



## Director's Office

One Capitol Hill | Providence, RI 02908 | (401) 222-2280

Jonathan Womer, Director

April 10, 2025

The Honorable Alex Marszalkowski  
Subcommittee Chairperson  
House Committee on Finance  
State House, Room 35  
82 Smith Street  
Providence, RI 02903

Subcommittee Chair Marszalkowski:

Please find below additional detail on certain items that the Committee had questions on from our Department budget hearing on March 25, 2025. Please let us know if the Committee has any further questions on these items or the Department's budget request.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Womer", written over a horizontal line.

Jonathan Womer  
Director, Department of Administration

cc: The Honorable Marvin L. Abney, Chairperson, House Committee on Finance  
The Honorable Members of the House Committee on Finance  
Sharon Reynolds Ferland, House Fiscal Advisor  
Christopher O'Brien, Committee Clerk



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### Rhode Island Convention Center Authority

The Rhode Island Convention Center Authority (RICCA) has outstanding bonds that funded three separate bonds in 2006, 2017, 2021. The \$24.5M referenced on slide 24 of the House Fiscal Presentation represents RICCA's annual debt service payment on those 3 bonds, not an operating shortfall as was the concern during the hearing.

The operating shortfall mentioned in the slide deck refers to the State's subsidization of the Clifford St parking garage, also known as the "Garrahy Parking Garage." There was a bond issued in 2018 for the construction of the new 1,200 space garage located on Clifford St, which began operations in early 2020. As garage revenues can be volatile, the State has subsidized the annual debt payment requirements by almost 100% (\$3.1M) in early years, but has reduced its contribution substantially for FY 2025 and FY 2026 to \$493,000 annually.

### Garrahy Parking Garage

The Rhode Island Department of Administration (RIDOA) engaged with the Innovation District Garage on 3/1/2020 to establish an agreement for parking for four agencies. Subsequently, this agreement has been amended on four occasions to expand parking for each agency. The current totals are listed below:

| Agency Contract | Agency Utilizing                  | Number of Spaces | FY25 Annual Payment <sup>3</sup> | Term        |
|-----------------|-----------------------------------|------------------|----------------------------------|-------------|
| RIDOA           | DCYF                              | 400              | \$1,080,000                      | No term end |
|                 | Public Defenders                  | 30               | \$81,000                         | No term end |
|                 | Dept of Corrections               | 21               | \$56,700                         | No term end |
|                 | DHS/Child Services                | 11               | \$29,700                         | No term end |
| RIDOH           | Department of Health <sup>2</sup> | 130              | \$351,000                        | 3/25 – 2/45 |
| AOSC            | Courts <sup>1</sup>               | 313              | \$380,700                        | No term end |

1. Courts received free parking for 172 spaces.
2. Agreement in place. RIDOH occupies building later this calendar year.
3. Current market rate is \$225 per month and is charged to all users per the initial legislation.

The Authority also has an agreement with the Rhode Island Department of Health (RIDOH) for employees of their new lab building on Clifford Street. This agreement is for 130 spaces. RIDOH has yet to move in, so the full effect of the 130 parkers has yet to be realized.



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The Authority also has an agreement with Administrative Office of the State Courts (AOSC) for court employees of the Garrahy Courthouse. Their needs will soon be reduced to 313 total spaces with 172 of those spaces charged at no cost per the original legislation and agreement. As a point of reference, the construction of the garage displaced 172 existing spaces the Courts utilized at no cost.

Current market rate is \$225 per space per month. Consistent with the enabling legislation and bond requirements, all users of the garage are required to be charged at the market rate.

### Summarized Proposed RICAP Changes (GBA 6 & 7)

To fund the necessary wastewater and demolition projects on the Zambarano Campus in FY 2025, DCAMM proposes reducing two accounts (Pastore Demo and Chapin) and changes to the out-years for three accounts (Cannon, Washington County Government Center, and Pastore Infrastructure). More detail about the proposed changes in FY 2025 and FY 2026 can be found below.

Overall, there are two categories of changes proposed in the amendment: Funding reductions and shifting costs to outyears. The funding changes are summarized in the table below:

| Proposed Shifts              |           |                 |                  |   |
|------------------------------|-----------|-----------------|------------------|---|
| Account                      | Account # | FY25            | FY26             | Notes   |
| Cannon                       | 7068106   | \$ 550,000.00   | \$ 900,000.00    | Shift building renovation project to out years to align better with completion of the master plan.        |
| Washington County Gov Center | 7068114   | \$ 675,000.00   | \$ 500,000.00    | Shifting funding to FY27, future request will include design and construction cost per feasibility study. |
| Pastore Demo                 | 7068135   | \$ 1,000,000.00 |                  | Reduced funding due to bid cost.  |
| Pastore Infra                | 7068208   | \$ 6,140,000.00 |                  | Delay in steam project, due to bid process. Shift funding to FY29 as project will take 4 years. FY26-29   |
| Chapin                       | 7068146   | \$ 100,000.00   | \$ 250,000.00    | Reduced funding for asset protection based on current FY spend and reduced occupancy in FY26.             |
|                              |           | \$ 8,465,000.00 | \$ 1,650,000.00  |   |
|                              |           |                 | \$ 10,115,000.00 | Total Shifts  |

1. Funding reductions due to updated budget estimates or operational needs:

These reductions do not result in any changes to the project scopes, but reflect savings from reduced project costs. These reductions include:

- A reduction in the Chapin Building account, since the building is expected to be vacant in the fall of 2025 and asset protection will decline; and





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- b. A reduction in the Pastore Demolition account, since the project cost is less than FY 2025 budgeted allocation.
- 2. Funding shifts to out-years in support of projects awaiting the result of feasibility studies or long-term project planning:
  - a. The Cannon renovation project requires the outcome of the Capitol Hill Master Plan, which is expected to be completed next year. As such, a request to fund the forthcoming design and construction will be requested in the out-years.
    - i. What DCAMM reduced: ~\$1.5M that was budgeted for a feasibility study and design. The feasibility study was obviated by the larger master planning effort that will consider the Cannon building. Further, the project has shifted by at least a year while awaiting the completion of the master plan. Therefore, projected spend for Cannon will shift to the out-years.
    - ii. Out-year plan: Depending on the outcome of the master plan, DCAMM expects this funding request to impact FY 2031.
  - b. Similarly, DCAMM expects the feasibility study for the Washington County Government Center to be finalized later this year. This study will determine the facility's future needs and will inform DCAMM's future request for funding design and construction.
    - i. What DCAMM reduced: ~\$1.1M that was budgeted for design. DCAMM didn't plan to spend this design funding since there's no funding presently for a construction project.
    - ii. Out-year plan: Depending on the outcome of the feasibility study, DCAMM intends to request funding for the full design and construction project. Depending on the scale and scope of the project and other competing priorities, this may be an out-year request.
  - c. The proposed funding shift in the Pastore Infrastructure account is related to the complex and long-term nature of the steam project. Due to this complexity, the project encountered delays in the bid process.
    - i. What DCAMM reduced: \$6M that was contemplated as part of the steam project. But the Pastore Infrastructure account is complex, consisting of multiple large-scale sub-projects. At this time, we believe we can re-prioritize the funding in the existing plan to address the steam project.
    - ii. Out-year plan: Once a vendor is on board, DCAMM can determine if the funding timeline aligns with the project timeline. There will mostly likely be additional requests beyond FY30 to accommodate any sub-projects impacted by this re-prioritization.



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### Long Term Acute Care Hospital (LTACH) Proposal

The Committee inquired about the basis of the FY 2023 request of \$108.2M for an acute care facility. The Governor's FY 2023 proposal contemplated an integrated medical facility to serve a patient population with varying levels of care. As noted in House Fiscal Office FY 2023 Budget as Enacted, "...the project estimate is based on similar facilities in Massachusetts and the recently completed Veterans' Home, adjusted for current construction costs. However, the estimate is still preliminary and actual project costs would be determined once design is complete." The proposal also requested additional funding for infrastructure on the Zambarano Campus to complement the proposed development.

The Faulkner Consulting Group finalized the "ESH Feasibility Study Project" report in April 2023, indicating that there is an unmet need for LTACH services in Rhode Island. Additionally, a single licensed hospital (consisting of all LTACH beds) would allow Eleanor Slater to maintain cost-based Medicaid reimbursement and mitigate the risk of Centers for Medicare and Medicaid Services (CMS) classifying the hospital as an Institution of Mental Disease which would subsequently result in the forfeiture of federal matching funds. The transition from the initially proposed integrated medical facility to a Long-Term Acute Care Hospital changed the composition of the facility to consist of 100 LTACH beds. This need was further supported by the needs assessment conducted by Faulkner Consulting Group. A more accurate cost estimate will be available as the project design advances and we are happy to provide updates as we receive additional information.