



Rhode Island Commerce Corporation

FY24 Operating Budget

Board Presentation & Approval Request

November 2023

**RHODE
ISLAND**
COMMERCE

OVERVIEW

- \$181.3 million budget for FY24 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
- New and recurring Federal program funding:
 - \$45.0 million for Bioscience Investments to establish a Rhode Island life sciences Hub
 - \$35.0 million for the South Quay Marine Terminal Project to support the Offshore Wind industry
 - \$9.6 million in Broadband Capital Project Fund (CPF) funding
 - \$4.0 million Minority Business Accelerator Grant Program additional resources to enhance minority business growth
 - \$2.0 million from the Department of Energy State Manufacturing Leadership Program
 - \$1.5 million to support Destination Tourism Marketing
- Economic program changes as compared to prior year:
 - \$12.9 million Rebuild RI funding increase in-line with projected outflow timing
 - \$10.0 million for the First Wave Closing Fund to provide financing to attract, develop, and retain businesses
 - \$4.0 million Main Streets Revitalization Initiative decrease - *\$1.0 million in addition to the \$5.0 million received prior year*
 - \$1.4 million Small Business Assistance Program increase
 - \$1.0 million Innovation Initiative program increase - *maximum innovation voucher award from \$50k to \$75k*

REVENUE DETAIL

The \$181.3M FY24 budget includes \$85.5 in American Rescue Plan (ARPA) State Fiscal Recovery Fund (SFRF) funded programming, \$1.5M of which is included in Marketing/Tourism (Destination Marketing). The remainder is categorized as:

- **State General Revenue:** \$61.9M, including \$26.4M for Rebuild RI, \$10.0M for First Wave Closing Fund and the \$8.3M base appropriation.
- **Broadband:** \$9.9M, including \$9.6M from the CPF and \$0.3M for FCC ACP. *Excludes \$108.7M in BEAD funding allocated from NTIA to the State but not officially awarded in full (pending proposal approval).*
- **Other Income:** \$21.1M, including \$8.7M for Renewable Energy (REF and RGGI) and \$6.6M from tax hotel revenue.

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	\$8,290,000			\$8,290,000	5%
Renewable Energy Fund			8,700,000	8,700,000	5%
Marketing/Tourism		1,500,000	6,600,000	8,100,000	4%
STAC & SBIR	1,900,000			1,900,000	1%
Supply RI	1,000,000		45,000	1,045,000	1%
State Pass-throughs	2,126,000			2,126,000	1%
Economic Programs	48,610,000			48,610,000	27%
Broadband (CPF, FCC ACP)		9,870,000		9,870,000	5%
American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF) Programs		84,000,000		84,000,000	46%
Other Federal Programs		2,910,000		2,910,000	2%
Other income			5,730,000	5,730,000	3%
Total	\$61,926,000	\$98,280,000	\$21,075,000	\$181,281,000	
% Total	34%	54%	12%		100%

EXPENSE DETAIL

Expenses for FY24 consist of

- **Awards & Programs:** \$53.2M for additional direct economic investment, including \$22.7M, \$8.5M and \$6.2M for Rebuild RI, Renewable Energy Fund and Marketing/Tourism, respectively. Additionally, \$85.4M in ARPA SFRF funded economic development and recovery programs.
- **Personnel:** \$7.7M (3%) of RICC's expense structure is salaries/benefits of staff.
- **Overhead:** \$2.1M (1%) is general/administrative costs.
- **Advisory:** \$1.7M (1%) is 3rd party legal/consulting/other costs.

Expenses	State General Revenue	Federal	Other	Total	% Total
Personnel	\$5,780,000	\$1,470,000	\$490,000	\$7,740,000	4%
Overhead	1,550,000	40,000	550,000	2,140,000	1%
Advisory	960,000	0	760,000	1,720,000	1%
Total Operating	\$8,290,000	\$1,510,000	\$1,800,000	\$11,600,000	6%
Renewable Energy Fund			8,530,000	8,530,000	5%
Marketing/Tourism		1,500,000	6,220,000	7,720,000	4%
STAC & SBIR	1,760,000			1,760,000	1%
Supply RI	780,000			780,000	0%
State Pass-throughs	2,130,000			2,130,000	1%
Economic Programs	33,740,000			33,740,000	19%
Broadband (CPF, FCC ACP)		9,330,000		9,330,000	5%
American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF) Programs		83,870,000		83,870,000	46%
Other Federal Programs		1,950,000		1,950,000	
Other Expenses			120,000	120,000	0%
Reserved Program Expenses			19,751,000	19,751,000	11%
Total Awards & Programs	\$38,410,000	\$96,650,000	\$34,621,000	\$169,681,000	94%
Grand Total	\$46,700,000	\$98,160,000	\$36,421,000	\$181,281,000	100%
% Grand Total	26%	54%	20%	100%	

FY24-FY23 EXPENSE COMPARISON

Expense Comparison		FY2023	FY2024	Change	% Change
Operating	Personnel	\$7,650,000	\$7,740,000	\$90,000	1%
	Overhead	2,270,000	2,140,000	(130,000)	-6%
	Advisory	1,830,000	1,720,000	(110,000)	-6%
	Total	\$11,750,000	\$11,600,000	\$(150,000)	-1%
Awards & Programs	Renewable Energy Fund	\$2,250,000	\$8,530,000	\$6,280,000	279%
	Marketing/Tourism	6,690,000	7,720,000	1,030,000	15%
	STAC & SBIR	1,710,000	1,760,000	50,000	3%
	Supply RI	360,000	780,000	420,000	117%
	State Pass throughs	8,630,000	2,130,000	(6,500,000)	-75%
	Economic Programs	32,750,000	33,740,000	990,000	3%
	Broadband (CPF, FCC ACP)	15,162,000	9,330,000	(5,832,000)	-38%
	American Rescue Plan Act (ARPA) State Fiscal Recovery Fund (SFRF) Programs	13,948,000	83,870,000	69,922,000	501%
	Other Federal Programs	-	1,950,000	1,950,000	N.M.
	Other Expenses	-	120,000	120,000	N.M.
	Reserved Program Expenses	-	19,751,000	19,751,000	N.M.
	Total	\$81,500,000	\$169,681,000	\$88,181,000	108%
	Grand Total	\$93,250,000	\$181,281,000	\$88,031,000	94%

- **Operating:**
\$0.2M decrease driven by lower overhead asset depreciation and lower expected non-programmatic legal and consulting usage.
- **Awards & Programs:**
\$88.2M increase driven by \$69.9M in higher ARPA SFRF program expenditures (Bioscience, South Quay) and \$19.8M in program revenues projected to be received in FY24 and reserved for future use (Rebuild RI, First Wave, Main Streets).