



PANDEMIC RECOVERY OFFICE

State Fiscal Recovery Fund

Quarterly Progress and Performance Report

FY 2024 Q2

Issued: January 31, 2024

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.¹

Methodology

Each State agency implementing a PRO-approved SFRF project has a planned expenditure schedule. To assist in identifying projects potentially at risk of significant underspending, PRO measured each SFRF project's actual expenditures through the second 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 second quarter of FY 2024 and contacted the relevant State agencies to gain an understanding as to why spending is significantly behind expectations. PRO also requested information regarding plans to accelerate spending 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 as Level I monitored. For each Level I monitored project included, PRO stated why it was identified as being at risk for significant underspending or noncompliance with federal or state requirements and provided the remedy proposed by the State agency to alleviate this finding. In addition to the Level I monitored projects, PRO included in this report additional projects it is monitoring for potential significant underspending in the future, specifically projects with actual expenditures that were less than 50% but more than 25% of planned expenditures. These projects are referred to as Level II monitored projects. PRO will provide an update on Level I and Level II monitored projects in the next quarterly report.

Background

Through the second quarter of FY 2024, PRO approved 81 SFRF projects, totaling \$1.04 billion of the State's \$1.13 billion SFRF appropriation. Of the \$1.04 billion in approved appropriations, \$827 million was obligated, with planned expenditures of \$619 million through the second quarter of FY 2024. Total actual expenditures for these 81 projects were \$469 million, which is 75.8% of planned expenditures. The SFRF projects included in this report comprise 22.5% of the total number of SFRF projects, both approved and unapproved, and 19.0% of the \$1.13 billion SFRF appropriation.

Changes from FY 2024 Q1 Report

Obligation Deadline

One of PRO's responsibilities is ensuring that SFRF projects meet the federal December 31, 2024, obligation deadline and the federal December 31, 2026, spending deadline. According to U.S. Treasury,

¹ [FY 2024 Appropriations Act](#)

an “obligation” means an order placed for property and services and entry into contracts, subawards, and similar transactions that require payment.²

For SFRF reporting purposes, PRO categorizes each entity or individual receiving SFRF as either a:

- *Beneficiary* – Individuals or entities that are end users of SFRF to address a COVID-related public health impact or negative economic impact.
- *Subrecipient* – A non-federal entity that receives a subaward from the State of Rhode Island to implement and administer an SFRF project.
- *Contractor* – An entity that has a legal agreement with a non-federal entity to provide goods and services needed to implement an SFRF project.

As the terms and conditions of federal awards flow down to subrecipients, PRO had been considering SFRF funds provided to subrecipients as obligated only when the subrecipients entered a contract for their use.

U.S. Treasury clarified in November 2023 that subrecipients of SFRF are not subject to the December 31, 2024, obligation deadline: “The obligation deadline applies to the recipient of [SFRF] funds [i.e., the State of Rhode Island], and a cost is considered to have been incurred once a recipient enters into a subaward or contract that obligates the recipient to cover that cost,” stated U.S. Treasury’s quick reference guide describing the change. “Neither subrecipients nor contractors need to take additional steps to obligate [SFRF] funds after entering into a subaward or contract with the recipient.”³

This change primarily impacts obligations for projects administered by the Rhode Island Housing Mortgage and Finance Corporation (RIHousing) and the Rhode Island Commerce Corporation (Rhode Island Commerce), both of which are subrecipients implementing and administering numerous SFRF projects on behalf of the State. In accordance with U.S. Treasury’s updated guidance, the subawards that State agencies have executed with these entities satisfy the December 31, 2024, obligation requirement.

In this report, the obligated amounts for projects that involve a subrecipient are the amounts in the subaward agreements between the respective State agency and the subrecipient.

Given U.S. Treasury’s definition of “obligation”, amounts that are identified as obligated in this report include a variety of agreements, ranging from subawards between state agencies and quasi-state agencies to competitively bid contracts between state agencies and outside vendors/contractors. As a result, the potential impact of any reallocation of SFRF varies greatly from project to project. PRO should be consulted regarding the specific nature of any existing obligations prior to any reallocation of existing SFRF awards.

² State and Local Fiscal Recovery Funds: Obligation IFR Quick Reference Guide.

³ Ibid.

Projects Removed from Level I or Level II Monitoring

Since the Quarterly Progress and Performance Report issued by PRO for the first quarter of FY 2024, PRO has removed the following projects from Level I or Level II monitoring:

Agency	Project	Status in Prior Report	Reason for Removal
EOHHS	Certified Community Behavioral Health Clinics	Level II Monitored	Actual expenditures equal 64.2% of planned expenditures in FY 2024 Q2
DHS	Child Care Enhanced TEACH	Level II Monitored	Actual expenditures equal 62.4% of planned expenditures in FY 2024 Q2

In the case of each project noted above, current actual expenditures exceed 50% of planned expenditures and thus surpass PRO’s threshold for including an SFRF project in this report.

Projects Added to Level I or Level II Monitoring

Since the Quarterly Progress and Performance Report issued by PRO for the first quarter of FY 2024, PRO has added the following projects to Level I or Level II monitoring:

Agency	Project	Status in Current Report	Reason for Addition
Department of Housing	Homelessness Infrastructure: Phase II	Level I Monitored	Actual expenditures equal 22.5% of planned expenditures in FY 2024 Q2
Department of Housing	Homelessness Assistance: Phase II	Level II Monitored	Actual expenditures equal 26.8% of planned expenditures in FY 2024 Q2
Department of Housing	Municipal Homelessness Support Initiative	Level II Monitored	Expenditures have not yet occurred

In the case of each project noted above, actual expenditures have fallen below the relevant percentage thresholds vis-à-vis planned expenditures that PRO uses to categorize projects: 25% in the case of Level I Monitored projects and 50% in the case of Level II Monitored projects. For the Municipal Homelessness Support Initiative project, planned expenditures of \$1.4 million through the second quarter of FY 2024 were expected. In PRO’s judgement, this project could be put back on track quickly, so it was categorized as a Level II Monitored project despite having actual expenditures equal to 0% of planned expenditures.

Table of Level I Monitored Projects

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Department of Administration</i>							
Ongoing COVID-19 Response	N/A	\$41,787,709 ^{b, c}	-	-	-	-	-
Sub-Total		\$41,787,709	-	-	-	-	-
<i>Department of Children, Youth, and Families</i>							
Fire Safety in Foster Homes	N/A	\$875,000 ^b	-	-	-	-	-
Lead Remediation in Foster Homes	9/6/23 N/A	\$1,000,000 ^b	-	-	-	-	-
Sub-Total		\$1,875,000	-	-	-	-	-

⁴ 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 ⁴	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Department of Elementary and Secondary Education</i>							
Adult Education Providers	4/3/23 N/A	\$5,000,000 ^b	\$2,034,430	\$1,279,234	\$128,552	10.0%	\$1,150,682
Sub-Total		\$5,000,000	\$2,034,430	\$1,279,234	\$128,552	10.0%	\$1,150,682
<i>Department of Health</i>							
COVID-19 Operational Support: Testing	8/23/23 N/A	\$8,916,800 ^c	\$780,204	\$4,211,518	\$325,856	7.7%	\$3,885,662
Sub-Total		\$8,916,800	\$780,204	\$4,211,518	\$325,856	7.7%	\$3,885,662
<i>Department of Housing</i>							
Homelessness Infrastructure: Phase II	7/17/23 N/A	\$30,000,000 ^b	\$4,296,804	\$11,103,818	\$2,493,541	22.5%	\$8,610,277

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
Statewide Housing Plan	9/26/22 N/A	\$2,000,000 ^b	\$344,000	\$144,043	-	0%	\$144,043
Sub-Total		\$32,000,000	\$4,640,804	\$11,247,861	\$2,493,541	22.2%	\$8,754,320
<i>Department of Human Services</i>							
Child Care Workforce Registry	10/31/22 N/A	\$1,000,000 ^b	\$1,000,000	\$612,384	\$69,493	11.3%	\$542,891
Sub-Total		\$1,000,000	\$1,000,000	\$612,384	\$69,493	11.3%	\$542,891
<i>Department of Public Safety</i>							
Support for Survivors of Domestic Violence	10/14/22 N/A	\$10,500,000 ^b	\$3,911	\$6,949,984	\$761	0%	\$6,949,223
Sub-Total		\$10,500,000	\$3,911	\$6,949,984	\$761	0%	\$6,949,223
<i>Executive Office of Commerce</i>							
Minority Business Accelerator	4/5/23	\$5,200,000 ^b	\$5,200,000	\$2,160,648	\$254,700	11.8%	\$1,905,948

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁴	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
Small Business Technical Assistance	5/17/22 11/16/22	\$10,500,000 ^a	\$10,500,000	\$9,532,709	\$1,275,206	13.4%	\$8,257,503
Sub-Total		\$15,700,000	\$15,700,000	\$11,693,357	\$1,529,906	13.1%	\$10,163,451
Grand Total		\$116,779,509	\$24,159,349	\$35,994,338	\$4,548,109	N/A	\$31,446,229

Level I Monitored Project Narratives

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 December 31, 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.

As of December 31, 2023, none of the SFRF appropriation has been obligated for the execution of the project.

Proposed Agency Remedy

The State has not had a surge in COVID-19 great enough to require the use of these funds. The risk of the funding being obligated by December 31, 2024 to address unknown COVID-19 response needs is not insignificant. The Department of Administration agreed to return \$20,565,850 of the \$41.8 million appropriation to SFRF.

Fire Safety Upgrades in Foster Homes

Reason Identified as At-Risk

The Department of Children, Youth, and Families (DCYF) did not receive any responses to the request for proposals soliciting individuals and vendors to perform fire safety inspections for this project.

As of December 31, 2023, none of the SFRF appropriation has been obligated for the execution of the project.

Proposed Agency Remedy

DCYF agreed to forgo the project and return the \$875,000 appropriated for this purpose to SFRF.

Lead Remediation in Foster Homes

Reason Being Monitored

The Department of Children, Youth, and Families (DCYF) did not receive sufficient demand to pursue this project.

As of December 31, 2023, none of the SFRF appropriation has been obligated for the execution of the project.

Proposed Agency Remedy

DCYF agreed to forgo the project and return the \$1,000,000 appropriated for this purpose to SFRF.

Adult Education Providers

Reason Identified as Level I

As of December 31, 2023, the project had actual expenditures of \$128,552. The actual expenditures are 10.0% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

As of December 31, 2023, \$2.0 million of the SFRF appropriation has been obligated for the execution of the project. This represents 40.7% of the total project appropriation.

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.

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:

- Four regional orientation, assessment, and referral hubs opened to the public in October 2023. Through the second quarter of FY 2024, \$658,540 in mini-grant funding to support these in-person services was awarded. A final \$656,570 in regional funding will be obligated in February 2024.
- In November 2023, \$1,313,390 was obligated through the mini-grant process for digital literacy infrastructure. Funds are being used to purchase devices and equipment to support digital literacy instruction and to update staff computers. Programs have been encouraged to expedite purchases and to submit reimbursement requests in a timely manner. Grantees began submitting reimbursement requests in December 2023.
- The final mini-grant award for expansion of core services offered by adult education providers will obligate an additional \$1,626,500 by April 2024.

In summary, a total of \$4,255,000 will be obligated in grants to adult education grantee organizations by spring 2024. RIDE will use the remaining \$743,500 to support the project manager full-time equivalent, the communications and evaluation contracts, and ongoing marketing and outreach efforts. The external evaluator began its analysis in early January 2024 and will conclude by mid-March 2024.

Reports of expenditures lag obligations because RIDE manages grants on a reimbursement basis. Payments will accelerate as local programs spend their awarded funds and submit requests for reimbursement. Since the end of the second quarter of FY 2024, local programs have submitted reimbursement requests totaling \$119,341. Further, a portion of the SFRF mini-grants supports expanded staff capacity for the local adult education programs for the duration of the project through June 2026.

COVID-19 Operational Support: Testing

Reason Identified as Level I

As of December 31, 2023, the project had actual expenditures of \$325,856. The actual expenditures are 7.7% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

As of December 31, 2023, \$0.8 million of the SFRF appropriation has been obligated for the execution of the project. This represents 8.7% of the total project appropriation.

Proposed Agency Remedy

The Department of Health (RIDOH) has decided to return some of its appropriation for this project to SFRF because it does not need the full appropriation and is extending the remaining funding to cover expenditures in FY 2025.

Homelessness Infrastructure: Phase II

Reason Identified as Level I

As of December 31, 2023, the project had actual expenditures of \$2,493,541. The actual expenditures are 22.5% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

As of December 31, 2023, \$4.3 million of the SFRF appropriation has been obligated for the execution of the project. This represents 14.3% of the total project appropriation.

Proposed Agency Remedy

The funds for this project are divided into two categories: \$10 million for acquisitions and \$20 million for Consolidated Homelessness Fund (CHF) and warming center capacity.

Acquisitions Remedy

Between the purchases of Charlesgate and House of Hope's ECHO Village pallet shelters project, \$9.4 million has been obligated, leaving a balance of approximately \$0.6 million. It is important to note that due diligence for Charlesgate is ongoing and may impact the acquisition cost. Closing is subject to the Department of Housing (Department) obtaining all necessary permits, including a special use permit from the Providence Zoning Board, and approvals to operate the facility as a transitional shelter. The Department submitted the application for the special use permit in January 2024. Completing this process means that the closing for the Charlesgate purchase should occur at the end of March 2024.

CHF and Warming Center Capacity Remedy

The Department has selected projects accounting for \$15 million to CHF providers, of which \$6.8 million is obligated. The Department anticipates obligating all remaining funds in FY 2024 and spending all funds by December 31, 2026.

Statewide Housing Plan

Reason Identified as Level I

The Department has programmed \$1 million of the \$2 million appropriation and is currently going through PRO's approval process for the remaining \$1 million.

As of December 31, 2023, \$0.3 million of the SFRF appropriation has been obligated for the execution of the project. This represents 17.2% of the total project appropriation.

Proposed Agency Remedy

The \$1 million that has been programmed is for the following:

Purpose	Funding Amount	Status
Statewide Housing Plan Consultant	\$344,000	Under contract with Abt Associates
School Cost Fiscal Impact Analysis	\$100,000	Request for proposals (RFP) responses due January 16
Green Housing Consultant	\$50,000	RFP responses due January 16 (extended from earlier deadline)
Architectural/Engineering Feasibility Studies	\$467,000	RFP responses due January 10
Total	\$961,000	

The Department intends to program the balance of the funds as follows:

- *Statewide Housing Plan Consultant, Amount under Review:* In the process of finalizing the workplan with Abt Associates, the Department anticipates additional work will need to be added to the scope. The Division of Purchases has advised the Department to submit change orders as needed before finalizing the project budget.
- *Innovative Development Models, \$250,000:* The proposed project was recently submitted to PRO for review and approval. The Department expects that the consultant would be procured no later than early third quarter of FY 2024 and will have a term of 12 months. Funds should be obligated in the fourth quarter of FY 2024 and expended by the end of the fourth quarter of FY 2025.
- *Governance Consultant, \$150,000:* The proposed project was recently submitted to PRO for review and approval. The Department expects that the consultant would be procured no later than early fourth quarter of FY 2024 and will have a term of six months. Funds should be obligated in the third quarter of FY 2024 and expended by the end of the first quarter of FY 2025.
- *Additional Budget Adjustments, Amount under Review:* The Department is in the process of evaluating RFP responses for the School Cost Fiscal Impact Analysis, Green Housing Consultant, and Architectural/Engineering Feasibility Studies, which could exceed the planned amount.
- *Statewide Housing Plan – Phase 2 and Municipal Support, Balance Remaining:* In the next month, the Department anticipates having a refined estimate for the change orders on the Abt Associates contract, a final RFP for Innovative Development Models, and a finalized approach for facilitation services for the Governance RFP. Given the terms of the smaller programs, the Department will have time to reprogram this balance to ensure that obligation and expenditure deadlines are met. For example, the Department is in the process of developing specific programming for municipalities around their engagement with the statewide housing planning process, as well as additional scope items not covered under the Abt Associates project. Should additional funding be available after the change order and budget analysis described above, municipal technical assistance and support for goal setting would be a key candidate for use of remaining funds. For any additional scope items or municipal awards, the Department would issue a solicitation by March, make awards by August, with contracts executed by October.

Child Care Workforce Registry

Reason Identified as Level I

As of December 31, 2023, the project had \$69,493 in expenditures. The actual expenditures are 11.3% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

As of December 31, 2023, \$1 million of the SFRF appropriation has been obligated for the execution of the project. This represents 100% of the total project appropriation.

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 had to be spent by December 31, 2023. DHS exhausted these funds before spending its SFRF appropriation for the Child Care Workforce Registry.

Beginning in December 2023, DHS has begun spending its SFRF appropriation. The first invoice charged to this account was on December 29, 2023, for \$69,493. The remaining funds are scheduled to be paid as follows:

- \$248,787 as of January 15, 2024
- \$165,860 as of February 15, 2024
- \$515,559 as of March 15, 2024

Support for Survivors of Domestic Violence

Reason Identified as Level I

As of December 31, 2023, the project had \$761 in expenditures. The actual expenditures are 0% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

As of December 31, 2023, \$0.004 million of the SFRF appropriation has been obligated for the execution of the project. This represents less than 1% of the total project appropriation.

Proposed Agency Remedy

The project was delayed because of the amount of time needed to complete the requests for proposals (RFP) process, which was initiated earlier this year and generated 14 responses. The Department of Public Safety's Public Safety Grant Administration Office (PSGAO) issued a memo on January 18, 2024, outlining the award recommendations from the evaluation committee totaling approximately \$10.2 million of the total \$10.5 million appropriation. Once finalized, PSGAO will immediately prepare award statements and create purchase orders.

Minority Business Accelerator

Reason Identified as Level I

As of December 31, 2023, the project had actual expenditures of \$254,700. The actual expenditures are 11.8% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend. Please note that 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.

As of December 31, 2023, \$5.2 million of the SFRF appropriation has been obligated for the execution of the project. This represents 100% of the total project appropriation.

Proposed Agency Remedy

The project has \$5.2 million in funding, with \$2.8 million budgeted for technical assistance, \$1.7 million for direct grants, \$0.45 million for training, implementation, and compliance, and \$0.25 million for administration. In February 2023, the Rhode Island Commerce Corporation (Rhode Island Commerce) hired a project manager to administer and oversee the program, followed by the posting of two requests for proposals (RFP) to identify intermediaries to administer technical assistance.

Eleven intermediaries selected through the first RFP are providing services and have invoiced Rhode Island Commerce for approximately \$340,000. Rhode Island Commerce is seeking Board of Directors' approval at a January meeting for four additional intermediaries selected through the second RFP that would receive subaward agreements totaling \$498,541. It is anticipated that approximately \$500,000 will be invoiced between January and March 2024 by the fifteen intermediaries providing services under this program. As a result, \$840,000 will be expensed on technical assistance.

Additionally, Rhode Island Commerce is drafting the application and determining the vetting process for the direct grant, which will be implemented between February and April 2024. At the end of this process, an additional \$1.98 million will be obligated: \$1.7 million to minority- and women-owned businesses through a competitive grant application and approximately \$248,000 to hire a project management service provider for implementation of the web-based grant program. The Minority Business Accelerator project will exhaust the \$5.2 million available by the end of FY 2025.

Small Business Technical Assistance

Reason Identified as Level I

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. As of December 31, 2023, the project had actual expenditures of \$1,275,206. The actual expenditures are 13.4% of planned expenditures through December 31, 2023, below the PRO threshold percentage of 25% used to identify an SFRF project as at risk for significant underspend.

As of December 31, 2023, \$10.5 million of the SFRF appropriation has been obligated for the execution of the project. This represents 100% of the total project appropriation.

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.

As of December 2023, small businesses have been able to benefit from small in-kind purchases of technology or software solutions directly related to the technical services provided. The matching of small businesses and vendors 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 January 8, 2024.

Small Business Applicants	
Category	Value
<u>Applications Received</u>	<u>1,441</u>
Ineligible or Withdrawn	319
Eligible Applications	1,122
Pre-Match <i>- Business is in the intake or matching process prior to engaging in a scope of work with a vendor</i>	218
Pre-Work <i>- Business has been matched with a vendor and is completing the discovery or scope of work process</i>	281
Working with Vendor <i>- Business has executed a scope of work and has received or is receiving technical assistance</i>	623
Hours of Technical Assistance Service Completed	
Funds Disbursed by Commerce for Reimbursement of Phase II Technical Assistance Vendors	\$644,928.85
Funds Disbursed to Vendors <i>- Funding paid out to vendors for completed Technical Assistance projects</i>	\$1,218,393.77
Vendor Status	
Category	Value
<u>Total Applications Received</u>	<u>441</u>
Ineligible or Withdrawn	29
Eligible or Under Review	412
Signed Service Agreement	374

There is sufficient demand from eligible small business applicants and sufficient supply from approved vendors to spend the remaining project funds. Updated estimates for funding disbursement from Skills for Rhode Island's Future to vendors, assuming each of the 1,122 eligible applicants receives about \$8,500 worth of services are below. Note that due to invoicing and processing lags, payment from the state may fall slightly later than these estimates.

- \$2.5 million disbursed to vendors as of January 31, 2024
- \$4.0 million disbursed to vendors as of February 29, 2024
- \$5.5 million disbursed to vendors as of March 31, 2024
- \$7.0 million disbursed to vendors as of April 30, 2024
- \$8.5 million disbursed to vendors as of May 31, 2024
- \$9.5 million disbursed to vendors as of June 30, 2024

Table of Level II Monitored Projects

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁵	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% 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}	\$800,057	\$806,377	\$719,909	89.3%	\$86,468
Sub-Total		\$2,614,068	\$800,057	\$806,377	\$719,909	89.3%	\$86,468
<i>Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals</i>							
9-8-8 Mental Health Hotline	8/29/22 N/A	\$3,475,000 ^{b, c}	\$1,875,000	\$1,875,000	\$788,096	42.0%	\$1,086,904
Crisis Intervention Trainings	3/21/23 N/A	\$2,200,000 ^b	\$766,353	\$642,104	\$296,554	46.2%	\$345,550
Sub-Total		\$5,675,000	\$2,641,353	\$2,517,104	\$1,084,650	43.1%	\$1,432,454

⁵ 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.

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Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁵	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Department of Health</i>							
COVID-19 Operational Support: Epidemiology	7/17/23 N/A	\$10,948,478 ^c	\$4,805,118	\$5,824,719	\$1,925,352	33.1%	\$3,899,367
Sub-Total		\$10,948,478	\$4,805,118	\$5,824,719	\$1,925,352	33.1%	\$3,899,367
<i>Department of Housing</i>							
Homelessness Assistance: Phase II	7/17/23 N/A	\$13,000,000 ^b	\$2,518,212	\$6,005,063	\$1,607,137	26.8%	\$4,397,926
Municipal Homelessness Support Initiative	10/11/23 N/A	\$2,500,000 ^c	-	\$1,375,413	-	-	-
Sub-Total		\$15,500,000	\$2,518,212	\$7,380,476	\$1,607,137	21.8%	\$5,773,339

Project	Original PRO Approval Date / Most Recent PRO Approval Date ⁵	Total Appropriation	Total Obligations	Planned Expenditures as of 12/31/23	Actual Expenditures as of 12/31/23	% of Planned Expenditures Spent	Planned Expenditures less Actual Expenditures
<i>Executive Office of Commerce</i>							
South Quay Marine Terminal	N/A	\$35,000,000 ^{b, c}	-	-	-	-	-
Sub-Total		\$35,000,000	-	-	-	-	-
<i>Executive Office of Health and Human Services</i>							
Butler Hospital Short Term Stay Unit	8/15/23 N/A	\$8,000,000 ^b	\$8,000,000	\$4,623,166	\$2,130,021	46.1%	\$2,493,145
Sub-Total		\$8,000,000	\$8,000,000	\$4,623,166	\$2,130,021	46.1%	\$2,493,145
<i>University of Rhode Island</i>							
PFAS Water Treatment Plant	10/17/23 N/A	\$20,000,000 ^c	\$20,000,000	-	-	-	-
Sub-Total		\$20,000,000	\$20,000,000	-	-	-	-
Grand Total		\$97,737,546	\$38,764,740	\$21,151,842	\$7,467,069	N/A	\$13,684,773

Level II Monitored Project Narratives

Auto-Enrollment Program

Reason Being Monitored

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 terminating Medicaid enrollment for individuals 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 Legislature appropriated \$1.2 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 highest 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 not all the additional funding is necessary. The original projection was based on a “high scenario” estimate that as many as half of all 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 20% of Medicaid terminations, and therefore the benefit costs of the program are much lower than originally projected.

Given the lower than projected level of qualified enrollments, HSRI will return \$1,000,000 of its \$1.3 million FY 2024 appropriation to SFRF.

As of December 31, 2023, \$0.8 million of the SFRF appropriation has been obligated for the execution of the project. This represents 30.6% of the total project appropriation before the return of \$1 million to SFRF.

9-8-8 Mental Health Hotline

Reason Being Monitored

As of December 31, 2023, the project had actual expenditures of \$788,096. The actual expenditures are 42.0% of planned expenditures through December 31, 2023.

Invoices had been delayed since April 2023 due to a requested amendment to the budget approved by PRO in the Reporting and Compliance form 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. Invoicing is now current through November 2023 at a total of \$995,905, or 53% of planned expenditures through December 2023. The December invoice is due on January 15, 2024. The underspend is mainly a result of the call center not reaching full staffing, though diligent recruitment efforts are ongoing. Once full staffing is achieved, invoicing should align with the planned expenditure schedule.

As of December 31, 2023, \$1.9 million of the SFRF appropriation has been obligated for the execution of the project. This represents 54% of the total project appropriation.

Crisis Intervention Trainings

Reason Being Monitored

As of December 31, 2023, the project had actual expenditures of \$296,554. The actual expenditures are 46.2% of planned expenditures through December 31, 2023. Thundermist has underspent mainly on

salary costs as the hiring process is ongoing. The Mental Health Coordinator position is being offered to a candidate, and the Advocacy Coordinator position is being posted in January 2024. The subaward line includes an advocacy budget with National Alliance on Mental Illness Rhode Island which, with approval from the Department of Behavioral Healthcare, Developmental Disabilities, and Hospitals (BHDDH), will be for internal advocacy coordinator position, so these funds will move up from subaward to salary/fringe. Therefore, these two lines are expected to increase in spending in the coming months. In addition, as more data is collected, Roger Williams University will be conducting additional evaluations and reports, which will increase the spend in the subaward line item.

As of December 31, 2023, \$0.8 million of the SFRF appropriation has been obligated for the execution of the project. This represents 34.8% of the total project appropriation.

COVID-19 Operational Support: Epidemiology

Reason Being Monitored

As of December 31, 2023, the project had actual expenditures of \$1,925,352. The actual expenditures are 33.1% of planned expenditures through December 31, 2023. The Department of Health (RIDOH) has decided to return some its appropriation for this project to SFRF because it does not need the full appropriation and is extending the remaining funding to cover expenditures in FY 2025.

As of December 31, 2023, \$4.8 million of the SFRF appropriation has been obligated for the execution of the project. This represents 43.9% of the total project appropriation.

Homelessness Assistance: Phase II

Reason Being Monitored

As of December 31, 2023, the project had actual expenditures of \$1,607,137. The actual expenditures are 26.8% of planned expenditures through December 31, 2023. The Department of Housing (Department) has reserved the full \$13 million in SFRF for projects, of which \$6 million is obligated, and contracts for the remaining \$7 million are in the process of being signed. The Department anticipates spending all funds by December 31, 2026.

As of December 31, 2023, \$2.5 million of the SFRF appropriation has been obligated for the execution of the project. This represents 19.4% of the total project appropriation.

Municipal Homelessness Support Initiative

Reason Being Monitored

The project has not yet incurred spending as of December 31, 2023. The project is divided into three components: formula grants, competitive grants, and emergency hubs. The Department of Housing (Department) is currently accepting applications for all three. The application window opened on October 31, 2023, and will remain open until March 1, 2024, or until all funding has been obligated, whichever is first.

As of December 31, 2023, none of the SFRF appropriation has been obligated for the execution of the project.

Formula grants

A maximum of \$1.5 million is available as formula grants. Municipalities in which new overnight shelters opened since May 1, 2023, and/or where existing shelters have expanded their capacity since May 1, 2023, and where the new or expanded capacity will remain in service until at least April 15, 2024, are eligible to receive \$2,000 per new shelter bed. Multiple municipalities have expressed interest in securing formula grants and are applying. The Department anticipates that more than 560 beds will qualify based on recent shelter capacity additions, which would be over \$1.1 million if applications are submitted for all

qualifying projects. Additional shelter expansions are also in process. The Department will assess available funds once applications received through the March 1, 2024, deadline are processed, reviewed, and approved.

Competitive grants

A maximum of \$250,000 is available for competitive grants. Municipalities in which new overnight shelters have opened or existing overnight shelters have expanded capacity since October 1, 2022, and where the new or expanded capacity will remain in service until at least April 15, 2024, are eligible to apply for additional grant support beyond the \$2,000 per new shelter bed formula grant. One application for competitive grants has been received and is under review. The Department anticipates that all funds allocated for competitive grants will be allocated in FY 2024.

Emergency hubs

A maximum of \$750,000 is available for emergency hubs. Awards will also be made for supporting new winter emergency hubs that open in response to severe weather protocols. Two applications for emergency hubs have been received from municipalities, with a total of \$276,682 has been obligated for Newport (\$175,582) and Woonsocket (\$101,100).

The Department anticipates that additional applications will be submitted soon. Pending availability of remaining funds, the Department wants to run a second round of applications to support next winter and will assess available funds after processing and reviewing applications received through the March 1, 2024, deadline.

South Quay Marine Terminal

Reason Being Monitored

The South Quay Marine Terminal project, an integrated hub of intermodal shipping along Memorial Parkway in the East Providence waterfront special development district, primarily designed to bolster the offshore wind industry, was originally included in the FY 2023 enacted budget.

Funding was later shifted from the FY 2023 revised budget to the FY 2024 enacted budget. The FY 2024 enacted budget introduced new contingency language for the project, added by the General Assembly, which mandates that SFRF monies “shall only be allocated and spent if sufficient matching funds for completion of the project are committed by February 1, 2024.”

In November 2023, the Executive Office of Commerce (EOC) reported that Rhode Island Waterfront Enterprises (RIWE), the landowner of the proposed port site, entered into a lease agreement with ProvPort. The lease agreement involves ProvPort leasing land from RIWE for the construction of the port. Additionally, Waterson Terminal Services LLC (WTS), the general manager of ProvPort, pledged an investment of \$35 million toward the project.

In late November 2023, WTS announced that they had entered a joint venture with SSA Marine, one of the world’s leading independent, privately held marine terminal operators, with activities at more than 250 terminal facilities and rail operations throughout the U.S., Canada, Mexico, Central America, South America, and Asia. The joint venture was strategically formed, in part, to leverage SSA Marine's extensive experience in marine operations and WTS’s expertise in terminal management, thereby promising to bring substantial expertise to the project’s execution.

This new partnership has necessitated additional due diligence on the South Quay site, extending beyond the February 1, 2024, deadline. EOC received a tentative timeline from the partnership, indicating their earnest commitment to the project’s success. The timeline reveals the complexity and scope of the due diligence that is still required which has delayed the confirmation of the \$35 million funding commitment, impacting the project’s compliance with the legislative requirements for state funding

allocation. This timeline will be presented to Governor McKee and House and Senate leadership for their consideration.

Consequently, EOC is unable to confirm to PRO, by the February 1, 2024, deadline, that the legislative requirement of securing "sufficient matching funds for the completion of the project", has been met.

As such, the project will not be compliant with state law and PRO will not approve the expenditure of the funds by EOC for this purpose.

As of December 31, 2023, none of the SFRF appropriation has been obligated for the execution of the project.

Butler Hospital Short Term Stay Unit

Reason Being Monitored

As of December 31, 2023, the project had actual expenditures of \$2,130,021. The actual expenditures are 46.1% of planned expenditures through December 31, 2023. The lag in spending is due to some delays in the pre-construction phase. Site mobilization began the week of September 11, 2023, and the first phase of construction began the week of September 18, 2023. The Executive Office of Health and Human Services (EOHHS), which is implementing this project on behalf of the State in collaboration with Butler Hospital, anticipates that construction will be completed in June 2024. In December 2023, EOHHS sent a written request to Butler Hospital regarding the spending timeline for the SFRF allocation. Butler Hospital reiterated its commitment to spend the funding in the designated timeline.

As of December 31, 2023, \$8 million of the SFRF appropriation has been obligated for the execution of the project. This represents 100% of the total project appropriation.

PFAS Water Treatment Plant

Reason Being Monitored

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 the University of Rhode Island (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. A proposed solution is included in the next section of this report.

As of December 31, 2023, \$20 million of the SFRF appropriation has been obligated for the execution of the project. This represents 100% of the total project appropriation.

Projects with Reallocations in the FY 2025 Budget Proposal

The following projects have had a portion or the full amount of the FY 2024 SFRF appropriation reallocated in the Governor’s FY 2025 recommended budget:

Agency	Project	Status in Last Report	FY 2024 Appropriation	Proposed Change in FY 2025 Budget
DCYF	Lead Remediation in Foster Homes	Level II	\$1,000,000	\$(1,000,000)
DCYF	Fire Safety in Foster Homes	Level I	\$875,000	\$(875,000)
DOA	Ongoing COVID-19 Response	Level I	\$41,787,709	\$(20,565,850)
DOA	Auto-Enrollment Program	Level I	\$2,614,068	\$(1,000,000)
DOA	Pandemic Recovery Office	Not Included	\$18,878,934	\$(3,500,000)
EOC	Small Business Technical Assistance	Level I	\$10,499,999	\$(2,000,000)
EOC	Hospitality, Tourism, Events Placemaking	Not Included	\$3,000,000	\$2,000,000
RIDOH	COVID-19 Operational Support: Epidemiology	Level I	\$10,948,478	\$(867,757)
RIDOH	COVID-19 Operational Support: Testing	Level I	\$8,916,800	\$(6,146,574)
RIDOH	COVID-19 Operational Support: Analytics	Not Included	\$15,044,300	\$4,301,826
URI	PFAS Water Treatment Plant	Level II	\$20,000,000	\$(20,000,000)

Project: Lead Remediation in Foster Homes

Status in Prior Report: Level II

Update: The Department of Children, Youth, and Families (DCYF) did not receive sufficient demand to pursue this project. The FY 2025 budget proposal recommends reappropriating the \$1,000,000 appropriation from the Lead Remediation in Foster Homes project to other uses.

Project: Fire Safety Upgrades in Foster Homes

Status in Prior Report: Level I

Update: DCYF did not receive any responses to the request for proposals soliciting individuals and vendors to perform fire safety inspections for this project. The FY 2025 budget proposal recommends reappropriating the \$875,000 appropriation from the Fire Safety Upgrades in Foster Homes project to other uses.

Project: Ongoing COVID-19 Response

Status in Prior Report: Level I

Update: As of December 31, 2023, the State has not needed to use the Ongoing COVID-19 Response funds. The FY 2025 budget proposal recommends reappropriating \$20.6 million from the Ongoing COVID-19 Response project to other uses.

Project: Auto-Enrollment Program

Status in Prior Report: Level I

Update: HealthSource Rhode Island (HSRI) determined that the qualified enrollments from the Medicaid terminated population are closer to 20% of Medicaid terminations, and therefore the benefit costs of the program are much lower than originally forecast. The FY 2025 budget proposal recommends reappropriating \$1.0 million from the Auto-Enrollment Program project to other uses.

Project: Pandemic Recovery Office

Status in Prior Report: Not Included

Update: The FY 2025 budget proposal recommends new uses for \$3.5 million of the \$18.9 million appropriation for the Pandemic Recovery Office's (PRO) operating costs to provide monitoring and oversight of projects being implemented with SFRF. PRO has realized cost savings associated with contractual services.

Project: Small Business Technical Assistance

Status in Prior Report: Level I

Update: The FY 2025 budget proposal recommends the reallocation of \$2.0 million of the \$10.5 million appropriation from the Small Business Technical Assistance project to the Hospitality, Tourism, Events Placemaking SFRF project.

Projects: COVID-19 Operational Support: Epidemiology and COVID-19 Operational Support: Testing

Status in Prior Report: Level I

Update: The FY 2025 budget proposal recommends the reappropriation of \$7.0 million of the \$19.9 million appropriation for COVID-19 Operational Support: Epidemiology and COVID-19 Operational Support: Testing, with \$4.3 million reappropriated to COVID-19 Operational Support: Analytics and \$2.7 million to other uses.

Project: PFAS Water Treatment Plant

Status in Prior Report: Level II

Update: The FY 2025 budget proposal recommends changing the funding source for this project from SFRF to the Rhode Island Capital Plan Fund (RICAP) to avoid any potential SFRF spending deadline issues.