

Rhode Island Commerce Corporation

FY26 Operating Budget

Board Presentation & Approval Request

October 2025

RHODE ISLAND COMMERCE

OVERVIEW

- $48.5 million budget for FY26 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

- Federal program funding update:
  - No new American Rescue Plan Act (ARPA) awards in FY26. Remaining balances on existing awards are being spent down.
  - The Corporation continues to seek new federal funding opportunities, but options are more limited than previous years.
  - The State budget for FY26 does not include any new Federal awards appropriated to the Corporation.
  - Projecting a decrease in Regional Greenhouse Gas Initiative (RGGI) funding due to shifting Federal priorities.

- Major General Assembly State budget appropriated changes as compared to prior year:
  - $3.8 million decrease due to the Corporation no longer being used as a pass-through entity for the Rhode Island Infrastructure Bank (RIIB).
  - $1.5 million reduction in the annual Wavemaker Fellowship program appropriation.
  - $1.0 million Innovation Initiatives (Network Matching Grants/Innovation Voucher) annual appropriation not included in budget.
  - $0.9 million reduction in Main Streets Revitalization annual appropriation.
  - $1.5 million increase in Air Service Development Fund annual appropriation to align with terms of amended Breeze Airways MOU.

REVENUE DETAIL

The $48.5M FY26 budget includes:

- **State General Revenue:** $31.4M, including $10.1M for Rebuild RI, $2.7M for the Air Service Development Fund, $2.6M for the Wavemaker Fellowship Program,$2.3M in State pass-throughs, and the $8.5M base appropriation.
- **Federal:** $1.5M, including $1.0M for a new Economic Development Administration (EDA) Revolving Loan Fund, with the remaining mainly for the APEX Accelerator Program.
- **Other Income:** $15.7M, including $7.9M from hotel tax revenue, $6.5M for Renewable Energy (REF and RGGI) and $1.4M from generated fee and earned income (to be used partially for trade and innovation business support).

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	$8,506,000			$8,506,000	18%
Renewable Energy Fund			6,500,000	6,500,000	13%
Marketing/Tourism	1,400,000		7,860,000	9,260,000	19%
STAC & SBIR	1,900,000			1,900,000	4%
State Pass-throughs	2,251,000			2,251,000	5%
Economic Programs	17,310,000			17,310,000	36%
Federal Programs		1,460,000		1,460,000	3%
Other income			1,360,000	1,360,000	3%
Total	**$31,367,000**	**$1,460,000**	**$15,720,000**	**$48,547,000**	
% Total	65%	3%	32%		100%

EXPENSE DETAIL

Expenses for FY26 consist of:

- **Awards & Programs**: $35.5M for additional direct economic investment, including $9.7M, $6.5M and $4.7M for Marketing/Tourism, Renewable Energy (REF and RGGI), and various economic programs, respectively. $6.9M also to be reserved for subsequent years.
- **Personnel**: $9.4M (19%) of RICC's expense structure is salaries/benefits for staff.
- **Overhead**: $2.5M (5%) is general/administrative costs.
- **Advisory**: $1.2M (2%) is 3rd party legal/consulting/other costs.

Expenses	State General Revenue	Federal	Other	Total	% Total
Personnel	$6,090,000	$2,320,000	$950,000	$9,360,000	19%
Overhead	1,930,000	240,000	330,000	2,500,000	5%
Advisory	490,000	-	700,000	1,190,000	2%
Total Operating	**$8,510,000**	**$2,560,000**	**$1,980,000**	**$13,050,000**	**27%**
Renewable Energy Fund			6,500,000	6,500,000	13%
Marketing/Tourism	1,400,000		8,260,000	9,660,000	20%
STAC & SBIR	1,720,000			1,720,000	4%
State Pass-throughs	2,250,000			2,250,000	5%
Economic Programs	4,650,000			4,650,000	10%
Federal American Rescue Plan Act (ARPA) Programs		1,590,000		1,590,000	3%
Other Federal Programs		1,650,000		1,650,000	3%
Other Expenses			610,000	610,000	1%
Reserved Program Expenses			6,867,000	6,867,000	14%
Total Awards & Programs	**$10,020,000**	**$3,240,000**	**$22,237,000**	**$35,497,000**	**73%**
Grand Total	**$18,530,000**	**$5,800,000**	**$24,217,000**	**$48,547,000**	**100%**
% Grand Total	38%	12%	50%	100%	

FY26-FY25 REVENUE COMPARISON

Revenue Comparison	FY2025	FY2026	Change	% Change
RICC Base Appropriation	$8,506,000	$8,506,000	-	0%
Renewable Energy Fund	11,570,000	6,500,000	(5,070,000)	-44%
Marketing/Tourism	8,850,000	9,260,000	410,000	5%
STAC & SBIR	1,900,000	1,900,000	-	0%
Supply RI	795,000	-	(795,000)	-100%
State Pass-throughs	6,001,000	2,251,000	(3,750,000)	-62%
Economic Programs	19,690,000	17,310,000	(2,380,000)	-12%
Federal American Rescue Plan Act (ARPA) Programs	3,582,000	-	(3,582,000)	-100%
Other Federal Programs	2,740,000	1,460,000	(1,280,000)	-47%
Other income	2,700,000	1,360,000	(1,340,000)	-50%
Total	**$66,334,000**	**$48,547,000**	(17,787,000)	**-27%**

- $17.8M decrease primarily driven by lower Renewable Energy funding (RGGI), no new ARPA related awards in FY26 and the Corporation no longer being used as a RIIB pass through entity. The remaining decrease is due to overall reductions in some annual State appropriated funding.

FY26-FY25 EXPENSE COMPARISON

Expense Comparison		FY2025	FY2026	Change	% Change
Operating	Personnel	$8,760,000	$9,360,000	$600,000	7%
	Overhead	2,730,000	2,500,000	(230,000)	-8%
	Advisory	1,630,000	1,190,000	(440,000)	-27%
	Total	**$13,120,000**	**$13,050,000**	**$(70,000)**	-1%
Awards & Programs	Renewable Energy Fund	$11,570,000	$6,500,000	($5,070,000)	-44%
	Marketing/Tourism	9,250,000	9,660,000	410,000	4%
	STAC & SBIR	1,720,000	1,720,000	-	0%
	Supply RI	420,000	-	(420,000)	-100%
	State Pass throughs	6,000,000	2,250,000	(3,750,000)	-63%
	Economic Programs	9,310,000	4,650,000	(4,660,000)	-50%
	Federal American Rescue Plan Act (ARPA) Programs	1,990,000	1,590,000	(400,000)	-20%
	Other Federal Programs	2,080,000	1,650,000	(430,000)	-21%
	Other Expenses	900,000	610,000	(290,000)	-32%
	Reserved Program Expenses	9,974,000	6,867,000	(3,107,000)	-31%
	Total	**$53,214,000**	**$35,497,000**	**$(17,717,000)**	-33%
Grand Total		**$66,334,000**	**$48,547,000**	**$(17,787,000)**	-27%

- **Operating:**
  Slight decrease due to a continued focus on overall prudent expense management. The increase in personnel is mainly driven by higher grant related hiring in recent years to aid in administering new federal programs.
- **Awards & Programs:** $17.7M decrease driven by $5.1M in lower Renewable Energy funding (RGGI), $4.7M for various economic programs and $3.8M for State pass-throughs (RIIB).