



Rhode Island Commerce Corporation

FY22 Operating Budget

Board Presentation & Approval Request

January 2022

**RHODE
ISLAND**
COMMERCE

OVERVIEW

- \$217.0 million budget for FY22 funded using multiple sources:
 - State appropriation
 - State hotel tax revenue to support tourism and business attraction
 - Federal funds
 - Other: unique specific funding streams and/or fees
- Specific/non-recurring programs under the American Rescue Plan Act (ARPA):
 - \$61.7 million State Small Business Credit Initiative (SSBCI) – Resurrected with ARPA
 - \$45.5 million “Down Payment” Grant focused on Broadband, Small Business and Tourism
 - \$10.6 million Economic Development Administration (EDA) State Travel, Tourism and Outdoor Recreation Grant
 - \$1.0 million EDA Statewide Planning Grant
- Vast majority of both continuing-operations budget and total FY22 budget pays for economic development programs

REVENUE DETAIL

The \$217.0M FY22 budget includes \$118.8M in American Rescue Plan Act (ARPA) funded programming, \$23.6M of which is included in Marketing/Tourism (Down Payment & EDA grant). The remainder is categorized as follows:

- **State General Revenue:** \$84.6M, including \$67.5M for Rebuild RI and the \$7.7M base appropriation.
- **Other Federal Programs:** \$2.9M, including CARES Act funding of \$2.4M.
- **Other Income:** \$10.8M, including \$6.5M from hotel revenue.

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	\$7,660,000			\$7,660,000	4%
Renewable Energy Fund			2,630,000	2,630,000	1%
Marketing/Tourism		23,600,000	6,470,000	30,070,000	14%
STAC & SBIR	1,900,000			1,900,000	1%
Supply RI	300,000		50,000	350,000	0%
State Pass-throughs	3,030,000			3,030,000	1%
CARES Act Programs (Federal Programs)		2,360,000		2,360,000	1%
American Rescue Plan Act Programs (Federal Programs)		95,200,000		95,200,000	44%
Other Federal Programs		460,000		460,000	0%
Economic Incentives	71,750,000			71,750,000	33%
Other income		560,000	1,030,000	1,590,000	1%
Total	\$84,640,000	\$122,180,000	\$10,180,000	\$217,000,000	
% Total	39%	56%	5%		100%

EXPENSE DETAIL

Expenses for FY22 consist of

- **Awards & Programs:** \$54.1M for direct economic investment, including \$38.1M for Rebuild RI. Additionally, \$52.0M in ARPA and CARES Act-funded business recovery programs, \$16.1M of which is included in Marketing/Tourism (Down Payment & EDA grant).
- **Personnel:** \$6.4M (3%) of RICC's expense structure is salaries/benefits of staff.
- **Overhead:** \$2.4M (1%) is general/administrative costs.
- **Advisory:** \$1.6M (1%) is 3rd party legal/consulting/other costs.

Expenses	State General Revenue	Federal	Other	Total	% Total
Personnel	\$3,910,000	\$909,193	\$1,626,241	\$6,450,000	3%
Overhead	2,300,000	70,000	0	2,370,000	1%
Advisory	1,450,000	0	160,000	1,610,000	1%
Total Operating	\$7,660,000	\$979,193	\$1,790,807	\$10,430,000	5%
Renewable Energy Fund			2,370,000	2,370,000	1%
Marketing/Tourism		16,100,000	3,540,000	19,640,000	9%
STAC & SBIR	1,900,000			1,900,000	1%
Supply RI	350,000			350,000	0%
State Pass-throughs	3,030,000			3,030,000	1%
CARES Act Programs (Federal Programs)		2,360,000		2,360,000	1%
American Rescue Plan Act Programs (Federal Programs)		33,500,000		33,500,000	15%
Economic Incentives	42,380,000			42,380,000	20%
Small Business Assist. & Adapt.			500,000	500,000	0%
Reserved Program Expenses			100,540,000	100,540,000	46%
Total Awards & Programs	\$47,660,000	\$51,960,000	\$106,950,000	\$206,570,000	95%
Grand Total	\$55,320,000	\$52,939,193	\$108,740,807	\$217,000,000	100%
% Grand Total	25%	24%	50%	100%	

FY22-FY21 EXPENSE COMPARISON

Expense Comparison		FY2021	FY2022	Change	% Change
Operating	Personnel	\$6,360,000	\$6,450,000	\$90,000	1%
	Overhead	1,960,000	2,370,000	410,000	21%
	Advisory	1,430,000	1,610,000	180,000	13%
	Total	\$9,750,000	\$10,430,000	\$680,000	7%
Awards & Programs	Renewable Energy Fund	\$1,950,000	\$2,370,000	\$420,000	22%
	Marketing/Tourism	3,500,000	19,640,000	16,140,000	461%
	STAC & SBIR	1,800,000	1,900,000	100,000	6%
	Supply RI	315,000	350,000	35,000	11%
	State Pass throughs	3,300,000	3,030,000	(270,000)	-8%
	CARES Act Programs (Federal Programs)	87,400,000	2,360,000	(85,040,000)	N.M.
	American Rescue Plan Act Programs (Federal Programs)	-	33,500,000	33,500,000	N.M.
	Economic Incentives	32,200,000	42,380,000	10,180,000	32%
	Small Business Assist. & Adapt.	1,000,000	500,000	(500,000)	-50%
	Reserved Program Expenses	-	100,540,000	100,540,000	N.M.
	Total	\$131,465,000	\$206,570,000	\$75,105,000	N.M.
Grand Total	\$141,215,000	\$217,000,000	\$75,785,000	N.M.	

APPENDIX A

FY22 Operating Budget

**RHODE
ISLAND**
COMMERCE

EXPENSE DETAIL BY BUSINESS UNIT

	Finance, Exec. & Ops	Financial Services	Business Assistance	Business Development	Branding & Marketing	Investments	Total
<i>Operating</i>							
Personnel	\$2,789,000	\$470,000	\$294,000	\$1,155,000	\$930,000	\$812,000	\$6,450,000
Overhead	1,442,000	262,000	121,000	252,000	272,000	20,000	2,370,000
Advisory	957,000	112,000	37,000	137,000	6,000	361,000	1,610,000
Total Operating	\$5,188,000	\$844,000	\$452,000	\$1,544,000	\$1,208,000	\$1,193,000	\$10,430,000
Awards & Programs	3,030,000	64,333,000	36,710,000	0	28,817,000	73,680,000	206,570,000
Total	\$8,218,000	\$65,177,000	\$37,162,000	\$1,544,000	\$30,025,000	\$74,873,000	\$217,000,000

OPERATING DETAILS

Expenses	FY22 Budget	FY21 Actual	FY21 Budgeted
Salaries	\$5,093,614	\$3,818,126	\$5,019,094
Benefits	1,356,271	1,082,413	1,342,236
Total Advisory & Overhead			
Occupancy	499,000	498,545	500,000
Legal	500,000	412,024	500,000
Contractual	1,113,500	767,415	926,739
Advertising	210,000	31,406	125,000
Communications	25,000	22,011	25,000
Dues & Subscriptions	198,000	163,275	225,000
Education & Training	20,000	651	2,604
Insurance	227,000	216,040	250,000
Meetings & Conferences	18,600	4,232	15,000
Mileage	9,000	2,136	10,000
Office Supplies	33,400	32,454	50,000
Other Expenses	115,000	143,377	416,645
Other Expenses - Finance Leases	650,000	886,864	-
Out of State Travel	39,600	-	20,000
Postage	6,000	744	15,000
Printing/Production	36,000	149	20,000
Programmatic	500,000	-	1,000,000
Depreciation	282,000	282,306	281,260
Total Other Expenses	4,482,100	3,463,628	4,382,249
Total Expenses	\$10,931,984	\$8,364,167	\$10,743,579

PERSONNEL

FTEs	Commerce Base	Other Sources	Total
Exec/EOC	6.0	0.0	6
Finance, HR, and Ops	13.0	0.0	13
Financial Services	2.0	4.0	6
Business Assistance	7.5	6.5	14
Business Development	7.6	1.4	9
Marketing and Branding	6.3	3.7	10
Investments	5.3	6.3	12
TOTAL	47.7	21.9	70