

State of Rhode Island and Providence Plantations
Department of Administration
Office of Management and Budget

Fiscal Note for Proposed Administrative Rules (R.I.G.L. § 22-12-1.1)

Name of Administrative Rule: RULES AND REGULATIONS FOR GRANT-MAKING INVOLVING FEDERAL FUNDS (220-RICR-20-00-02)

FISCAL IMPACT					
State Revenues		State Expenditures		City/Town Expenditures	
FY 2022	\$0	FY 2022	\$2,657,401	FY 2022	\$0
FY 2023	\$0	FY 2023	\$958,335	FY 2023	\$0
FY 2024	\$0	FY 2024	\$225,000	FY 2024	\$0

Summary of Policy Change: The Department of Administration’s Grants Management Office (GMO) proposes to adopt regulations establishing a regulatory framework for grant-making by state agencies. This Regulation supports the implementation of an enterprise-wide grants management system (GMS). The proposed Regulation is guided by principles of fairness, equity, and competition in grant-making.

To date, in the absence of grant-making regulations and systems, RI has relied on procurement regulations and process for grant-making. However, Rhode Island purchasing regulations (220-RICR-30-00-1.8) explicitly identify grants as not procurements. Program and fiscal staff within each agency have generally relied on Excel spreadsheets and similar tools to track and manage federal awards and any associated subawards. Applicants and subrecipients have encountered wide variations in processes when applying for funds and implementing funded programs/projects from different state agencies. Once implemented, this Regulation and the GMS will reduce the risk of non-compliance with federal award requirements, establish consistent, streamlined administrative and business processes, and enable state grant staff and subrecipients to focus on improving grant outcomes.

Summary of State Fiscal Impact: GMS implementation costs have already been budgeted in FY 2022 and 2023. GMS licensing costs in FY 2024 have been approved. System costs are expected to be within budget.

City or Town Impact: Not applicable. There is no fee for cities and towns to use the GMS.