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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO PUBLIC FINANCE -- STATE BUDGET--PROGRAM PERFORMANCE  
MEASUREMENT

Introduced By: Representatives Marszalkowski, and Slater

Date Introduced: February 27, 2026

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 35-3-7.2, 35-3-17.1 and 35-3-24.1 of the General Laws in Chapter  
2 35-3 entitled "State Budget" are hereby amended to read as follows:

3 **35-3-7.2. Budget officer as capital development officer.**

4 The budget officer shall be a capital development program officer who shall be responsible  
5 for:

6 (1) The review of all capital development requests submitted by the various state  
7 departments, as set forth in chapter 6 of title 42, which shall include all independent boards and  
8 commissions and the capital development plans of the Narragansett Bay Commission, Rhode Island  
9 infrastructure bank, the Lottery Commission, and all other public corporations, as defined in  
10 chapter 18 of this title which plans would be subject to the provisions of § 35-18-3; provided, that,  
11 except as provided for in this section, nothing in this section shall be construed to limit the powers  
12 of the council on postsecondary education as outlined in chapter 59 of title 16. Capital development  
13 requests and plans shall be submitted in such form, with such explanation, in such number of copies,  
14 and by such date as the budget officer may require. Copies shall also be provided directly to the  
15 house fiscal advisor and the senate fiscal advisor.

16 (2) Preparation of a capital budget which shall specify which capital items are proposed for  
17 presentation to the electorate at the next general election.

18 (3) The activities which will promote capital development planning and develop criteria

1 which can be used to determine appropriate levels of bonded indebtedness.

2 (4) Acting as chairperson of the capital development planning and oversight commission  
3 which is to be appointed by the governor [and shall meet no less than quarterly](#). The commission,  
4 in addition to recommending to the governor the biennial capital budget, shall implement a long-  
5 range capital development planning process and shall be responsible for the development of an  
6 inventory of state assets to determine the need and prioritization of capital improvements.

7 (5) Working with the council on postsecondary education in the development by the  
8 council of that portion of the council's capital development program involving annual general  
9 revenues.

10 **35-3-17.1. Financial statements required from state departments, agencies, and**  
11 **instrumentalities.**

12 The several state departments, agencies, and public authorities and corporations shall  
13 submit to the fiscal advisors of the house and senate, statements of financial conditions and  
14 operations within thirty (30) days of the close of each of the first three (3) fiscal quarters of each  
15 year. The statements shall include, at a minimum:

- 16 (1) Account numbers;
- 17 (2) Allotments;
- 18 (3) Expenditures to-date;
- 19 (4) Estimated expenditures to complete the fiscal year;
- 20 (5) Surplus or deficiency projections; ~~and~~
- 21 (6) Progress on any corrective action plans per the most recent annual findings of the  
22 auditor general; [the party responsible to implement the corrective action plan, and, if applicable,](#)  
23 [the reasons for disagreement with any recommendation proposed by the auditor general; and](#)
- 24 [\(7\) The status of capital projects for which any funding from general obligation bond](#)  
25 [proceeds, Rhode Island Capital Plan funds, or other pay-as-you-go sources has been approved for](#)  
26 [the current fiscal year.](#)

27 **35-3-24.1. Program performance measurement.**

28 (a)(1) Beginning with the fiscal year ending June 30, 1997, the governor shall submit, as  
29 part of each budget submitted to the general assembly pursuant to § 35-3-7, performance objectives  
30 for each program in the budget for the ensuing fiscal year, estimated performance data for the fiscal  
31 year in which the budget is submitted, and actual performance data for the preceding two (2)  
32 completed fiscal years. Performance data shall include efforts at achieving equal opportunity hiring  
33 goals as defined in the department's annual affirmative action plan. The governor shall, in addition,  
34 recommend appropriate standards against which to measure program performance. Performance in

1 prior years may be used as a standard where appropriate. These performance standards shall be  
2 stated in terms of results obtained.

3 (2) Beginning with the fiscal year 2028 budget submission, the capital budget shall identify  
4 to the extent possible the source of the cost estimate upon which the recommendation is based and  
5 which capital projects have had material changes to the scope of work or cost changes of more than  
6 five percent (5%) from approved amounts.

7 (b) The governor may submit, in lieu of any part of the information required to be submitted  
8 pursuant to subsection (a), an explanation of why the information cannot as a practical matter be  
9 submitted.

10 (c)(1) The office of management and budget shall be responsible for managing and  
11 collecting program performance measures on behalf of the governor. The office is authorized to  
12 conduct performance reviews and audits of agencies to determine the manner and extent to which  
13 executive branch agencies achieve intended objectives and outcomes.

14 (2) In order to collect performance measures from agencies, review performance, and  
15 provide recommendations, the office of budget and management is authorized to coordinate with  
16 the office of internal audit and program integrity regarding the findings and recommendations that  
17 result from audits conducted by the office.

18 (3) In order to facilitate the office of management and budget's performance reviews,  
19 agencies must generate and provide timely access to records, reports, analyses, audits, reviews,  
20 documents, papers, recommendations, contractual deliverables, or other materials available relating  
21 to agency programs and operations.

22 (4) In order to ensure alignment of executive branch agency operations with the state's  
23 priorities, the office of management and budget may produce, with all necessary cooperation from  
24 executive branch agencies, analyses and recommendations to improve program performance,  
25 conduct evidence-based budgeting, and respond to sudden shifts in policy environments.

26 (5) In order to gain insight into performance or outcomes and inform policymaking and  
27 program evaluation, the office of management and budget may lead, manage, and/or coordinate  
28 interagency and cross-system collaboration or integration initiatives.

29 SECTION 2. Section 42-11-2.5 of the General Laws in Chapter 42-11 entitled "Department  
30 of Administration" is hereby amended to read as follows:

31 **42-11-2.5. Information technology restricted receipt account and large systems**  
32 **initiatives fund.**

33 (a) All sums from the sale of any land and the buildings and improvements thereon, and  
34 other real property, title to which is vested in the state, except as provided in § 37-7-15(b) through

1 (d), shall be transferred to an information technology restricted receipt account (ITRR account) that  
2 is hereby established. This ITRR account shall consist of such sums from the sale of any land and  
3 the buildings and improvements thereon, and other real property, title to which is vested in the state,  
4 except as provided in § 37-7-15(b) through (d), as well as a share of first response surcharge  
5 revenues collected under the provisions of § 39-21.1-14. This ITRR account may also consist of  
6 such sums as the state may from time to time appropriate; as well as money received from the  
7 disposal of information technology hardware, loan, interest, and service charge payments from  
8 benefiting state agencies; as well as interest earnings, money received from the federal government,  
9 gifts, bequests, donations, or otherwise from any public or private source. Any such funds shall be  
10 exempt from the indirect cost recovery provisions of § 35-4-27.

11 (1) This ITRR account shall be used for the purpose of acquiring information technology  
12 improvements, including, but not limited to: hardware, software, consulting services, and ongoing  
13 maintenance and upgrade contracts for state departments and agencies.

14 (2) The division of enterprise technology strategy and services of the Rhode Island  
15 department of administration shall adopt rules and regulations consistent with the purposes of this  
16 chapter and chapter 35 of this title, in order to provide [recommendations](#) for the orderly and  
17 equitable disbursement of funds from this ITRR account; [provided, however, disbursements from](#)  
18 [the ITRR account shall be subject to project-specific appropriations and separately listed in the](#)  
19 [capital budget submission](#).

20 (3) For all requests for proposals that are issued for information technology projects, a  
21 corresponding information technology project manager shall be assigned.

22 (b) There is also hereby established a special fund to be known as the large systems  
23 initiatives fund (LSI fund), separate and apart from the general fund of the state, to be administered  
24 by the chief information officer within the department of administration for the purpose of  
25 implementing and maintaining enterprise-wide software projects for executive branch departments.  
26 The LSI fund shall consist of such sums as the state may from time to time directly appropriate to  
27 the LSI fund, any accrued interest, and any funds collected pursuant to subsection (b)(1) of this  
28 section. After the completion of any project, the chief digital officer shall inform the state controller  
29 of unexpended sums previously transferred to the LSI Fund for that project and the state controller  
30 shall subsequently transfer any such unexpended funds to the information technology restricted  
31 receipt account; [provided, further, the unexpended sums from a completed project and the](#)  
32 [subsequent transfer to the ITRR account shall be reported by the state controller to the chairpersons](#)  
33 [of the house finance committee and the senate finance committee](#). The state controller shall transfer  
34 any excess interest accrued in the LSI fund and any funds collected pursuant to subsection (b)(1)

1 of this section to the ITRR account.

2 (1) The director of the department of administration may allocate and charge capitalized  
3 costs, in accordance with the statewide cost allocation plan, to agencies that benefit from initiatives  
4 funded through the LSI Fund. The department of administration shall include as part of its budget  
5 submission pursuant to § 35-3-4 an expected billing schedule for any capitalized costs that the  
6 department intends to charge to agencies for the next ensuing fiscal year.

7 (c) For any new project initiated using sums expended from the LSI Fund, as part of its  
8 budget submission pursuant to § 35-3-4 relative to state fiscal year 2025 and thereafter, the  
9 department of administration shall include a statement of project purpose and the estimated project  
10 cost.

11 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO PUBLIC FINANCE -- STATE BUDGET--PROGRAM PERFORMANCE  
MEASUREMENT

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- 1           This act would provide additional oversight and reporting measures related to audits and
- 2 capital projects.
- 3           This act would take effect upon passage.

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