



## Director's Office

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April 9, 2026

The Honorable Marvin L. Abney  
Chairperson  
House Committee on Finance  
Rhode Island State House  
82 Smith Street  
Providence, RI 02903

**Re: House Bill 8146 – An Act Relating To Public Finance -- State Budget--Program Performance Measurement**

Dear Chairperson Abney,

Thank you for providing the Department of Administration (“Department”) with the opportunity to submit this letter of concern in response to House Bill No. 8146, which would provide additional oversight and reporting measures related to audits and capital projects.

This legislation sets a required meeting cadence of no less than quarterly for the Capital Development Planning and Oversight Commission, effectively reconstituting the commission. The State presently maintains a rigorous and transparent process to develop the proposed capital budget. Under current practice, agencies submit their capital project proposals to the Division of Capital Asset Management & Maintenance (DCAMM) for review, which are then vetted further by the Office and Management and Budget (OMB) and made public every Fall. The submissions are then internalized as part of the Governor’s recommended budget, which goes through significant review by the legislature and its fiscal staff, as well as being subject to public comment and testimony during legislative hearings. Adding on an additional layer of review by the Capital Development Planning and Oversight Commission, which is largely comprised of individuals who are already deeply engaged in the capital project review process, is unnecessary and duplicative of existing process.

While the Department is open to the value of more frequent capital project reporting, we caution that the reporting must be at the appropriate level of detail and in the best positioned forum to prove valuable. DCAMM’s capital budget is comprised of 74 distinct sub-projects, each tracked against different milestones and often carrying a level of complexity that would preclude material updates on a quarterly basis. Specific updates on significant capital projects may be a more effective way to establish consistent awareness on high-profile state investments.

The current structure of the Rhode Island Capital Plan requires agencies to identify projected expenditures over the ensuing five fiscal years. While the value of the out-year forecast is to signal the intention to make major investments in State assets, estimated costs will often vary over time. Establishing a baseline cost for highly complex projects, multi-year projects introduce myriad internal and external variables. For example, project timing may shift due to market conditions, site conditions, or procurement schedules. Initial cost projections may not capture unforeseen conditions underground, or scopes may expand depending on the imposition of new regulatory requirements. This representative set of issues can impact timing and cost significantly, rendering initial estimates outdated. While agencies endeavor to budget

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responsibly for these projects, agency requests to shift funds between projects to cover incremental cost increases are often necessary. These tradeoffs are especially challenging within a fixed RICAP budget in a given fiscal year. Any information relevant to an agency budget request – from the source of a project cost estimate to the justification for an incremental increase in RICAP request – is readily available to be disclosed at legislative hearings. More specifically, any material change in project cost is reflected in updates to the RICAP request associated with the project, with a justification provided to accompany the request. On multi-million-dollar projects, this includes changes of less than 5%. Therefore, these aspects of the legislation are fulfilled by existing process, and additional documentation would prove to be redundant.

Finally, this legislation removes the discretion of the Department to disburse funds from the information technology restricted receipt account (ITRR account) and requires them to be listed as project-specific appropriations within the capital budget submission, subject to General Assembly approval. This is compounded by an additional new requirement that any project surplus fund transfers from the large systems initiatives fund (LSIF) to the ITRR account be reported to House and Senate Finance. Without having the ability to nimbly react to shifting business terms and technological requirements, this addition to the existing process would inhibit timely and responsive solutions necessary to maintain the State's IT infrastructure. In turn, this could impact the ability for the State to conduct mandatory operations run through large IT systems. Years ago, we changed the way we funded IT so we would no longer put the State in a position to fall behind. Even now, the State is still dealing with the impacts of decades of deferred technology upgrades and business process changes. That is why it remains critical that the flexibility in the ITRR remains intact.

The Department appreciates the opportunity to share our concerns over this legislation with the Committee. If there are any questions, please feel free to contact my office at your convenience.

Sincerely,



Rebecca Webber  
Deputy Director for Performance and Projects

cc: The Honorable Members of the House Committee on Finance  
The Honorable Alex Marszalkowski  
Nicole McCarty, Esq., Chief Legal Counsel to the Speaker of the House  
Christopher O'Brien, Committee Clerk