.9%	\$704,486

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<i>Department of Health</i>							
COVID-19 Operational Support: Epidemiology	8/31/23 N/A	\$10,948,478 ^c	\$4,056,031	\$2,640,518	\$531,413	20.1%	\$2,109,105
COVID-19 Operational Support: Testing	8/23/23 N/A	\$8,916,800 ^c	\$298,031	\$615,002	\$28,875	4.7%	\$586,127
Sub-Total		\$19,865,278	\$4,354,062	\$3,255,520	\$560,288	17.2%	\$2,695,232
<i>Department of Housing</i>							
Statewide Housing Plan	9/26/22 N/A	\$2,000,000 ^b	\$344,000	\$25,008	-	0%	\$25,008
Sub-Total		\$2,000,000	\$344,000	\$25,008	-	0%	\$25,008

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<i>Department of Human Services</i>							
Child Care Workforce Registry	10/31/22 N/A	\$1,000,000 ^b	\$1,000,000	\$543,613	-	0%	\$543,613
Sub-Total		\$1,000,000	\$1,000,000	\$543,613	-	0%	\$543,613
<i>Department of Public Safety</i>							
Support for Survivors of Domestic Violence	10/14/22 N/A	\$10,500,000 ^b	-	\$6,924,977	-	0%	\$6,924,977
Sub-Total		\$10,500,000	-	\$6,924,977	-	0%	\$6,924,977
<i>Executive Office of Commerce</i>							
Minority Business Accelerator	11/14/22 4/5/23	\$5,200,000 ^b	\$2,315,012	\$2,125,000	\$90,675	4.3%	\$2,034,325

Project	Original PRO Approval Date / Most Recent PRO Approval Date ¹	Total Appropriation	Total Obligations	Planned Expenditures as of 9/30/23	Actual Expenditures as of 9/30/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
Small Business Technical Assistance	5/17/22 11/16/22	\$10,605,401 ^a	\$10,200,000	\$8,322,256	\$476,983	5.7%	\$7,845,273
South Quay Marine Terminal	N/A	\$35,000,000 ^{b, c}	-	-	-	-	-
Sub-Total		\$50,805,401	\$12,515,012	\$10,447,256	\$567,658	N/A	\$9,879,598
<i>Executive Office of Health and Human Services</i>							
Butler Hospital Short Term Stay Unit	1/3/23 8/15/23	\$8,000,000 ^b	\$466,677	\$6,000,000	\$466,677	7.8%	\$5,533,323
Sub-Total		\$8,000,000	\$466,677	\$6,000,000	\$466,677	7.8%	\$5,533,323
Grand Total		\$145,922,456	\$20,801,995	\$30,028,746	\$2,223,988	N/A	\$27,804,758

Level I Monitored Project Narratives

Auto-Enrollment Program

Reason Identified as Level I

The Department of Human Services (DHS) is completing Medicaid eligibility determinations because of the expiration of the continuous Medicaid enrollment condition authorized by the Families First Coronavirus Response Act. Beginning April 1, 2023, states began the process of Medicaid redetermination and terminating enrollment for those who are no longer eligible. The Auto-Enrollment Program aims to mitigate the effects of this unwinding by auto-enrolling eligible individuals into a qualified health plan through HealthSource Rhode Island (HSRI) and effectuating that coverage on their behalf by paying the premium for the first two months.

The General Assembly appropriated \$1.3 million to this project in the FY 2023 enacted budget and an additional \$1.3 million in the FY 2024 enacted budget. The additional funding in FY 2024 was based on the most conservative estimate of program size, cost, and enrollments. This decision was made given the significant uncertainty of the determination process. With a few months of program data available, it is likely that the additional funding will not be necessary. The conservative estimate was based on a “high scenario” estimate that as many as 50% of Medicaid terminations might transfer to HSRI and qualify for state payments. Now with actuals to compare, the qualified enrollments from the Medicaid terminated population are closer to 15% of Medicaid terminations, and therefore the costs of the program are much lower than the conservative estimate.

Proposed Agency Remedy

HSRI will return the FY 2024 appropriation to the SFRF so that these funds can be reappropriated for other eligible uses.

Ongoing COVID-19 Response

Reason Identified as Level I

The project provides the State with the necessary contingency to continue COVID-19 mitigation activities and address the public health impacts of the pandemic. In the FY 2023 enacted budget, \$186.9 million was appropriated to the Ongoing COVID-19 Response project for FY 2023 through FY 2025. The \$73 million appropriated for this purpose in FY 2023 was never used and was repurposed in part to provide the Department of Health (DOH) with \$34.9 million for COVID-19 Operational Support in FY 2024. Additionally, \$41.8 million was appropriated to the Department of Administration (DOA) for the Ongoing COVID-19 Response project in FY 2024 (the remaining \$110.2 million was reappropriated to other eligible uses in the FY 2024 enacted budget). As of September 30, 2023, the State has not needed to use the Ongoing COVID-19 Response funds and does not anticipate needing to use the funds for this purpose in FY 2024.

Proposed Agency Remedy

DOA will recommend returning the FY 2024 appropriation to the SFRF so that these funds can be reappropriated for other eligible uses.

9-8-8 Mental Health Hotline

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$115,407. The actual expenditures are 7.5% of planned expenditures through September 30, 2023, below the PRO percentage of 25% used to identify an SFRF project as at risk for significant underspend.

Proposed Agency Remedy

Invoices have been delayed since April 2023 due to a requested budget amendment to increase the amount of administrative expenses covered by SFRF that was partially denied by PRO. This created a need to find other funding sources to cover the denied administrative expenses. Horizon Health Partners (HHP) finalized delayed invoices, and the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH) received them in early October. The total amount invoiced is \$787,859.

Fire Safety Upgrades in Foster Homes

Reason Identified as Level I

PRO has not approved this project because it is waiting for the necessary information to create a project budget and key performance indicators.

Proposed Agency Remedy

The Department of Children, Youth, and Families (DCYF) submitted a request for proposals (RFP) to the Division of Purchases soliciting individuals and vendors to perform fire safety inspections for this project.

DCYF is waiting the required time to see if there are any responses from qualified individuals and vendors. If no proposals are submitted, DCYF will be unable to move forward with the fire safety prevention contractor who can do the fire inspection project. If qualified individuals and vendors come forward, DCYF can proceed with the hiring of a contracted project manager. The project manager would be responsible for reviewing all invoices, purchasing necessary equipment, ensuring the timeliness of project deadlines, and arranging for a fire inspector from the municipality to complete a final approval of the completed project.

Currently, there are 25 potential homes that can be considered for the project. DCYF is aware that many of these homes are not owned by the foster parent so approval must come from the landlord/homeowner. This has been and remains a potential barrier to the project being successful.

Adult Education Providers

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$28,359. The actual expenditures are 3.9% of planned expenditures through September 30, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

Proposed Agency Remedy

After PRO approved this project in April 2023, it took longer than expected for the Department of Elementary and Secondary Education (RIDE) to hire and onboard the project manager responsible for project implementation. Overall, progress is approximately one quarter behind the original schedule.

With the project manager onboard, procurement for the communications and evaluation vendors is underway, with their work scheduled to be completed by May 2024. Additionally, the largest portion of

the \$5 million budget – three mini-grants to local adult education providers – is being accelerated because of the project manager’s support:

- The regional orientation, assessment, and referral hubs will open to the public in October 2023, and a second round of mini-grant funding to support these in-person services will be awarded this fall, resulting in \$1 million being obligated by the end of November 2023.
- An additional \$1.6 million will be obligated in October 2023 through the mini-grant process for digital literacy infrastructure.
- The final mini-grant award for expansion of core services offered by adult education providers will obligate an additional \$1.6 million by April 2024.

In summary, a total of \$4.2 million will be obligated in grants to adult education grantee organizations by spring 2024. RIDE will use the remaining \$0.8 million to support the project manager full-time equivalent, the communications and evaluation contracts, and ongoing marketing and outreach efforts. All project funds will be spent by June 30, 2026.

COVID-19 Operational Support: Epidemiology

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$531,413. The actual expenditures are 20.1% of planned expenditures through September 30, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

This funding is part of the \$34.9 million in SFRF COVID-19 Operational Support appropriated to DOH in the FY 2024 enacted budget. PRO is waiting for updated budget projections from DOH to determine how much of this funding will go unspent.

Proposed Agency Remedy

DOH is revising the budget timeline that was originally submitted to PRO for approval as that timeline has been deemed “unrealistic” by DOH. The revised budget timeline will be vetted for achievability by PRO and DOH and structured to put the project back on track. Funding that is not expected to be spent by the end of FY 2024 will be returned to the SFRF for reallocation.

COVID-19 Operational Support: Testing

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$28,875. The actual expenditures are 4.7% of planned expenditures through September 30, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

This funding is part of the \$34.9 million in SFRF COVID-19 Operational Support appropriated to DOH in the FY 2024 enacted budget. PRO is waiting for updated budget projections from DOH to determine how much of this funding will go unspent.

Proposed Agency Remedy

DOH is revising the budget timeline that was originally submitted to PRO for approval as that timeline has been deemed “unrealistic” by DOH. The revised budget timeline will be vetted for achievability by PRO and DOH and structured to put the project back on track. Funding that is not expected to be spent by the end of FY 2024 will be returned to the SFRF for reallocation.

Statewide Housing Plan

Reason Identified as Level I

The Department of Housing (Department) has programmed \$1 million of the \$2 million appropriation. The Department must go through PRO's approval process for the remaining \$1 million.

Proposed Agency Remedy

The Department intends to program the remaining \$1 million of the appropriation as follows:

- *Statewide Housing Plan Consultant, \$600,000*: In finalizing the workplan with the selected vendor, Abt Associates, the Department identified additional work that needs to be added to the scope.
- *Governance, \$150,000*: A clear and capable governance structure is critical to the successful implementation of the Comprehensive State Housing Plan. The Department proposes hiring a consultant and attorney to analyze the role, authority, makeup, and capacity of the Department in relation to the Housing Resources Commission, the Continuum of Care, and the Interagency Task Force; facilitate discussion with each of the entities; and recommend a revised governance structure, if merited, with delineated roles, purview, and/or authority. The Department expects to procure the consultant and attorney no later than early third quarter of FY 2024 for a term of six months.
- *Innovative Development Models, \$250,000*: The Department proposes hiring a consultant to advise the Department on ambitious and practical approaches for building sufficient density, such as larger-scale development, where it is feasible, and approaches to building community support for them. The Department expects to procure a consultant no later than early third quarter of FY 2024 for a term of 12 months.

Together, these uses would leave a balance of approximately \$40,000 of the original appropriation, which the Department recommends holding for potential change orders to the contracts other than the one for Abt Associates.

Child Care Workforce Registry

Reason Identified as Level I

As of September 30, 2023, the project did not have any actual expenditures. The planned expenditure schedule had \$543,613 of expenditures through September 30, 2023.

Proposed Agency Remedy

The Child Care Workforce Registry is a part of a larger data system called the Rhode Island Start Early System (RISES) that is being implemented and will include a licensing system of record, consumer portal, and provider portal for early childhood care in Rhode Island. Because of the system's complexities, the procurement of a vendor was a time-intensive process. Once the selected vendor received notice of tentative award, there were nuances with the contract that needed to be resolved.

Additionally, there are multiple funding sources for the larger RISES project, some of which have earlier deadlines than the SFRF spending deadline of December 31, 2026. For example, the Preschool Development Grant funding allocated for the RISES project must be spent by December 31, 2023. DHS is exhausting these funds before spending its SFRF appropriation for the Child Care Workforce Registry. From the middle of December 2023 through the middle of January 2024, DHS anticipates receiving invoices totaling \$749,700 that will be paid using SFRF. The following is the anticipated invoice schedule for that period:

- \$199,007 as of December 15, 2023
- \$348,302 as of January 1, 2024
- \$202,391 as of January 9, 2024

Support for Survivors of Domestic Violence

Reason Identified as Level I

As of September 30, 2023, the project did not have any actual expenditures. The planned expenditure schedule had \$6,924,977 of expenditures through September 30, 2023.

Proposed Agency Remedy

The project has been delayed because of the amount of time needed to complete the RFP process, which was initiated earlier this year and generated 14 responses. The technical review committee is reviewing the responses, and the Public Safety Grant Administration Office anticipates making awards by the end of October 2023. An important consideration of the project reviewers has been the ability of respondents to quickly initiate implementation. While this project has fallen behind the projected timeline, significant progress has been made, and it is expected that this project will be on track by the end of the calendar year.

Minority Business Accelerator

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$90,675. The actual expenditures are 4.3% of planned expenditures through September 30, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

This project does not include the Minority Business Accelerator: Rhode Island Black Business Association Grant project or the Minority Business Accelerator: Roger Williams University Start-Up Grant project. These projects have had their appropriated amounts transferred to them.

Proposed Agency Remedy

The project has \$5.2 million in funding, with \$3.3 million budgeted for technical assistance, \$1.2 million for direct grants, \$0.4 million for training, implementation, and compliance, and \$0.3 million for administration. The Rhode Island Commerce Corporation (Rhode Island Commerce) has proposed reallocating \$0.5 million from technical assistance to direct grants. This proposal is pending approval by PRO. In February 2023, Rhode Island Commerce hired a project manager to administer and oversee the program, followed by the posting of an RFP to identify intermediaries to administer technical assistance.

From the 25 entities that responded, 11 intermediaries were selected for funding. Rhode Island Commerce negotiated budgets, executed agreements, and held a kick-off meeting with the intermediaries on September 7, 2023. While the RFP process took longer than anticipated, intermediaries are beginning to submit invoices for services, with approximately \$300,000 in invoices anticipated through October. A second RFP to select two or three more intermediaries was posted at the beginning of October.

Additionally, Rhode Island Commerce is drafting the application and determining the vetting process for the direct grant component of the project, which will be implemented in early 2024. The following is an updated implementation schedule that Rhode Island Commerce has submitted to PRO for review and approval.

- Direct Grant Open Application: February 2024 through April 2024
- Distribution of Direct Grant Funding: March 2024 through August 2024
- Technical Assistance Programming Services: End by October 2024

- Reporting and Compliance Activities: End by December 2024

Small Business Technical Assistance

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$476,983. The actual expenditures are 5.7% of planned expenditures through September 30, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

The Rhode Island Rebounds (RI Rebounds) legislation, passed in January 2022, appropriated SFRF for this project. The project was approved for two phases by PRO on May 17, 2022, and reapproved on November 16, 2022.

Proposed Agency Remedy

Through this project, small businesses are eligible to receive up to \$10,000 in technical assistance services, including accounting and bookkeeping, legal services, and marketing, communications, and public relations. Approved vendors are matched with eligible small businesses to complete requested technical assistance work. The matching component has led to delays as many small businesses requested each type of technical assistance offered. As a result, Skills for Rhode Island’s Future, with whom Rhode Island Commerce contracted to assist with this project, has had to meet with each small business to understand what services would best support their growth and development. Below is project data as of September 24, 2023.

Small Business Applicants	
Category	Value
<u>Applications Received</u>	<u>1,441</u>
Ineligible Applications	280
Eligible Applications	1,156
Applications Under Review	5
Intake Assessment Scheduling <i>- Intake meeting is being scheduled for these applicants</i>	26
Intake Assessment Completed <i>- Waiting to be matched with vendor</i>	410
Matching and/or Actively Working with a Vendor <i>- Applicants currently in matching process and/or working with vendor to finalize statement of work</i>	605
Receiving Service <i>- Applicants currently receiving Technical Assistance</i>	94
Technical Assistance Projects Completed	0
Funds Disbursed to Vendors <i>- Funding paid out to vendors for completed Technical Assistance projects</i>	\$64,828

Vendor Applicants	
Category	Value
<u>Applications Received</u>	<u>388</u>
Ineligible Applications	13
Eligible Applications	355
Applications Under Review	20
Signed Service Agreement - Vendors who have signed a service agreement to work in the <i>Technical Assistance project</i>	303

There is sufficient demand from eligible small business applications and sufficient supply from approved vendors to spend all project funds. Updated estimates for funding disbursement, assuming each of the 1,156 eligible applicants receives about \$8,000 worth of services are below and do not include the \$476,983 already spent:

- \$3.5 million disbursed to vendors as of December 31, 2023
- \$4.5 million disbursed to vendors as of January 31, 2024
- \$7.5 million disbursed to vendors as of February 29, 2024
- \$9.4 million disbursed to vendors as of March 31, 2024

South Quay Marine Terminal

Reason Identified as Level I

The South Quay Marine Terminal project was originally included in the FY 2023 enacted budget. Funding was later shifted from the FY 2023 revised budget and to the FY 2024 enacted budget. The project description in the FY 2024 enacted budget includes new contingency language for the project that was added by the General Assembly. The contingency language states that SFRF monies “shall only be allocated and spent if sufficient matching funds for completion of the project are committed by February 1, 2024.” PRO is unable to approve the project prior to the securing of sufficient financial commitments for the project.

Proposed Agency Remedy

The Executive Office of Commerce (EOC) has reported progress in ongoing efforts to secure funding for the development of the South Quay Marine Terminal, an integrated and centralized hub of intermodal shipping along Memorial Parkway in the East Providence waterfront special development district, primarily designed to bolster the offshore wind industry.

Negotiations between the EOC, Rhode Island Waterfront Enterprises (RIWE), the landowner of the intended development, and Waterson Terminal Services, LLC, continue with the goal of securing the mandated funding match which will pave the way for the release of the \$35 million in state funds in support of this endeavor.

Furthermore, the EOC is not only relying on private equity but also is seeking federal opportunities to fund this infrastructure project. The project has submitted applications for two federal grant programs: the Port Infrastructure Development Program (PIDP) from the U.S. Department of Transportation’s (USDOT) Maritime Administration and the Mega Program, also under the USDOT’s purview. Decisions on both grant applications are expected by the end of the calendar year.

Butler Hospital Short Term Stay Unit

Reason Identified as Level I

As of September 30, 2023, the project had actual expenditures of \$466,677. The actual expenditures are 7.8% of planned expenditures through September 30, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

Proposed Agency Remedy

Spending for the schematics, design development, and construction documents is completed, with a final invoice submitted in September 2023, signaling a transition to construction activities that is anticipated to accelerate spending. Site mobilization began the week of September 11, and the first phases of construction began the week of September 18. EOHHS, which is implementing this project on behalf of the state in collaboration with Butler Hospital, anticipates that construction will be completed around June 2024. Butler Hospital is working with the construction contractor to identify opportunities to reduce the timeline, as completion was initially scheduled by the end of March 2024.

Table of Level II Monitored Projects

Project	Original PRO Approval Date / Most Recent PRO Approval Date ²	Total Appropriation	Total Obligations	Planned Expenditures as of 9/30/23	Actual Expenditures as of 9/30/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Department of Children, Youth, and Families</i>							
Lead Remediation in Foster Homes	9/6/23 N/A	\$1,000,000 ^b	-	-	-	-	-
Sub-Total		\$1,000,000	-	-	-	-	-
<i>Department of Human Services</i>							
Child Care Enhanced TEACH	2/6/2023 N/A	\$2,000,000 ^b	\$2,000,000	\$127,813	\$27,953	21.9%	\$99,860
Sub-Total		\$2,000,000	\$2,000,000	\$127,813	\$27,953	21.9%	\$99,860

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<i>Executive Office of Health and Human Services</i>							
Certified Community Behavioral Health Clinics	8/5/22 5/25/23	\$30,000,000 ^b	\$20,818,791	\$15,888,895	\$8,225,638	51.8%	\$7,663,257
Sub-Total		\$30,000,000	\$20,818,791	\$15,888,895	\$8,225,638	51.8%	\$7,663,257
<i>University of Rhode Island</i>							
PFAS Water Treatment Plant	10/17/23 N/A	\$20,000,000 ^c	-	-	-	-	-
Sub-Total		\$20,000,000	-	-	-	-	-
Grand Total		\$53,000,000	\$22,818,791	\$16,016,708	\$8,253,591	-	\$7,763,117

Level II Monitored Project Narratives

Lead Remediation in Foster Homes

Reason Identified as Level II

The project does not have planned expenditures until the second quarter of FY 2024. This project is intended to help kinship homes remediate lead paint-based hazards, making it possible for their homes to be licensed. Cooperation by the property owner is necessary for renter applicants.

The Department of Children, Youth, and Families (DCYF) and Rhode Island Housing (RIHousing) will send a letter to the 14 foster providers that are currently pending a kinship license due to a failed lead inspection. The letter, similar to one sent in May 2023, will be in English and Spanish explaining the project and the overall process to participate. The number of available homes is fluid as it is unknown which child will be removed from home and what kinship home comes forth for emergency placement. The project in theory could accommodate approximately 33 homes.

DCYF is fully aware that many of these homes are not owned by the foster parent so approval must come from the landlord/homeowner. This has been and remains a potential barrier to the project being successful.

Child Care Enhanced TEACH

Reason Identified as Level II

As of September 30, 2023, the project had actual expenditures of \$27,953. The actual expenditures are 21.9% of planned expenditures through September 30, 2023, below the PRO percentage of 25% used to identify an SFRF project as at risk for significant underspend.

The Department of Human Services' (DHS) vendor for this project, the Rhode Island Association for the Education of Young Children (RIAEYC), is waiting for an invoice for tuition from both Rhode Island College (RIC) and the Community College of Rhode Island (CCRI) for the fall 2023 semester. Both colleges invoice after the add/drop date in mid-September, so DHS has asked them to expedite those invoices. This will likely spend down the tuition reimbursement budget line which has approximately \$50,000 remaining.

Additional reasons for delayed spending on the Child Care Enhanced TEACH project include:

- Most of this contract is dependent on tuition. Due to delays in purchasing related to multiple funding sources and amending a larger contract, RIAEYC was not able to enroll any students into the summer 2023 session, and instead enrolled in the fall, which was later than the initial budget projections.
- RIAEYC is dependent on the institutes of higher education partnering to create new models and new cohorts of students, and their timelines for approval are complicated and long. They are still awaiting final approval decisions for enrollment into two of the new models DHS created – one with the University of Rhode Island (URI) and one with RIC.
- Because of the delay on the new models, DHS was not able to create marketing materials and conduct recruitment visits to programs and events in the community. DHS anticipates being able to conduct these visits this fall.

Certified Community Behavioral Health Clinics

Reason Identified as Level II

As of September 30, 2023, the project had actual expenditures of \$8,225,638. The actual expenditures are 51.8% of planned expenditures through September 30, 2023, above the PRO percentage of 25% used to identify an SFRF project as at risk for significant underspend. However, given the large funding amount appropriated for this project, PRO is providing an explanation on its status and anticipated progress.

The Executive Office of Health and Human Services (EOHHS) has encountered more roadblocks than expected. For instance, the Certified Community Behavioral Health Clinics (CCBHC) Interagency State Team and providers have grappled with unexpected changes (some of which are still pending) in federal CCBHC program requirements and conflicting guidance from the Centers for Medicare and Medicaid Services (CMS) and the Substance Abuse and Mental Health Services Administration (SAMHSA). Additionally, providers have needed more assistance than expected in correctly completing cost reports and staffing plans.

The Interagency Team has contingently certified three CCBHCs for the slated program Year 1 start date of February 1, 2024 (pending approval from CMS). An additional eight potential CCBHCs are preparing to meet the certification requirements to begin services after the Year 1 go-live date. Of this group, based on their current level of readiness, EOHHS anticipates that between two and five providers will be able to achieve CCBHC certification status during Year 1 (between February 1 and June 30, 2024), and the remainder will be able to achieve certification status beginning with, or during Year 2 (July 1, 2024 – June 30, 2025).

As directed by the General Assembly in the FY 2023 enacted budget, the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals (BHDDH) and EOHHS worked together to apply for the SAMHSA CCBHC Planning Grant. They successfully secured this \$1 million allocation, with new and different requirements for spending not covered by the SFRF dollars and are braiding the funding from these two sources.

PFAS Water Treatment Plant

Reason Identified as Level II

The current budget timeline indicates that \$3.2 million of the total project cost will occur in the first two quarters of FY 2027. This timeline does not provide any flexibility to URI should the project be delayed due to circumstances beyond URI's control. An additional concern is that URI will not be in receipt of the final design and build contract until the fourth quarter of FY 2024 which could delay the onset of construction of the permanent PFAS water treatment plant, especially if the project needs to be scaled to meet its budgetary constraints.

The current budget timeline includes six months or more for project approvals from the Department of Health (DOH) and the Department of Business Regulation (DBR). Prioritizing this project with both DOH and DBR to reduce approval times could shift the final spending on the project into the beginning of the first quarter of FY 2027 providing some flexibility to URI should the project be delayed. To this end, URI has agreed to transfer to DOH the necessary funds for DOH to hire a contractor dedicated to this project to expedite the approval process. Similarly, DBR has agreed to prioritize this project in its approval process provided URI provides complete and accurate information needed for the State Building Code Commission to execute its responsibilities on this project. Moving up the timeline for selection of the vendor for the design and build contract for the permanent PFAS water treatment plant would reduce concerns about the onset of construction being delayed.