

ARPA State Fiscal Recovery Funds

The American Rescue Plan Act of 2021 included significant support for states and local governments to cover certain expenses and revenue losses related to the coronavirus pandemic until December 31, 2026. Resources from the State and Local Fiscal Recovery Fund established in the Act were required to be obligated by December 31, 2024. Obligated funds are available for use through December 31, 2026, or FY 2027. Rhode Island received \$1.8 billion for state and local use. The state received \$112.3 million from the Capital Projects Fund and \$1,131.1 million from the State and Local Fiscal Recovery Fund designated for state use; local governments received \$536.8 million. Funds are intended to respond to the coronavirus pandemic, negative economic impacts, and infrastructure supports for water, sewer, or broadband systems.

The 2021 Assembly preserved the full value of the American Rescue Plan Act fiscal recovery funds for a more robust public process on the proposed uses. On October 7, 2021, Governor McKee requested authority to use \$113.0 million from the State Fiscal Recovery Fund, roughly 10 percent of the state’s allocation. On January 4, 2022, the Assembly authorized \$119.0 million. The FY 2023 enacted budget allocated the remaining funds as well as the Capital Projects Fund for use over several years. The 2023 Assembly advanced all funding programmed for later years to FY 2024 to ensure the state met federal deadlines for formally obligating the funds. Since then, funding for previously approved programs has always been reflected in the current year, although actual spending can still occur over a longer time horizon. The 2024 Assembly made adjustments based on updated needs and priorities and provided \$5.4 million from general revenues to continue operating funding for four projects.

The Governor recommended \$1,243.2 million from the State Fiscal Recovery and Capital Projects funds, with minor changes to reflect accounting of prior year expenses. This is \$0.1 million less than enacted, including \$0.3 million more from State Fiscal Recovery funds in error, \$0.5 million less from Capital Projects funds likely associated with a delay in accounting for FY 2024 spending, and one new project. It also contains \$4.8 million from general revenues to continue operating funds for three projects, \$0.7 million less and one fewer project than enacted. For most approved projects total funding is unchanged except to shift unspent FY 2024 funding to FY 2025, consistent with the enacted reappropriation authority.

The Assembly concurred and shifted funding for one project from FY 2025 to FY 2026. Totals by category are shown in the following table. The State Fiscal Recovery Fund overstatement is associated with the timing of when financial statements were released; actual spending cannot exceed available funds.

State Fiscal Recovery Funds			
Category	2024 Assembly	2025 Assembly	Difference
Housing	\$ 332,200,002	\$ 332,200,004	\$ 2
Economic and Workforce Development	90,000,000	89,999,998	(2)
Small Business & Impacted Industry	165,300,003	165,300,004	1
Public Health	129,489,498	129,489,496	(2)
Children, Families and Education	137,642,631	142,481,539	4,838,908
Behavioral Health	59,299,365	55,400,001	(3,899,364)
Public Infrastructure & Technology	73,500,000	73,500,000	-
Climate	93,250,000	92,649,999	(600,001)
Operating Shortfall	35,000,000	35,000,000	-
Administration	15,372,515	15,378,931	6,416
Subtotal	\$ 1,131,054,014	\$ 1,131,399,972	\$ 345,958
Capital Projects Fund	112,300,434	111,806,014	(494,420)
Total	\$ 1,243,354,448	\$ 1,243,205,986	\$ (148,462)

Federal Guidance and State Compliance

The Pandemic Recovery Office within the Department of Administration is responsible for ensuring compliance with rules, regulations, and other guidance issued by the U.S. Department of the Treasury and submission of all required reports for the State Fiscal Recovery Fund and Capital Projects Fund. As required by the Assembly, it produces spending and programmatic reports, which are publicly available on its website. For the capital fund, guidance was issued in September 2021 and a one-year application window opened later that month.

Federal guidance on uses of the fiscal recovery funds was issued in May 2021, updated in July, finalized in January 2022, modified by the 2023 Consolidated Appropriations Act in December 2022, updated in November 2023, and updated again in December 2024. Compared to the original guidance, it provides increased flexibility for obligations and expenditures and creates an additional allowable use for certain specified infrastructure projects. Funds obligated under the new allowable uses must be expended by September 30, 2026, three months earlier than those obligated under the pre-existing use categories. Additionally, after December 31, 2024, if any program has excess funds, those funds may be reclassified to any program for which an obligation has already been incurred. This significantly reduces the risk of federal recapture, as it effectively allows unspent funds to be reallocated to any existing State Fiscal Recovery funds project or to replace general revenues where funds are set aside but not necessarily disbursed. Such revisions would still be subject to the state budget process and authority.

Eligibility categories consistent with federal legislation are shown in the following table alongside the corresponding abbreviations used in Pandemic Recovery Office documents. The Office has issued category designations that may differ from enacted assumptions. The table at the end of the report notes the Office’s determinations and the fiscal staff’s estimate of the applicable designation for new items; some projects may also have components that fit into a different category.

U.S. Treasury Eligibility Categories	PRO Abbreviation
Respond to the Public Health Emergency & its Economic Impacts	
Support public health	PH
Address negative economic impacts & services to disproportionally impacted communities	NEI
Premium Pay	PP
Revenue Replacement	RR
Infrastructure - Water, Sewer, Broadband; 2022 Expansion*	INF
Administration	A

**Authorized in the 2023 Consolidated Appropriations Act*

State Projects by Topic

Each item on the pages that follow includes the Governor’s original and amended proposals as well as the Assembly’s actions, status updates for every previously approved project, and if the Budget makes one-time programs permanent or otherwise replaces State Fiscal Recovery funds with other fund sources, such as general revenues. Descriptions of projects from the Capital Projects Fund follows a table showing the State Fiscal Recovery Fund projects at the end of this report.

Funding for FY 2025 and FY 2026 are, respectively, contained in Article 13, Section 1 and Article 1, Section 1 of 2025-H 5076, Substitute A, as amended. Section 5 and Section 17 of each article, respectively, contain a description of each of the projects for which any appropriation is made. Consistent with previous years, the enacted budget includes language to reappropriate any unspent funds for the same purpose. The Governor recommended increasing his discretion to reallocate funds. The Assembly authorized the

Governor to reclassify program income or underspending to other eligible projects. However, if the value of the proposal is greater than \$1.0 million or 20.0 percent of program appropriations, it will go into effect within 30 days unless rejected by joint action of the House and Senate.

Housing

Development of Affordable Housing. The Governor maintained the authorized amount of \$100.0 million from State Fiscal Recovery funds to provide an enhanced level of gap financing for affordable housing developments. Of these funds, \$90.0 million supports additional direct subsidies as a match to multiple sources of financing and \$10.0 million supports a pilot program for low income public housing vouchers and financing. The 2023 Assembly expanded allowable uses to include prevention and stabilization programs. For FY 2025, \$60.1 million remains to be spent, but as of September 2024, only \$0.3 million remains to be awarded. The Assembly concurred.

Site Acquisition. The Governor's budget maintains the authorized amount of \$25.0 million from State Fiscal Recovery funds to continue a site acquisition program administered by RI Housing. The program subsidizes developers to acquire property to develop into long-term affordable and supportive housing for people experiencing homelessness. For FY 2025, \$900 remains to be spent, and all funds have been awarded. The Assembly concurred.

Down Payment Assistance. As of the end of FY 2024, all \$30.0 million has been spent from State Fiscal Recovery funds provided for down payment assistance to eligible first-time homebuyers and the program is now closed. Funds were used to provide grants to promote homeownership up to a \$20,000 limit established by the 2023 Assembly.

Workforce Housing. The Governor's budget maintains the authorized amount of \$20.0 million from State Fiscal Recovery funds to increase the supply of housing for Rhode Island families earning up to 120 percent of area median income. For FY 2025, \$16.3 million remains to be spent; as of October 2024, only \$1.5 million remains to be awarded and is subject to a request for proposals. The Assembly concurred.

Affordable Housing Predevelopment. As of the end of FY 2024, all \$10.0 million has been spent from State Fiscal Recovery funds provided to reduce pre-construction barriers to housing development and the program is now closed. Funds supported predevelopment, including prerequisite environmental studies and legal work, to build a pipeline of new projects and affordable housing developer capacity.

Home Repair and Community Revitalization. The Governor's budget maintains the authorized amount of \$24.5 million from State Fiscal Recovery funds to support RI Housing's acquisition and revitalization program initially supported from 2016 general obligation bonds. Of these funds, \$20.0 million finances acquisition and redevelopment of blighted properties in disadvantaged communities and \$4.5 million is for critical home repairs within the same communities. For FY 2025, \$17.5 million remains to be spent, and only \$4.5 million remains to be awarded for home repairs. The Assembly concurred.

Predevelopment and Capacity Building. The Governor's budget maintains the authorized amount of \$1.5 million from State Fiscal Recovery funds for consultants to provide administrative support to the Department of Housing. Funding is intended to assist with managing the increased resources for federal and other housing related programs and address lack of administrative capacity as a barrier to implementing affordable housing initiatives. The Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding achievement of these efforts. The Department of Housing hired its first consultants in March 2022 and submitted its first report in March 2023 and has not submitted a report since July 2023. As of the end of FY 2024, all funds have been obligated, and \$0.3 million remains unspent. The Assembly concurred.

Homelessness Assistance Program. The Governor’s budget maintains the authorized amount of \$38.8 million from State Fiscal Recovery funds to provide housing navigation, stabilization and mental health services for people experiencing homelessness. The Assembly appropriated funding from FY 2022 to FY 2024 and included a requirement to provide monthly progress reports regarding achievement of these efforts. The Department of Housing submitted its first report in March 2023 and has not submitted a report since July 2023. The 2024 Assembly provided \$17.3 million. As of the end of FY 2024, \$15.7 million has been disbursed; the remaining \$23.1 million has been awarded and is programmed for FY 2025. The Assembly concurred.

Homelessness Infrastructure. The Governor’s budget maintains the enacted amount of \$45.0 million from State Fiscal Recovery funds to increase facility capacity, prevention, and stabilization programs for individuals experiencing homelessness. Of this amount, \$10.0 million supports Crossroads Rhode Island sponsored housing developments. The Assembly appropriated funding for FY 2023 and FY 2024. For FY 2025, \$17.6 million remains to be spent. The Assembly concurred.

Statewide Housing Plan. The Governor maintains the authorized amount of \$2.0 million from State Fiscal Recovery funds to develop a statewide comprehensive housing plan to assess current and future housing needs, consider barriers to home ownership and affordability, and identify services needed for increased investments toward disproportionately impacted individuals and communities. These funds also support municipal planning efforts. All funds have been obligated, and \$38,650 was spent in FY 2024. The Assembly concurred.

Targeted Housing Development. The Governor’s budget maintains the authorized amount of \$26.0 million from State Fiscal Recovery funds for a program that allows the Secretary of Housing discretion to target projects for funding. Of this amount, \$4.0 million supports development near public transit and \$22.0 million supports priority projects, defined as permanent supportive housing, housing dedicated to vulnerable populations, individuals transitioning out of state care, and extremely low-income Rhode Islanders. All funds have been awarded and are programmed for FY 2025. The Assembly concurred.

Housing Related Infrastructure. The Governor’s budget maintains the authorized amount of \$3.0 million from State Fiscal Recovery funds for the Infrastructure Bank to support municipal infrastructure associated with affordable housing development, such as road and utility connections. The program provides additional resources to municipalities for pre-development and development work associated with adjusting or expanding infrastructure to accommodate additional affordable housing. All funds were awarded in October 2024 and are programmed for FY 2025. The Assembly concurred.

Municipal Homelessness Support Initiative. The Governor’s budget maintains the authorized amount of \$2.2 million from State Fiscal Recovery funds to award grants to municipalities to help pay for community services that support homeless individuals. Municipalities hosting shelters bear a financial burden on municipal services, which this program is intended to partially offset. For FY 2025, \$1.9 million remains to be spent, but only \$0.1 million remains to be obligated as of December 2024. The Assembly concurred.

Municipal Planning. The Governor’s budget maintains the authorized amount of \$2.3 million from State Fiscal Recovery funds authorized by the 2023 Assembly for grants and technical assistance to municipalities to reduce barriers to development caused by a lack of staff time and expertise. Of this amount, \$1.3 million supports a municipal fellowship program and \$1.0 million supports grants to study and implement zoning changes that encourage development near public transit. For FY 2025, no funds have been spent, but all municipal fellows funds have been awarded. The Assembly concurred.

Proactive Housing Development. The Governor’s budget maintains the authorized amount of \$1.4 million from State Fiscal Recovery funds to create a proactive development subsidiary of RI Housing. Other states, such as Massachusetts, have a quasi-public agency to help developers with land acquisition, to assemble

financing, and navigate regulatory and legal processes. These funds are intended to provide initial staffing and setup costs for a similar organization to reduce these barriers to housing production. The subsidiary was formally established in January 2024, and a president was appointed in September, but no funds were spent. The Assembly concurred.

Preservation of Affordable Units. The Governor’s budget maintains the authorized amount of \$0.5 million from State Fiscal Recovery funds to preserve affordable housing units at risk of foreclosure or blight. All funds have been awarded to create a revolving loan fund and are programmed for FY 2025. The Assembly concurred.

Economic and Workforce Development

Enhanced Real Jobs. The Governor’s budget maintains the authorized amount of \$30.0 million from State Fiscal Recovery funds authorized by the 2022 Assembly, including \$5.9 million for FY 2025, for an enhanced version of the Real Jobs RI workforce training program. FY 2023 and FY 2024 spending was \$9.6 million and \$14.5 million, respectively. The program’s functions are to place employees in job openings, advance skills of employed people, and create a talent pipeline for businesses. Funds support job partnerships to connect employers adversely impacted by the pandemic to workforce training program enrollees. Through the third quarter of FY 2025, the Pandemic Recovery Office reports that \$29.7 million has been spent. The Assembly concurred.

Bioscience Investments. The Governor’s budget maintains the authorized amount of \$45.0 million from State Fiscal Recovery funds to finance one or more wetlab facilities and capitalize a new fund to promote bioscience business and workforce development. The 2023 Assembly provided these funds for the creation of the Rhode Island Life Science Hub. This replaced a prior initiative intended as a match for a federal grant application that was unsuccessful. For FY 2025, \$43.0 million remains to be spent. The Assembly concurred.

Rhode Island Reconnect. The Governor’s budget maintains the authorized amount of \$8.0 million from State Fiscal Recovery funds to establish the Rhode Island Reconnect program and fund it for two years. Funding will be used for direct supports, such as targeted coaching and wraparound support, for those 16 and older to continue their education. A portion of these funds must be used to address barriers to the attainment of teacher certification as a Second Language Education Teacher, Grades PK-12, and as an All Grades Special Education Teacher. For FY 2025, \$7.2 million remains to be spent. The Assembly concurred.

Cybersecurity Center. The Governor’s budget maintains the authorized allocation of \$2.0 million from State Fiscal Recovery funds to support the establishment of the Institute for Cybersecurity and Emerging Technologies at Rhode Island College. Funding will support three years of program development and operating costs. The College launched the Center in November 2023. For FY 2025, \$1.6 million remains to be spent. The Assembly concurred.

Fresh Start Scholarship. The Governor’s budget maintains the authorized allocation of \$5.0 million from State Fiscal Recovery funds for a new adult scholarship program that targets adult students with some college credits but no degree, focusing on students who dropped out of the Community College. Funding the first semester back will allow students to regain federal financial aid eligibility. Funding represents two years of scholarships. For FY 2025, \$3.0 million remains to be spent. The Assembly concurred.

Small Business & Impacted Industry

Aid to the Convention Center. The 2022 Assembly provided the Convention Center Authority \$10.0 million from State Fiscal Recovery funds for operating expenses for FY 2022 and FY 2023. Timing of the

budget enactment meant that the FY 2022 expense did not occur, and funds were reappropriated to FY 2023. The plan called for \$5.0 million to upgrade technology at the venues, \$3.2 million to replace seats in the north end of the Civic Center, \$0.8 million to upgrade the marquee, and \$1.0 million for operating expenses. All funds have been spent, and the Pandemic Recovery Office submitted its final project report on September 15, 2023.

Unemployment Insurance Trust Fund. The 2022 Assembly provided \$100.0 million from State Fiscal Recovery funds to deposit into the Unemployment Insurance Trust Fund to prevent an unemployment tax rate increase for 2023. The deposit was made on September 26, 2022. The 2024 Assembly authorized the Governor to reallocate to the trust fund any allocations from other programs at risk for not meeting federal spending deadlines as of October 1, 2024. No additional deposit occurred, as new federal guidance permitted the reclassification of excess State Fiscal Recovery funds, removing the risk of missing deadlines.

Small Business and Technical Assistance. The Governor's budget maintains the authorized amount of \$31.3 million from State Fiscal Recovery funds to provide grants and technical assistance to businesses impacted by the pandemic. Expenditures were \$18.4 million in FY 2022 and \$10.5 million in FY 2023; \$2.5 million remains unspent. The Assembly concurred.

Assistance to Impacted Industries. The Governor's budget maintains the authorized amount of \$15.0 million from State Fiscal Recovery funds to address the negative impacts of the pandemic to the tourism, hospitality, and events industries, consistent with the Governor's intent. The 2024 Assembly added \$2.0 million for FY 2025 for public space improvements and event programming, for total funding of \$15.0 million. The Assembly concurred.

Destination Marketing. The Governor's budget maintains the authorized amount of \$3.0 million from State Fiscal Recovery funds, matched by an equivalent amount from the Commerce Corporation's allocation of state hotel tax receipts, to conduct tourism campaigns in destination markets for airline routes to Rhode Island T.F. Green International Airport. All funds were spent by FY 2024, and the FY 2025 enacted budget allocated \$1.4 million from general revenues to continue the program. The Governor recommended the same level of general revenue support for FY 2026. The Assembly concurred.

Minority Business Accelerator. The Governor's budget maintains the \$6.0 million from State Fiscal Recovery funds authorized by the 2022 Assembly to establish a minority business accelerator program in coordination with minority small business associations to provide technical assistance, loans, and programming space. A total of \$3.6 million has been spent, and the remaining \$2.4 million is programmed for FY 2025. The FY 2025 enacted budget also provided \$0.5 million from general revenues to supplement the limited federal funds. The Governor did not include general revenues beyond FY 2025. The Assembly concurred.

Public Health

COVID-19 Operational Support. The Governor's recommendation maintains the authorized amount of \$32.2 million from State Fiscal Recovery funds for the Department of Health to continue COVID-19 mitigation activities and to address the public health impacts of the pandemic in the state. Through FY 2024, \$20.0 million has been spent, and the remaining \$12.2 million is included for FY 2025. The Assembly concurred.

Public Health Response Warehouse Support. The Governor's recommendation maintains the authorized amount of \$4.2 million from State Fiscal Recovery funds for lease expenses to store COVID-19 supplies. Through FY 2024, \$2.3 million has been spent, and the remaining \$1.9 million is recommended for FY 2025. The recommendation also includes \$0.6 million from general revenues for warehouse operations for FY 2025 and \$0.9 million for FY 2026. The Assembly concurred.

Auto-Enrollment Program. The Governor’s recommendation maintains the authorized amount of \$1.6 million for HealthSource RI to automatically enroll qualified individuals transitioning off Medicaid at the end of the COVID-19 emergency into a qualified public health plan. Through FY 2024, \$1.4 million was spent to support two months of premiums and information technology upgrades to the Unified Health Infrastructure Project. The Assembly concurred.

Health Care Facilities. The FY 2023 final budget included \$77.5 million from State Fiscal Recovery funds to address the ongoing staffing needs of hospitals, nursing facilities, and community health centers related to the COVID-19 public health emergency. This includes \$45.0 million allocated to hospitals, or systems if hospitals are members of one, to include a base payment equivalent to \$1.0 million per hospital, with the remaining based on a hospital’s pro rata share of operating expenses from the 2021 cost reports and \$2.5 million distributed to the community health centers through the Rhode Island Health Center Association to support direct care staffing needs. That budget also included \$30.0 million for distribution to nursing facilities based on the number of Medicaid bed days from the 2020 facility cost reports, provided that at least 80 percent was dedicated to direct care workers. Consistent with the FY 2025 enacted budget, the Governor’s revised budget includes the additional \$10.0 million authorized to be disbursed in the first three months of FY 2025 to assist nursing facilities until the October 1, 2024 rate changes took effect. All funds have been disbursed. The Assembly concurred.

Public Health Clinics. The Governor’s budget maintains the authorized amount of \$4.0 million from State Fiscal Recovery funds for the Rhode Island Free Clinic to improve statewide access and quality of primary care for uninsured adults and for Open Door Health to address issues for people who are disproportionately impacted by the COVID-19 pandemic. Each entity was allocated \$2.0 million, and \$3.0 million was spent through FY 2024. Open Door Health was required to return any funds allocated for land acquisition not used by June 30, 2024; the transaction occurred. The Assembly concurred.

Children, Families, and Education

Nonprofit Assistance. The Assembly provided \$20.0 million from State Fiscal Recovery funds for FY 2023 for the Rhode Island Foundation to distribute to nonprofit organizations to address needs exacerbated by COVID-19, including housing and food insecurity and behavioral health issues. All funds have been spent, and the final report from the Pandemic Recovery Office was issued on December 31, 2024. The Assembly concurred.

Pediatric Recovery. The Governor maintains the authorized amount of \$15.0 million from State Fiscal Recovery funds to provide financial support to pediatric providers and incentives based on increased developmental and psychosocial behavioral screenings. Payments have been made with just \$129 included in the FY 2025 revised recommendation to clear the balance. The Assembly concurred.

Early Intervention Recovery. The Assembly provided \$11.0 million from State Fiscal Recovery funds to provide financial support to nine early intervention providers and performance bonuses for providers when meeting certain targets, such as reducing staff turnover and restoring the number of families receiving services to pre-pandemic levels. All payments have been made.

Provider Workforce Stabilization. The 2024 Assembly authorized \$24.1 million from State Fiscal Recovery funds to continue the workforce stabilization payments for providers contracted by the Department of Children, Youth and Families. The funding was in response to providers reporting a high number of vacancies and staff recruitment issues, which resulted in a capped or reduced capacity. As of the end of FY 2024, \$22.5 million has been spent. The Governor’s FY 2025 revised recommendation includes \$2.0 million, which brings the total authorization to \$24.5 million. The Assembly concurred.

Child Care Support. The Governor’s budget maintains the authorized level of \$42.0 million from State Fiscal Recovery funds, primarily to provide retention bonuses for direct care staff at child care centers and licensed family-based care providers. Funds are also used to waive any fees for new family child care providers, including application fees and background checks, and for quality improvements, creating a workforce registry, and staff education opportunities. Payments totaled \$39.3 million through FY 2024. The Governor’s FY 2025 revised recommended budget includes the remaining \$2.7 million. The Assembly concurred.

Support for Survivors of Domestic Violence. The Governor maintains the \$10.5 million from State Fiscal Recovery funds authorized by the 2022 Assembly to provide awards to nonprofits to provide housing, clinical, and mental health services to victims of domestic violence and assault for two years starting in FY 2023, after which federal grants are expected to return to historic levels. No funding was spent in FY 2023. As of the end of FY 2024, \$9.4 million remains to be spent. The Assembly concurred.

Adult Education Providers. The Governor maintained the authorized amount of \$5.0 million from State Fiscal Recovery funds for adult education providers. Grants are used to fund local adult education programs and literacy services, including workplace literacy services, family literacy services, English literacy, and civics education programs. Expenditures through FY 2024 were \$1.3 million and the Governor recommended \$3.6 million for FY 2025 and \$0.1 million for FY 2026. As of December 2024, all grants have been obligated. The Assembly concurred.

Out of School Time Education Providers. The Governor maintained the authorized amount of \$6.0 million from State Fiscal Recovery funds to be distributed to community organizations to expand access to out-of-school educational programs through the Department of Elementary and Secondary Education. As of January, no funds have been spent, and the Governor’s FY 2025 revised recommendation includes the full \$6.0 million reappropriated from FY 2024. He recommended continuing the program for FY 2026 with \$2.5 million of general revenues. This is in addition to \$3.0 million from general revenues in the FY 2025 enacted budget. The Assembly concurred with the allocation of State Fiscal Recovery funds, but provided \$1.3 million of general revenues for FY 2026.

Foster Care Youth Scholarships. The Governor’s budget maintains the authorized allocation of \$1.0 million from State Fiscal Recovery funds in the Office of the Postsecondary Commissioner for a last dollar scholarship program for foster care youth exiting the Department’s care to attend Rhode Island College. Recipients will receive tuition, room and board and/or support services, including during summer months. Funding will be distributed through the Rhode Island College Foundation. The College reports that ten students received scholarships totaling \$0.1 million for the fall 2024 semester. The Assembly concurred.

Rhode Island Community Food Bank. The Assembly authorized \$3.0 million from State Fiscal Recovery funds for the Rhode Island Community Food Bank to assist households in need, including those that received enhanced nutrition benefits during the public health emergency. As of FY 2024, all funds have been spent.

SNAP Healthy Incentives Pilot. Article 13 of 2022-H 7123, Substitute A, as amended, created a retail Supplemental Nutrition Assistance Program pilot in which eligible households would receive an incentive payment of \$0.50 for every \$1.00 spent on fruits and vegetables on their electronic benefits card, with incentive thresholds to be determined by the Department of Human Services. The 2022 Assembly provided \$11.5 million for the program, including information technology upgrades. The authorizing legislation calls for the pilot to operate until all funds are expended. The Governor maintained the \$8.3 million value of the unused general revenues reappropriated from FY 2024 for the Healthy Incentives Pilot but recommended swapping \$4.5 million from State Fiscal Recovery funds left from other projects for a portion of the general revenues, as allowed under updated federal guidance. The Assembly concurred.

Behavioral Health

Certified Community Behavioral Health Clinics. The Governor recommended a total of \$29.0 million from State Fiscal Recovery funds in the Executive Office of Health and Human Services' budget to transition to the certified community behavioral health clinics federal model. Funding supports the infrastructure needed to expand the number of clinics and assist with the rate reimbursement structure tied to the federal model. The recommendation is \$1.0 million less than authorized based on updated spending needs. FY 2023 and FY 2024 expenses totaled \$21.8 million, and the Governor recommends \$7.0 million for FY 2025 and \$0.2 million for FY 2026. The Assembly concurred.

988 Hotline. The Governor maintained the authorized amount of \$5.4 million from State Fiscal Recovery funds in the Department of Behavioral Healthcare, Developmental Disabilities and Hospitals' budget for the 988 hotline to maintain compliance with the National Suicide Hotline Designation Act of 2020 and Federal Communications Commission rules to ensure consistent service. The hotline is operated by Horizon Health Partners, which used its BH Link program to provide the necessary staffing and operations to comply with the Act. The Department spent \$1.8 million in FY 2023 and FY 2024, and the Governor included \$3.5 million for use in FY 2025. The Assembly provided \$1.7 million for FY 2025 and \$1.8 million for FY 2026.

Psychiatric Residential Treatment Facility/Female Youth Facility. The Assembly authorized \$12.0 million from State Fiscal Recovery funds to expand existing in-state capacity at private facilities and for the initial design of a new female youth program facility. The Governor's recommendation is for a total of \$9.1 million. This includes \$1.0 million in support for planning work on the female youth facility being constructed in Exeter. The Department of Children, Youth and Families originally contracted with St. Mary's Home for Children to increase its capacity for these beds; that facility closed in August 2024, and unspent funds were recovered and reallocated. The replacement project is to expand psychiatric residential treatment beds at Bradley Hospital. The Assembly concurred with the Governor's recommendation to make \$6.5 million of funding available in FY 2025 for psychiatric residential treatment beds, pending an updated plan from the Department.

Crisis Intervention Trainings. The Governor maintained the authorized amount of \$2.2 million from State Fiscal Recovery funds to provide law enforcement training and offer technical assistance for strategies and protocols to respond to increased mental health-related calls to local police departments. The Governor's FY 2025 revised recommendation includes \$1.6 million, and \$0.6 million has been paid to Thundermist to conduct the training. The Assembly concurred.

Butler Hospital Short Term Stay Unit. The Assembly provided \$8.0 million from State Fiscal Recovery funds for the new short-term stay unit at Butler Hospital, a psychiatric hospital for adults and adolescents. The intent is to alleviate overcrowding in emergency departments for adults and adolescents by providing immediate access to inpatient behavioral health care services, crisis intervention, and other related services. All payments have been made. The Assembly concurred.

Turnpike and Bridge Authority - Safety Barriers Study. The Assembly authorized a total of \$1.8 million from State Fiscal Recovery funds for the Turnpike and Bridge Authority to conduct a study to identify and evaluate the options to prevent and address the risk of suicide on bridges under its purview. The Newport and Sakonnet bridge studies will be completed in February 2025. Mount Hope and Jamestown bridges were completed in May 2024. The Governor's FY 2025 revised budget includes the \$0.6 million of unspent funds. The total cost of study is now estimated at \$136,000 more than appropriated which the Authority will pay this from its sources. The Assembly concurred.

Public Infrastructure & Technology

Broadband Planning and Mapping. The Assembly authorized \$0.5 million from State Fiscal Recovery funds for broadband infrastructure planning work. Funds supported a needs assessment, statewide mapping of broadband access and cost, and one Broadband Director position at the Commerce Corporation. All funds have been spent, and this program has ended.

Municipal Public Safety Infrastructure. The Assembly authorized \$11.0 million from State Fiscal Recovery funds for matching support to cities and towns to make significant public safety facilities infrastructure improvements, including new construction. Funding priority is based on project readiness and limited to those for which the total costs exceed \$1.0 million. Matching funds to any municipality are limited to \$5.0 million for projects that serve a regional purpose and \$1.0 million for others.

The state released its funding application in December 2023 with a deadline of January 26, 2024. In March, nine municipalities were awarded funding: East Providence, Providence, Foster, Glocester, Middletown, Narragansett, North Smithfield, Smithfield, and South Kingstown. Through FY 2024, \$3.7 million has been spent; the Governor's FY 2025 budget includes the remaining \$7.3 million. The Assembly concurred.

Municipal Roads Grant Program. The Governor's revised budget includes the remaining \$23.2 million from State Fiscal Recovery funds for FY 2025 for the Municipal Roads Grant Program administered by the Department of Transportation. Funds are available to cities and towns for the construction and maintenance of roads, sidewalks and bridges, with a required municipal match of 67.0 percent. Additionally, \$5.0 million of the funds will be distributed equally and the remaining \$15.0 million will be distributed based on non-federal lane miles of roads in each community. A total of \$27.0 million was authorized, including \$20.0 million for FY 2024 with the proviso that the Department of Transportation could retain any funds not obligated by June 30, 2024, for statewide paving projects. All of those funds were obligated. It also included \$7.0 million for FY 2025, to be distributed equally.

The Governor also recommended making the program permanent and includes \$6.5 million from transportation funds for FY 2026. The proposed continuation language does not specify the same match requirements. The Assembly concurred and maintained the required municipal match of 67.0 percent and required that 25.0 percent of the funds be distributed equally and 75.0 percent be allocated proportionally based on each municipality's share of municipally maintained road miles, as determined by the most recent data available from the Department. This is consistent with the original distribution methodology.

Washington Bridge Project. The Governor's budget maintains the approved amount of \$35.0 million from State Fiscal Recovery funds for FY 2025 as a partial state match for the Washington Bridge Project. His budget does not alter the FY 2025 budget assumptions for a total project cost of \$455.2 million, with a state share of \$83.6 million. The contract for the bridge replacement has not been awarded, and there were change orders for the demolition component. These will impact the actual project costs. Any additional federal funds would need a state match. The Assembly provided \$22.0 million from Rhode Island Capital Plan funds in FY 2027, to account for increased match based on updated project costs.

Climate

Electric Heat Pump Grant Program. The Assembly authorized \$25.0 million from State Fiscal Recovery funds to support low-and moderate-income households and community organizations to purchase and install energy efficient electric heat pumps. The Office of Energy Resources issued two requests for proposals; in September 2022 and January 2023. It had anticipated the program starting in June, but a further delay meant it did not incur any expenses. The Office started taking applications for the program on September 5, 2023, and \$10.4 million has been spent.

The revised budget retains the annual reporting requirement for the program due by April 1 of each year to the Speaker of the House of Representatives and the Senate President. The report must include the number of grants issued, the amount of each grant, the average grant amount, and the expected cumulative carbon emissions reductions associated with the grants awarded. The Governor's revised budget includes \$14.0 million for FY 2025. This will close out the program at \$24.4 million; the state has since received \$63.8 million for home electrification and appliance rebates. The Assembly concurred.

Port of Davisville. The Governor's FY 2025 revised budget includes the remaining \$45.6 million of the \$65.0 million authorized from State Fiscal Recovery funds to support infrastructure at the Port of Davisville. Support expands on existing funding to develop port infrastructure to create job opportunities, invest in marine transportation, and make capital improvements to prepare for offshore wind development. The Assembly concurred.

R-Line - Free Service Pilot. As of the end of FY 2024, all \$3.3 million has been spent from State Fiscal Recovery funds authorized to support a free fare bus route service pilot program along the R-Line. This one-year pilot program started on September 1, 2022 and was set to end on September 30, 2023; however, the Authority's board of directors extended the program an additional month. The Authority tracked ridership data and submitted the required report to the Speaker of the House, the President of the Senate, and the Governor on March 21, 2024.

Operating/Administration

RI Public Transit Authority - Operating Grant. The Authority projected an operating deficit of about \$18 million for FY 2025. The Governor's FY 2025 recommended budget included \$10.0 million from State Fiscal Recovery funds to partially defray that gap and required the Authority to review all operations, including ridership and administration to identify efficiencies by January 1, 2025. The study must summarize the findings and include recommendations for sustainable and effective transit operations. The Assembly provided an additional \$5.0 million for a total of \$15.0 million and required the report to be submitted by March 1, 2025. The Governor's revised budget makes no changes to the enacted funding; the Authority is projecting operating deficits of \$32.6 million for FY 2026, increasing to \$56.3 million by FY 2030. The Authority identified some efficiency savings that will be achieved that reduced the projected deficit to \$26 million.

The Assembly provided State Fiscal Recovery funds as recommended. It also increased the motor fuel tax from the estimated current law amount of \$0.39 to \$0.41, including the \$0.01 environmental protection fee, and dedicated the additional two cents to the Rhode Island Public Transit Authority. Based on the estimated \$4.359 million per penny yield, \$8.7 million in additional gas tax receipts would be generated for FY 2026. It also amended the Authority's share of annual receipts from the Highway Maintenance Account from 5.0 percent to 10.0 percent, a \$5.9 million increase. The additional resources are intended to assist the Authority with its projected operating deficit.

DOC - Budget Shortfall. The Assembly authorized \$20.0 million from State Fiscal Recovery funds for operating budget expenses for the Department of Corrections. This provided general revenue relief and covered a FY 2024 operating deficit that resulted in part from not returning its housing modules to pre-pandemic densities, contrary to previous indications. All funds have been spent.

Administration. The Governor recommended \$1.8 million and \$1.4 million for FY 2025 and FY 2026, respectively, to support the Pandemic Recovery Office within the Department of Administration. The Office oversees all programs financed by State Fiscal Recovery or Capital Projects funds. The Office is responsible for ensuring compliance with all rules, regulations and guidance and submission of all required reports. Through FY 2024, \$12.1 million has been spent. This brings total funding to \$15.4 million, consistent with the approved amount. The Assembly concurred.

The following table summarizes the funding by project. Those with changes from the enacted budget other than reappropriation of unspent prior year funds are shaded in gray.

State Fiscal Recovery Funds						
	Prior Years	FY 2024	FY 2025	FY 2026	Total	Eligibility Category
Housing						
Development of Affordable Housing	\$ 14,740,825	\$ 25,203,299	\$ 60,055,876	\$ -	\$ 100,000,000	NEI
Site Acquisition	15,000,000	9,999,100	900	-	25,000,000	NEI
Down Payment Assistance	10,000,000	20,000,000	-	-	30,000,000	RR
Workforce Housing	-	3,672,503	16,327,497	-	20,000,000	RR
Affordable Housing Predevelopment	2,500,000	7,500,000	-	-	10,000,000	NEI
Home Repair & Community Revitalization	-	6,997,899	17,502,101	-	24,500,000	RR
Predevelopment & Capacity Building	610,269	632,905	256,825	-	1,499,999	RR
Homelessness Assistance Program	5,557,605	10,146,559	23,095,840	-	38,800,004	NEI
Homelessness Infrastructure	3,714,912	23,669,137	17,615,951	-	45,000,000	NEI
Statewide Housing Plan	-	38,650	1,961,351	-	2,000,001	RR
Targeted Housing Development	-	-	26,000,000	-	26,000,000	NEI
Housing Related Infrastructure	-	-	3,000,000	-	3,000,000	RR
Municipal Homelessness Support Initiative	-	312,535	1,887,465	-	2,200,000	NEI
Municipal Planning	-	-	2,300,000	-	2,300,000	RR
Proactive Housing Development	-	-	1,400,000	-	1,400,000	RR
Preservation of Affordable Units	-	-	500,000	-	500,000	RR
Subtotal Housing	\$ 52,123,611	\$ 108,172,587	\$ 171,903,806	\$ -	\$ 332,200,004	
Economic & Workforce Development						
Enhanced Real Jobs	\$ 9,605,557	\$ 14,451,387	\$ 5,943,056	\$ -	\$ 30,000,000	NEI
Bioscience Investments	-	2,000,600	42,999,400	-	45,000,000	RR
Rhode Island Reconnect	-	803,078	7,196,921	-	7,999,999	NEI
Cybersecurity Center	-	404,677	1,595,322	-	1,999,999	RR
Fresh Start Scholarship	-	1,997,253	3,002,747	-	5,000,000	RR
Subtotal Economic & Workforce Development	\$ 9,605,557	\$ 19,656,995	\$ 60,737,446	\$ -	\$ 89,999,998	
Small Business & Impacted Industry						
Aid to the Convention Center	\$ 10,000,000	\$ -	\$ -	\$ -	\$ 10,000,000	RR
Unemployment Insurance Trust Fund	100,000,000	-	-	-	100,000,000	NEI
Small Business & Technical Assistance	28,939,109	(96,624)	2,457,517	-	31,300,002	NEI
Assistance to Impacted Industries	13,473,041	(473,041)	2,000,001	-	15,000,001	PH/NEI/RR
Destination Marketing	899,632	2,100,368	-	-	3,000,000	RR
Minority Business Accelerator	1,000,061	2,593,278	2,406,662	-	6,000,001	NEI/RR
Subtotal Small Business & Impacted Industry	\$ 154,311,843	\$ 4,123,981	\$ 6,864,180	\$ -	\$ 165,300,004	

State Fiscal Recovery Funds						
	Prior Years	FY 2024	FY 2025	FY 2026	Total	Eligibility Category
Public Health						
COVID-19 Operational Support	\$ -	\$ 19,963,774	\$ 12,233,311	\$ -	\$ 32,197,085	PH
Public Health Response						
Warehouse Support	380,993	1,868,378	1,928,972	-	4,178,343	RR
Auto-Enrollment Program	337,478	1,110,525	166,065	-	1,614,068	NEI
Health Care Facilities	77,500,000	-	10,000,000	-	87,500,000	NEI/RR
Public Health Clinics	279,882	2,736,091	984,027	-	4,000,000	NEI/RR
Subtotal Public Health	\$ 78,498,353	\$ 25,678,768	\$ 25,312,375	\$ -	\$ 129,489,496	
Children, Families, & Education						
Nonprofit Assistance	\$ 20,000,001	\$ -	\$ -	\$ -	\$ 20,000,001	NEI
Pediatric Recovery	11,301,992	3,697,881	129	-	15,000,002	PH
Early Intervention Recovery	9,550,000	1,450,000	-	-	11,000,000	PH
Provider Workforce						
Stabilization	14,642,457	7,849,545	1,967,672	-	24,459,674	NEI
Child Care Support	22,473,581	16,836,629	2,689,791	-	42,000,001	NEI/RR
Support for Survivors of Domestic Violence	-	1,121,319	9,348,929	29,753	10,500,001	PH
Adult Education Providers	-	1,320,362	3,551,266	128,373	5,000,001	RR
Out of School Time Education Providers	-	-	6,000,000	-	6,000,000	NEI
Foster Care Youth Scholarships	-	-	1,021,859	-	1,021,859	RR
RI Community Food Bank	-	3,000,000	-	-	3,000,000	NEI
SNAP Healthy Incentives Pilot	-	-	4,500,000	-	4,500,000	RR
Subtotal Children, Families & Education	\$ 77,968,031	\$ 35,275,736	\$ 29,079,646	\$ 158,126	\$ 142,481,539	
Behavioral Health						
Certified Community Behavioral Health Clinics	\$ 4,903,959	\$ 16,931,615	\$ 6,959,131	\$ 205,295	\$ 29,000,000	PH
988 Hotline	238,584	1,598,759	1,712,658	1,800,000	5,350,001	PH
Psychiatric Residential Facility/ Female Youth Facility						
Crisis Intervention Trainings	-	892,598	5,781,955	-	9,100,000	RR
Butler Short Stay Unit	600,180	7,399,820	1,649,886	-	2,200,000	RR
RITBA Safety Barrier Study	134,808	973,428	641,764	-	8,000,000	PH
					1,750,000	RR
Subtotal Behavioral Health	\$ 8,302,978	\$ 28,346,334	\$ 16,745,394	\$ 2,005,295	\$ 55,400,001	
Public Infrastructure & Technology						
Broadband Planning & Mapping	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	RR
Municipal Public Safety Infrastructure	-	3,666,232	7,333,768	-	11,000,000	RR
Municipal Roads Grant Program	-	3,816,585	23,183,415	-	27,000,000	RR
Washington Bridge Project	-	-	35,000,000	-	35,000,000	RR
Subtotal Public Infrastructure & Technology	\$ 500,000	\$ 7,482,817	\$ 65,517,183	\$ -	\$ 73,500,000	
Climate						
Electric Heat Pump Grant Program	\$ -	\$ 10,366,288	\$ 14,033,712	\$ -	\$ 24,400,000	RR
Port of Davisville	6,000,000	13,364,009	45,635,990	-	64,999,999	RR
RIPTA - R Line Free Service Pilot	2,500,000	750,000	-	-	3,250,000	RR
Subtotal Climate	\$ 8,500,000	\$ 24,480,297	\$ 59,669,702	\$ -	\$ 92,649,999	
Operating Shortfall						
RIPTA Operating Grant	\$ -	\$ -	\$ 15,000,000	\$ -	\$ 15,000,000	RR
DOC Budget Shortfall	-	20,000,000	-	-	20,000,000	RR
Subtotal Operating Shortfall	\$ -	\$ 20,000,000	\$ 15,000,000	\$ -	\$ 35,000,000	
Administration	\$ 9,894,466	\$ 2,208,148	\$ 1,839,770	\$ 1,436,547	\$ 15,378,931	A
Grand Total	\$ 399,704,839	\$ 275,425,663	\$ 452,669,502	\$ 3,599,968	\$ 1,131,399,972	

Capital Projects Fund

The recommendation includes \$111.8 million from the Capital Projects Fund, \$0.5 million less than authorized.

Capital Projects Fund					
	FY 2023	FY 2024	FY 2025	FY 2026	Total
CPF Administration	\$303,042	\$ 341,507	\$ 3,124,253	\$530,582	\$ 4,299,384
Community Learning Center Municipal Grant Program	-	2,081,019	79,639,111	-	81,720,130
Last-Mile Broadband	-	-	25,786,500	-	25,786,500
Total	\$303,042	\$ 2,422,526	\$ 108,549,864	\$530,582	\$ 111,806,014

Funding for FY 2025 and FY 2026 are, respectively, contained in Article 13, Section 1 and Article 1, Section 1 of 2025-H 5076, Substitute A, as amended. Section 5 and Section 17 of each article, respectively, contain a description of each of the projects for which any appropriation is made. These descriptions are in the paragraphs below.

CPF Administration. The Governor recommended a total of \$4.3 million, or 3.8 percent, for administrative costs of the \$112.3 million from the Capital Projects Fund, which is exempt from the assessment on federal stimulus awards. The recommendation assumes use of \$3.1 million for FY 2025 and \$0.5 million for FY 2026 in the Department of Administration; \$0.6 million has been spent. The Governor’s recommendation is \$1.3 million less than the approved amount, reflecting anticipated administrative expenses; up to 5.0 percent can be used for administrative expenses. The Assembly concurred.

Community Learning Center Municipal Grant Program. The Governor’s revised budget includes the remaining \$79.6 million from Capital Projects funds in FY 2025 for cities and towns seeking to renovate or build community centers that comply with work, education, and health monitoring requirements set by the U.S. Department of the Treasury. Through FY 2024, \$2.1 million has been spent. A total of 18 municipalities are building 21 learning centers, and six municipalities are partnering to build four shared projects. Through late June 2025, \$12.5 million has been spent. The final budget also includes the enacted amount of \$2.0 million from State Fiscal Recovery funds to support the operation of approved Community Learning Centers. These funds would be distributed equally to each approved center that reaches substantial completion by October 31, 2026. The Assembly concurred.

Last-Mile Broadband. The Governor’s budget includes \$25.8 million from Capital Projects funds, \$0.8 million more than enacted, to expand reliable, high-speed internet. The program will provide municipalities, public housing authorities, businesses, and internet service providers with funding to expand internet access to underserved communities. The increase incorporates administrative costs associated with this project that were previously budgeted separately. The Assembly concurred.