



Rhode Island Commerce Corporation

FY23 Operating Budget

Board Presentation & Approval Request

December 2022

**RHODE
ISLAND**
COMMERCE

OVERVIEW

- \$93.3 million budget for FY23 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):
 - \$15.4 million Broadband Equity Access and Deployment (BEAD) and State Digital Equity Planning (SDEP) Grant Programs
 - \$12.0 million South Quay Marine Terminal Project funding to support the Offshore Wind industry
 - \$2.0 million Minority Business Accelerator Grant Program
 - \$1.5 million to support Destination Tourism Marketing
- Economic program changes as compared to prior year:
 - \$54.0 million Rebuild RI funding decrease in-line with projected outflow timing
 - \$5.0 Main Streets Revitalization Initiative funding
 - \$2.3 million to capitalize the Air Service Development Fund
 - \$1.6 million Wavemaker Fellowship program increase to expand eligibility
- Vast majority of both continuing-operations budget and total FY23 budget pays for economic development programs

REVENUE DETAIL

The \$93.3M FY23 budget includes \$30.9M in American Rescue Plan Act (ARPA) funded programming, \$1.5M of which is included in Marketing/Tourism (Destination Marketing). The remainder is categorized as:

- **State General Revenue:** \$45.4 M, including \$13.5M for Rebuild RI and the \$8.0M base appropriation.
- **Other Federal Programs:** \$0.4M for PTAC.
- **Other Income:** \$9.9M, including \$6.7M in reserved program funds and \$5.6M from hotel revenue.

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	\$7,950,000			\$7,950,000	9%
Renewable Energy Fund			2,500,000	2,500,000	3%
Marketing/Tourism		1,500,000	5,600,000	7,100,000	8%
STAC & SBIR	1,900,000			1,900,000	2%
Supply RI	300,000		60,000	360,000	0%
State Pass-throughs	8,630,000			8,630,000	9%
Economic Programs	26,600,000			26,600,000	29%
American Rescue Plan Act Programs (Federal Programs)		29,380,000		29,380,000	32%
Other Federal Programs		400,000		400,000	0%
Other income		330,000	1,390,000	1,720,000	2%
Reserved Program Funds			6,710,000	6,710,000	7%
Total	\$45,380,000	\$31,610,000	\$9,550,000	\$93,250,000	
% Total	49%	34%	10%		100%

EXPENSE DETAIL

Expenses for FY23 consist of

- **Awards & Programs:** \$50.9M for additional direct economic investment, including \$19.9M, \$5.2M and \$5.0M for Rebuild RI, Marketing/Tourism and Main Street Revitalization, respectively. Additionally, \$30.6M in ARPA funded economic development and recovery programs.
- **Personnel:** \$7.7M (8%) of RICC's expense structure is salaries/benefits of staff.
- **Overhead:** \$2.3M (2%) is general/administrative costs.
- **Advisory:** \$1.8M (2%) is 3rd party legal/consulting/other costs.

Expenses	State General Revenue	Federal	Other	Total	% Total
Personnel	\$4,870,000	\$890,000	\$1,890,000	\$7,650,000	8%
Overhead	1,510,000	50,000	710,000	2,270,000	2%
Advisory	1,570,000	0	260,000	1,830,000	2%
Total Operating	\$7,950,000	\$940,000	\$2,860,000	\$11,750,000	13%
Renewable Energy Fund			2,250,000	2,250,000	2%
Marketing/Tourism		1,500,000	5,190,000	6,690,000	7%
STAC & SBIR	1,710,000			1,710,000	2%
Supply RI	360,000			360,000	0%
State Pass-throughs	8,630,000			8,630,000	9%
Economic Programs	32,750,000			32,750,000	35%
American Rescue Plan Act Programs (Federal Programs)		29,110,000		29,110,000	31%
Total Awards & Programs	\$43,450,000	\$30,610,000	\$7,440,000	\$81,500,000	87%
Grand Total	\$51,400,000	\$31,550,000	\$10,300,000	\$93,250,000	100%
% Grand Total	55%	34%	11%	100%	

FY23-FY22 EXPENSE COMPARISON

Expense Comparison		FY2022	FY2023	Change	% Change
Operating	Personnel	\$6,450,000	\$7,650,000	\$1,200,000	19%
	Overhead	2,370,000	2,270,000	(100,000)	-4%
	Advisory	1,610,000	1,830,000	220,000	14%
	Total	\$10,430,000	\$11,750,000	\$1,320,000	13%
Awards & Programs	Renewable Energy Fund	\$2,370,000	\$2,250,000	(\$120,000)	-5%
	Marketing/Tourism	19,640,000	6,690,000	(12,950,000)	-66%
	STAC & SBIR	1,900,000	1,710,000	(190,000)	-10%
	Supply RI	350,000	360,000	10,000	3%
	State Pass throughs	3,030,000	8,630,000	5,600,000	185%
	Economic Programs	42,380,000	32,750,000	(9,630,000)	-23%
	Small Business Assist. & Adapt.	500,000	-	(500,000)	N.M.
	CARES Act Programs (Federal Programs)	2,360,000	-	(2,360,000)	N.M.
	American Rescue Plan Act Programs (Federal Programs)	33,500,000	29,110,000	(4,390,000)	-13%
	Reserved Program Expenses	100,540,000	-	(100,540,000)	N.M.
	Total	\$206,570,000	\$81,500,000	\$(125,070,000)	-61%
Grand Total	\$217,000,000	\$93,250,000	\$(123,750,000)	N.M.	

- **Operating:**
\$1.3M increase driven by hiring of 19 employees, 10 of which are fully funded by new federal grant sources and 4 fully or partially funded by other Federal and State programs.
- **Awards & Programs:**
\$125.1M decrease driven by \$100.5M in program revenues previously projected to be received in FY22 and reserved for future use (SSBCI, EDA Grants and Rebuild RI) and \$17.4M in lower ARPA (RI Rebounds in FY22).