



# OFFICE OF MANAGEMENT & BUDGET

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## MEMORANDUM

To: Directors & Chief Financial Officers

From: Brian Daniels, Director, Office of Management & Budget 

Date: May 25, 2022

Subject: **FY 2024-2028 Capital Budget Process**

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This year's capital budget process presents an opportunity to look to the future. Governor McKee and his team have embarked on a long-term strategic planning process, known as Rhode Island 2030 (<https://www.ri2030.com>). As this vision is finalized and refined, we expect it will also inform your budget requests. For example, one RI 2030 priority is "Moving State Government into 2030." We therefore expect that capital budget requests will reflect our changing physical and IT infrastructure needs with the goal of improving and modernizing the delivery of government services for Rhode Island.

In this year's capital budget process, agencies may submit unconstrained requests for the period FY 2024 – FY 2028. However, it is imperative that agencies prioritize funding for existing priorities before committing to new projects. For each existing project, agencies must consider whether inflation escalators and timelines remain appropriate given expected economic conditions and current supply chain challenges. When cost escalators are requested, agencies must provide evidence of having considered alternative approaches such as scope reduction, value engineering, or timeline extensions. When cost escalators are the only viable option, the agency request should provide documentation and analysis to substantiate these increased costs and describe the impact on agency operations and mission of failing to adequately fund the project.

While the General Assembly has yet to appropriate American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) or Capital Projects Fund (CPF), any ARPA-funded submissions should be limited to modifications to project assumptions and timelines for projects which were ultimately included in the enacted FY 2023 Appropriations Act. Such changes should only be proposed in consultation with the DOA Pandemic Recovery Office. As we pivot to an implementation focus with respect to COVID-era funding sources, the FY 2024 capital budget process is not an appropriate venue for new project requests for COVID stimulus funding.

We also wish to emphasize the essential role of DoIT and DCAMM in providing coordination and technical support to agencies in the development of their capital requests. State agency capital projects from any funding source that involve information technology, vertical construction, fleet purchases or asset protection will require coordination with the relevant DoIT or DCAMM staff. This year there is a new requirement that capital requests from executive branch agencies must have prior consultation with and a letter of support from DCAMM.

We stand ready to assist agencies in preparing capital budget submissions for the five-year planning period by Friday, August 5<sup>th</sup>, 2022. Please find the attached instructions for your review. Ryan Gardiner and Gary Pascoa will be scheduling Microsoft Teams training sessions for agency Chief Financial Officers/Project Managers commencing the week of May 31<sup>st</sup>. Ryan can be reached at [Ryan.Gardiner@omb.ri.gov](mailto:Ryan.Gardiner@omb.ri.gov) or 222-2194 if you have questions or require additional assistance during the process. Please also take note that OMB will be communicating updated agency analyst assignments for the FY 2024 budget cycle.

cc: OMB Budget Staff