



# Rhode Island Commerce Corporation Budget

*FY 2019 Operating Budget*

Board Approval Request

# Overview

- The Commerce Corporation's budget consists of the following categories:
  - Operating: Funds associated with managing/operating the Corporation (staff, overhead, etc.)
  - Programmatic: Funds associated with programing (incentives, grants, pass-throughs, etc.)
- FY 2019 funding originates from the following sources:
  - Annual Appropriations (State): Operating capital appropriated by the State
  - Hotel Tax (State): Operating capital specific to Tourism and Business Attraction
  - Federal Grants: Federally funded program specific reimbursements
  - Other Income: Unique specific funding streams and/or fees from project administration
- FY 2019 expenses consist of the following categories:
  - Personnel: Salaries/benefits of employees.
  - Overhead: General/administrative overhead
  - Advisory: Legal/consulting/other
  - Programmatic Expenditures: Funding available for direct economic investment

# Revenue Detail

- The \$54.1M FY 2019 budget is categorized as follows:
  - Sources:
    - Annual Appropriations (State): \$30.6M, Operating (24%)/Programmatic (76%)
    - Federal Proceeds: \$3.9M (7%) in funding sourced by the federal government
    - Other Income: \$19.6M (36%) Includes State pass throughs
  - Uses: Approx. 76% of RICC FY 2019 is for direct investment into RI's economy

Revenues	Appro.	Fed	Other	Total	% Tot.
<b>Operating</b>					
RICC Operations	7,470,000		140,000	7,610,000	14%
<b>Programmatic</b>					
REF			2,960,000	2,960,000	5%
Marketing/Tourism <sup>(1)</sup>			5,600,000	5,600,000	10%
Federal Grants and Programs		3,920,000		3,920,000	7%
STAC & SBIR			2,150,000	2,150,000	4%
Supply RI	300,000		200,000	500,000	1%
State Pass throughs			8,520,000	8,520,000	16%
Economic Incentives	22,800,000			22,800,000	42%
<b>Total Sources</b>	<b>30,570,000</b>	<b>3,920,000</b>	<b>19,570,000</b>	<b>54,060,000</b>	<b>100%</b>
	57%	7%	36%	100%	



(1) Sourced from hotel tax

# Expense Detail

- FY 2019 expenses consist of the following categories:
  - Personnel: \$5.8M (14%) of RICC’s expense structure is salaries/benefits of staff
  - Overhead: \$2.4M (6%) is general/administrative and overhead costs
  - Advisory: \$1.7M (4%) is 3<sup>rd</sup> party legal/consulting/other costs
  - Programmatic Expenditures: \$30.6M (76%) is projected for direct economic investment

Expenses		Appro.	Fed	Other	Total	% Tot.
<b>Operating</b>	Personnel	4,350,000	620,000	820,000	5,790,000	14%
	Overhead	2,010,000	250,000	110,000	2,370,000	6%
	Advisory	1,570,000	50,000	50,000	1,670,000	4%
	<b>Total Operating</b>	<b>7,930,000</b>	<b>920,000</b>	<b>980,000</b>	<b>9,830,000</b>	<b>24%</b>
<b>Programmatic</b>	REF			2,650,000	2,650,000	7%
	Marketing/Tourism			4,910,000	4,910,000	12%
	Federal Grants and Programs		3,120,000		3,120,000	8%
	STAC & SBIR	1,930,000			1,930,000	5%
	Supply RI	-			0	0%
	State Pass throughs	8,520,000			8,520,000	21%
	Economic Incentives	9,410,000		40,000	9,450,000	23%
	<b>Total Programmatic</b>	<b>19,860,000</b>	<b>3,120,000</b>	<b>7,600,000</b>	<b>30,580,000</b>	<b>76%</b>
Reserve Fund for future Obligations	13,650,000			13,650,000		
<b>Grand Total</b>	<b>41,440,000</b>	<b>4,040,000</b>	<b>8,580,000</b>	<b>54,060,000</b>	<b>100%</b>	

# 2019 Expense Comparison

Expense Comparison		FY2019	FY 2018	Delta
<b><i>Operating</i></b>				
	Personnel	\$5.8 M	\$6.3 M	-\$0.5 M
	Overhead	\$2.4 M	\$2.6 M	-\$0.2 M
	Advisory	\$1.7 M	\$1.3 M	\$0.4 M
<b>Total Operating</b>		<b>\$9.9 M</b>	<b>\$10.2 M</b>	<b>-\$0.3 M</b>
<b><i>Programmatic</i></b>				
	REF	\$2.7 M	\$2.7 M	\$0.0 M
	Marketing/Tourism	\$4.9 M	\$4.6 M	\$0.3 M
	Federal Grants and Programs	\$3.1 M	\$3.1 M	\$0.0 M
	STAC & SBIR	\$1.9 M	\$1.8 M	\$0.1 M
	Supply RI	\$0.0 M	\$0.0 M	\$0.0 M
	State Pass throughs	\$8.5 M	\$8.7 M	-\$0.2 M
	Economic Incentives	\$9.5 M	\$6.7 M	\$2.8 M
<b>Total Programmatic</b>		<b>\$30.6 M</b>	<b>\$27.6 M</b>	<b>\$3.0 M</b>
Reserve Fund for future Obligations		\$13.6 M	\$8.5 M	\$8.5 M
<b>Grand Total</b>		<b>\$54.1 M</b>	<b>\$46.3 M</b>	<b>\$11.2 M</b>

# Appendix

*FY 2019 Operating Budget*



# Expense Detail by Business Unit

Expenses	Operations	Financial Services	Client Services	Business Development	Branding & Marketing	Investments	Supply RI	Pass through	Total
<b>Operating</b>									
Personnel	2,130,000	400,000	450,000	870,000	980,000	720,000	240,000		5,790,000
Overhead	1,440,000	290,000	100,000	250,000	270,000	20,000	0		2,370,000
Advisory	780,000	100,000	0	100,000	10,000	420,000	260,000		1,670,000
<b>Total Operating</b>	<b>4,350,000</b>	<b>790,000</b>	<b>550,000</b>	<b>1,220,000</b>	<b>1,260,000</b>	<b>1,160,000</b>	<b>500,000</b>		<b>9,830,000</b>
<b>Programmatic</b>	1,390,000	4,500,000	-	10,000	4,910,000	11,250,000	0	8,520,000	30,580,000
<b>Grand Total</b>	<b>5,740,000</b>	<b>5,290,000</b>	<b>550,000</b>	<b>1,230,000</b>	<b>6,170,000</b>	<b>12,410,000</b>	<b>500,000</b>	<b>8,520,000</b>	<b>40,410,000</b>
Reserve Fund for future Obligations	-	-	-	-	-	13,650,000	-	-	13,650,000
<b>Grand Total</b>	<b>5,740,000</b>	<b>5,290,000</b>	<b>550,000</b>	<b>1,230,000</b>	<b>6,170,000</b>	<b>26,060,000</b>	<b>500,000</b>	<b>8,520,000</b>	<b>54,060,000</b>

# Full-time Equivalents (FTE)

	RI Commerce Base	Funded by Other Sources	Total
OPERATIONS	18	2	20
FINANCIAL SERVICES	2	3	5
CLIENT SERVICES	5	4	9
BUSINESS DEVELOPMENT	7	2	9
BRANDING & MARKETING	6	5	11
INVESTMENTS	4	4	8
<b>TOTAL FTE'S</b>	<b>42</b>	<b>20</b>	<b>62</b>