



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

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MEMORANDUM

To: Directors and Chief Financial Officers
From: Joseph M. Codega, Jr., State Budget Officer
Date: May 24, 2023
Subject: FY 2025 – FY 2029 Capital Budget Process

A handwritten signature in black ink, appearing to read "Joseph M. Codega, Jr.", positioned to the right of the "From:" line.

Please see attached instructions to guide development of agency capital budget requests to be submitted by July 28, 2023. This memo provides a few guiding principles and highlights to keep in mind when formulating your budget request. The accompanying instructions provide you and your staff with a detailed guide to construct and submit your budget request.

This year the Budget Office welcomes agencies to submit requests for general obligation bond-financed projects. A statewide voter referendum takes place every other year to authorize new general obligation borrowing. Your capital budget request should assume that a referendum to authorize new projects will be approved by the General Assembly to go before voters in November 2024. You may assume that proceeds will be available for project expenditures beginning in spring 2025.

In this year's capital budget process, agencies may submit unconstrained requests for the period FY 2025 – FY 2029. 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. When cost escalators are requested, agencies must provide evidence of having considered alternative approaches such as scope reduction, alternate design proposals, 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.

Agency vehicle replacement plans merit special consideration in this year's capital request. The automotive industry is emerging from a period of acute supply chain disruption, which delayed many state vehicle purchases. Replacement plans should bring agency vehicle fleets to a state of full readiness over the five-year planning period, while also reflecting Governor McKee's reduced-emissions and zero-emissions targets outlined in [E.O. 2023-06](#).

If you have any questions or concerns regarding the capital budget development process, please reach out to your assigned budget analyst or escalate to Steve Masse, Chief Capital Analyst, at Steven.Masse@omb.ri.gov. Please direct any technical questions to Lisa Henriques, Database Administrator, at Lisa.Henriques@budget.ri.gov. Furthermore, Lisa will be reaching out to agencies proactively to schedule training sessions to acquaint you with necessary BFM functionality to construct your agency capital budget request.