



Rhode Island Commerce Corporation

FY25 Operating Budget

Board Presentation & Approval Request

October 2024

**RHODE
ISLAND**
COMMERCE

OVERVIEW

- \$66.3 million budget for FY25 funded using multiple sources:
 - State appropriations
 - State hotel tax revenue to support tourism and business attraction
 - Federal funds
 - Other: unique specific funding streams and/or fees
- New Federal program funding:
 - \$2.0 million for the Hospitality, Tourism and Events (HTE) Placemaking Phase II Program
 - \$1.6 million for the State Small Business Credit Initiative (SSBCI) Investing in America Small Business Opportunity Program (SBOP)
 - \$1.1 million in funding received for several U.S. Small Business Administration (SBA) grants (two Congressional Community Project awards and one from the Federal and State Technology Partnership Program (FAST))
- State economic program changes as compared to prior year:
 - \$16.3 million Rebuild RI funding decrease in-line with projected outflow timing
 - No FY25 First Wave Closing Fund appropriation (*\$10.0 million appropriated in prior year - FY24*)
 - No FY25 Small Business Assistance Program (SBAP) appropriation (*\$2.0 million appropriated in prior year - FY24*)
 - \$1.4 million in new Destination Tourism Marketing funding (*in addition to \$3.0 million FY23/FY24 appropriated federal funding*)
 - \$1.1 million decrease in the Air Service Development Fund annual appropriation
 - \$1.0 million decrease in the Innovation Initiative Program annual appropriation

REVENUE DETAIL

The \$66.3M FY25 budget includes:

- State General Revenue:** \$38.2M, including \$10.1M for Rebuild RI, \$6.0M in State pass-throughs, \$4.1M for the Wavemaker Fellowship Program and the \$8.5M base appropriation.
- Federal:** \$6.3M, including \$2.0M from HTE Placemaking Phase II, \$1.6M for SSBCI SBOP and \$1.1M in U.S. SBA grants (two Congressional Community Project awards and FAST).
- Other Income:** \$21.8M, including \$11.6M for Renewable Energy (REF and RGGI) and \$7.5M from hotel tax revenue.

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	\$8,506,000			\$8,506,000	13%
Renewable Energy Fund			11,570,000	11,570,000	17%
Marketing/Tourism	1,400,000		7,450,000	8,850,000	13%
STAC & SBIR	1,900,000			1,900,000	3%
Supply RI	750,000		45,000	795,000	1%
State Pass-throughs	6,001,000			6,001,000	9%
Economic Programs	19,690,000			19,690,000	30%
Federal American Rescue Plan Act (ARPA) Programs		3,582,000		3,582,000	5%
Other Federal Programs		2,740,000		2,740,000	4%
Other income			2,700,000	2,700,000	4%
Total	\$38,247,000	\$6,322,000	\$21,765,000	\$66,334,000	
% Total	58%	10%	33%		100%

EXPENSE DETAIL

Expenses for FY25 consist of:

- **Awards & Programs: \$39.3M** for additional direct economic investment, including \$11.6M, \$7.9M, \$6.0M and \$3.8M for Renewable Energy (REF and RGGI), Marketing/Tourism, State pass-throughs and Wavemaker, respectively.
- **Personnel: \$8.8M (5%)** of RICC's expense structure is salaries/benefits for staff.
- **Overhead: \$2.7M (2%)** is general/administrative costs.
- **Advisory: \$1.6M (1%)** is 3rd party legal/consulting/other costs.

Expenses	State General Revenue	Federal	Other	Total	% Total
Personnel	\$5,770,000	\$2,030,000	\$960,000	\$8,760,000	13%
Overhead	1,740,000	600,000	390,000	2,730,000	4%
Advisory	1,000,000	0	630,000	1,630,000	2%
Total Operating	\$8,510,000	\$2,630,000	\$1,980,000	\$13,120,000	20%
Renewable Energy Fund			11,570,000	11,570,000	17%
Marketing/Tourism	1,400,000		7,850,000	9,250,000	14%
STAC & SBIR	1,720,000			1,720,000	3%
Supply RI	420,000			420,000	1%
State Pass-throughs	6,000,000			6,000,000	9%
Economic Programs	9,310,000			9,310,000	14%
Federal American Rescue Plan Act (ARPA) Programs		1,990,000		1,990,000	3%
Other Federal Programs		2,080,000		2,080,000	3%
Other Expenses			900,000	900,000	1%
Reserved Program Expenses			9,974,000	9,974,000	15%
Total Awards & Programs	\$18,850,000	\$4,070,000	\$30,294,000	\$53,214,000	80%
Grand Total	\$27,360,000	\$6,700,000	\$32,274,000	\$66,334,000	100%
% Grand Total	41%	10%	49%	100%	

FY25-FY24 REVENUE COMPARISON

Revenue Comparison	FY2024	FY2025	Change	% Change
RICC Base Appropriation	\$8,290,000	\$8,506,000	\$216,000	3%
Renewable Energy Fund	8,700,000	11,570,000	2,870,000	33%
Marketing/Tourism	8,100,000	8,850,000	750,000	9%
STAC & SBIR	1,900,000	1,900,000	-	0%
Supply RI	1,045,000	795,000	(250,000)	-24%
State Pass-throughs	2,126,000	6,001,000	3,875,000	182%
Economic Programs	48,610,000	19,690,000	(28,920,000)	-59%
Broadband (CPF, FCC ACP)	9,870,000	-	(9,870,000)	-100%
Federal American Rescue Plan Act (ARPA) Programs	84,000,000	3,582,000	(80,418,000)	-96%
Other Federal Programs	2,910,000	2,740,000	(170,000)	-6%
Other income	5,730,000	2,700,000	(3,030,000)	-53%
Total	\$181,281,000	\$66,334,000	(114,947,000)	-63%

- \$114.9M decrease driven by \$80.4M in lower ARPA program funding (\$80M in Bioscience Investments and South Quay Marine Terminal funding subsequently changed to no longer transfer to Commerce Corp. In addition, economic programs decreased by \$28.9M (mainly Rebuild RI and First Wave).

FY25-FY24 EXPENSE COMPARISON

Expense Comparison		FY2024	FY2025	Change	% Change
Operating	Personnel	\$7,740,000	\$8,760,000	\$1,020,000	13%
	Overhead	2,140,000	2,730,000	590,000	28%
	Advisory	1,720,000	1,630,000	(90,000)	-5%
	Total	\$11,600,000	\$13,120,000	\$1,520,000	13%
Awards & Programs	Renewable Energy Fund	\$8,530,000	\$11,570,000	\$3,040,000	36%
	Marketing/Tourism	7,720,000	9,250,000	1,530,000	20%
	STAC & SBIR	1,760,000	1,720,000	(40,000)	-2%
	Supply RI	780,000	420,000	(360,000)	-46%
	State Pass throughs	2,130,000	6,000,000	3,870,000	182%
	Economic Programs	33,740,000	9,310,000	(24,430,000)	-72%
	Broadband	9,330,000	-	(9,330,000)	-100%
	Federal American Rescue Plan Act (ARPA) Programs	83,870,000	1,990,000	(81,880,000)	-98%
	Other Federal Programs	1,950,000	2,080,000	130,000	7%
	Other Expenses	120,000	900,000	780,000	650%
	Reserved Program Expenses	19,751,000	9,974,000	(9,777,000)	-50%
	Total	\$169,681,000	\$53,214,000	\$(116,467,000)	-69%
Grand Total	\$181,281,000	\$66,334,000	\$(114,947,000)	-63%	

- **Operating:**
\$1.5M increase driven by higher personnel due primarily to several open positions, with most (67%) fully or partially grant/award funded. In addition, overhead is expected to increase, driven by higher advertising campaign costs and federal grant cash match commitments.

- **Awards & Programs:**
\$116.5M decrease driven by \$81.9M in lower ARPA program expenditures. In addition, economic programs decreased by \$24.4M (mainly Rebuild RI and First Wave).