

Rhode Island Commerce Corporation

FY27 Operating Budget

Board Presentation & Approval Request

October 2026

RHODE ISLAND COMMERCE

OVERVIEW

- $49.7 million budget for FY27 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:
  - Remaining American Rescue Plan Act (ARPA) RI Rebounds programs completed and closed in FY26, and no new ARPA awards or expenditures to be approved in FY27.
  - The State budget for FY27 does not include any new Federal awards appropriated to the Corporation.
  - The Corporation is collaborating with the State's Executive Office of Health and Human Services (EOHHS) on a new multi-year Centers for Medicare and Medicaid Services (CMS) Rural Health Transformation Program (RHTP).

- Major General Assembly enacted State budget appropriated changes as compared to prior year:
  - $4.0 million Rebuild RI Tax Credit program funding decrease, in line with projected outflow timing.
  - $1.6 million reduction in the annual Wavemaker Fellowship program appropriation to return to more normalized funding levels after several years of expansionary funding.
  - $1.0 million return of the Innovation Initiatives (Network Matching Grants/Innovation Voucher) annual appropriation *(not funded in FY26).*
  - $0.9 million increase in the Main Streets Revitalization annual appropriation to return to more normalized funding levels.

REVENUE DETAIL

The $49.7M FY27 budget includes:

- **State General Revenue:** $27.4M, including the $8.5M base appropriation, $6.1M for Rebuild RI, $2.7M for the Air Service Development Fund, $2.3M in State pass-throughs, $1.8M for STAC/SBIR and $1.5M for Destination Marketing.
- **Federal:** $3.9M, including $2.9M for a new Centers for Medicare and Medicaid Services (CMS) Rural Health Transformation Program (RHTP), with the remaining mainly representing the APEX Accelerator Program.
- **Other Income:** $18.4M, including $8.1M from hotel tax revenue, $7.6M for Renewable Energy (REF and RGGI) and $2.7M from generated fee and earned income.

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	$8,506,000			$8,506,000	17%
Renewable Energy Fund			7,560,000	7,560,000	15%
Marketing/Tourism	1,500,000		8,120,000	9,620,000	19%
STAC & SBIR	1,750,000			1,750,000	4%
State Pass-throughs	2,251,000			2,251,000	5%
Economic Programs	13,400,000			13,400,000	27%
Federal Programs		3,880,000		3,880,000	8%
Other income			2,720,000	2,720,000	5%
Total	**$27,407,000**	**$3,880,000**	**$18,400,000**	**$49,687,000**	
% Total	55%	8%	37%		100%

EXPENSE DETAIL

Expenses for FY27 consist of:

- **Awards & Programs**: $36.2M for additional direct economic investment, including $7.4M, $7.2M and $6.0M for Marketing/Tourism, Renewable Energy (REF and RGGI) and various economic programs, respectively. $6.7M is also to be reserved for subsequent years.
- **Personnel**: $10.0M (20%) of RICC's expense structure is salaries/benefits for staff.
- **Overhead**: $2.1M (4%) is general/administrative costs.
- **Advisory**: $1.4M (3%) is 3rd party legal/consulting/other costs.

Expenses	State General Revenue	Federal	Other	Total	% Total
Personnel	$7,160,000	$ 1,670,000.00	$1,120,000	$9,950,000	20%
Overhead	500,000	190,000	1,420,000	2,110,000	4%
Advisory	850,000	200,000	590,000	1,440,000	3%
Total Operating	**$8,510,000**	**$2,060,000**	**$2,930,000**	**$13,500,000**	**27%**
Renewable Energy Fund			7,200,000	7,200,000	14%
Marketing/Tourism	1,500,000		7,410,000	8,910,000	18%
STAC & SBIR	1,480,000			1,480,000	3%
State Pass-throughs	2,250,000			2,250,000	5%
Economic Programs	5,980,000			5,980,000	12%
Federal Programs		2,400,000		2,400,000	5%
Other Expenses			1,270,000	1,270,000	3%
Reserved Program Expenses			6,697,000	6,697,000	13%
Total Awards & Programs	**$11,210,000**	**$2,400,000**	**$22,577,000**	**$36,187,000**	**73%**
Grand Total	**$19,720,000**	**$4,460,000**	**$25,507,000**	**$49,687,000**	**100%**
% Grand Total	40%	9%	51%	100%	

FY27-FY26 REVENUE COMPARISON

Revenue Comparison	FY2026	FY2027	Change	% Change
RICC Base Appropriation	$8,506,000	$8,506,000	-	0%
Renewable Energy Fund	6,500,000	7,560,000	1,060,000	16%
Marketing/Tourism	9,260,000	9,620,000	360,000	4%
STAC & SBIR	1,900,000	1,750,000	(150,000)	-8%
State Pass-throughs	2,251,000	2,251,000	-	0%
Economic Programs	17,310,000	13,400,000	(3,910,000)	-23%
Federal Programs	1,460,000	3,880,000	2,420,000	166%
Other income	1,360,000	2,720,000	1,360,000	100%
Total	**$48,547,000**	**$49,687,000**	**1,140,000**	**2%**

- $1.1M increase as compared to prior year. Less economic program funding required to meet existing and expected obligations, primarily for the Rebuild RI and Wavemaker Fellowship programs is being more than offset by an increase federal program funding, mainly due to a new Centers for Medicare and Medicaid Services (CMS) Rural Health Transformation Program (RHTP), as well as higher REF and other generated fee and earned income.

FY27-FY26 EXPENSE COMPARISON

Expense Comparison		FY2026	FY2027	Change	% Change
Operating	Personnel	$9,460,000	$9,950,000	$490,000	5%
	Overhead	2,500,000	2,110,000	(390,000)	-16%
	Advisory	1,190,000	1,440,000	250,000	21%
	Total	**$13,150,000**	**$13,500,000**	**$350,000**	3%
Awards & Programs	Renewable Energy Fund	$6,500,000	$7,200,000	$700,000	11%
	Marketing/Tourism	9,660,000	8,910,000	(750,000)	-8%
	STAC & SBIR	1,720,000	1,480,000	(240,000)	-14%
	State Pass throughs	2,250,000	2,250,000	-	0%
	Economic Programs	4,650,000	5,980,000	1,330,000	29%
	Federal American Rescue Plan Act (ARPA) Programs	1,590,000	-	(1,590,000)	-100%
	Other Federal Programs	1,650,000	2,400,000	750,000	45%
	Other Expenses	610,000	1,270,000	660,000	108%
	Reserved Program Expenses	6,767,000	6,697,000	(70,000)	-1%
	Total	**$35,397,000**	**$36,187,000**	**$790,000**	2%
Grand Total		**$48,547,000**	**$49,687,000**	**$1,140,000**	2%

- **Operating:**
  Slight increase due to the Corporation reaching full staffing levels, with all previously vacant roles now filled, as well as an increased need for consulting expertise. Overhead spend has been trending lower, serving as a partial offset.

Awards & Programs: $0.8M increase driven by $1.6M in remaining ARPA awards in FY26 being more than offset by the $1.0M return of the Innovation Initiatives annual appropriation and smaller increases across several line items.