



# Rhode Island Commerce Corporation Budget

*FY 2018 Operating Budget*

Board Approval Request

# Overview

- The Commerce Corporation's budget consists of the following categories:
  - Operating: Funds associated with managing/operating the Corporation (staff, overhead, etc.)
  - Programmatic: Funds associated with programing (incentives, grants, pass-throughs, etc.)
- FY 2018 funding originates from the following sources:
  - Annual Appropriations (State): Operating capital appropriated by the State
  - Hotel Tax (State): Operating capital specific to Tourism and Business Attraction
  - Federal Grants: Federally funded program specific reimbursements
  - Other Income: Unique specific funding streams and/or fees from project administration
- FY 2018 expenses consist of the following categories:
  - Personnel: Salaries/benefits of employees.
  - Overhead: General/administrative overhead
  - Advisory: Legal/consulting/other
  - Programmatic Expenditures: Funding available for direct economic investment

# Sources & Uses Overview

- The \$46.3M FY 2018 budget is categorized as follows:
  - Sources: Approx. 92% of RICC FY 2018 capital is from state sources
  - Uses: Approx. 73% of RICC FY 2018 is for direct investment into RI's economy

## 2018 Consolidated Budget Summary

<b>Revenues</b>		
<b>State</b>		
RICC Base Allocation	7,470,000	16%
Programmatic	33,850,000	73%
Other (fees)	1,090,000	2%
<b>Total State</b>	<b>42,410,000</b>	<b>92%</b>
<b>Federal</b>		
Programmatic	3,920,000	8%
<b>Total Sources</b>	<b>46,330,000</b>	<b>100%</b>
<b>Expenses</b>		
Operating	10,230,500	27%
Programmatic	27,571,037	73%
<b>Total Uses in FY'18</b>	<b>37,801,537</b>	<b>100%</b>
Reserve Fund for future Obligations	8,528,463	
<b>Total Current &amp; Future Uses</b>	<b>46,330,000</b>	

# Revenue Detail

- FY 2018 funding originates from the following sources:
  - Annual Appropriations (State): \$33.3M, Operating (18%)/Programmatic (72%)
  - Federal Proceeds: \$3.9M (8%) in funding sourced by the federal government
  - Other Income: \$9.1M (20%) Primarily Renewable Energy and Hotel tax

**Revenues: Detailed Summary**

Revenues	Appro.	Fed	Other	Total	% Tot.
<b>Operating</b>					
RICC Operations	7,470,000		1,090,000	8,560,000	18%
<b>Programmatic</b>					
WAVE Incentives	15,300,000			15,300,000	33%
SBLF (et al.)		2,020,000		2,020,000	4%
STAC	1,900,000			1,900,000	4%
REF			2,890,000	2,890,000	6%
Marketing/Tourism			5,100,000	5,100,000	11%
Pass-throughs & Other Federal Grants	8,660,000	1,900,000		10,560,000	23%
<b>Total Sources</b>	<b>33,330,000</b>	<b>3,920,000</b>	<b>9,080,000</b>	<b>46,330,000</b>	<b>100%</b>

# Expense Detail

- FY 2018 expenses consist of the following categories:
  - Personnel: \$6.3M (14%) of RICC's expense structure is salaries/benefits of staff
  - Overhead: \$2.6M (6%) is general/administrative and overhead costs
  - Advisory: \$1.3M (3%) is 3<sup>rd</sup> party legal/consulting/other costs
  - Programmatic Expenditures: \$36.1M (78%) is projected for direct economic investment

Expenses	Appro.	Fed	Other	Total	% Tot.
<b>Operating</b>					
Personnel	5,090,000	660,000	580,000	6,330,000	14%
Overhead	2,060,000	250,000	270,000	2,580,000	6%
Advisory	1,196,500	45,000	79,000	1,320,500	3%
<b>Total Operating</b>	<b>8,346,500</b>	<b>955,000</b>	<b>929,000</b>	<b>10,230,500</b>	<b>22%</b>
<b>Programmatic</b>					
WAVE Incentives	6,526,379			6,526,379	14%
SBLF (et al.)		1,810,549		1,810,549	4%
STAC	1,792,249			1,792,249	4%
REF			2,650,000	2,650,000	6%
Marketing/Tourism	112,875		4,450,010	4,562,885	10%
Other Programs	255,940			255,940	1%
Pass-throughs & Other Federal Grants	8,661,200	1,311,836		9,973,036	22%
<b>Total Programmatic</b>	<b>17,348,643</b>	<b>3,122,385</b>	<b>7,100,010</b>	<b>27,571,037</b>	<b>60%</b>
Reserve Fund for future Obligations	8,528,463			8,528,463	18%
<b>Grand Total</b>	<b>34,223,605</b>	<b>4,077,385</b>	<b>8,029,010</b>	<b>46,330,000</b>	<b>100%</b>

# 2018 Expense Comparison

Expense Comparison	FY 2018	FY 2017	Delta
<b><i>Operating</i></b>			
Personnel	\$6.3 M	\$6.1 M	\$0.2 M
Overhead	\$2.6 M	\$1.6 M	\$1.0 M
Advisory	\$1.3 M	\$1.9 M	-\$0.6 M
<b>Total Operating</b>	<b>\$10.2 M</b>	<b>\$9.6 M</b>	<b>\$0.6 M</b>
<b><i>Programmatic</i></b>			
WAVE Incentives	\$6.5 M	\$13.7 M	-\$7.2 M
SBLF (et al.)	\$1.8 M	\$2.2 M	-\$0.4 M
STAC	\$1.8 M	\$2.9 M	-\$1.1 M
REF	\$2.7 M	\$2.7 M	\$0.0 M
Marketing/Tourism	\$4.6 M	\$4.2 M	\$0.4 M
Other Programs	\$0.2 M	\$0.0 M	\$0.2 M
Pass-throughs & Other Federal Grants	\$10.0 M	\$5.2 M	\$4.8 M
<b>Total Programmatic</b>	<b>\$27.6 M</b>	<b>\$30.9 M</b>	<b>-\$3.3 M</b>
Reserve Fund for future Obligations	\$8.5 M	\$25.2 M	\$33.7 M
<b>Grand Total</b>	<b>\$46.3 M</b>	<b>\$65.7 M</b>	<b>\$24.2 M</b>

# Appendix

*FY 2018 Operating Budget*



# Expense Detail by Business Unit

Expenses	Operations	Financial Services	Client Services	Business Development	Branding & Marketing	Investments	Pass through	Total
<b>Operating</b>								
Personnel	2,280,000	570,000	700,000	690,000	1,130,000	960,000		6,330,000
Overhead	1,270,000	770,000	130,000	160,000	230,000	20,000		2,580,000
Advisory	716,500	99,000	0	125,000	0	380,000		1,320,500
<b>Total Operating</b>	<b>4,266,500</b>	<b>1,439,000</b>	<b>830,000</b>	<b>975,000</b>	<b>1,360,000</b>	<b>1,360,000</b>		<b>10,230,500</b>
<b>Programmatic</b>	1,402,776	4,460,549	100,000	65,000	4,562,885	8,318,628	8,661,200	27,571,037
<b>Grand Total</b>	<b>5,669,276</b>	<b>5,899,549</b>	<b>930,000</b>	<b>1,040,000</b>	<b>5,922,885</b>	<b>9,678,628</b>	<b>8,661,200</b>	<b>37,801,537</b>
Reserve Fund for future Obligations	-	-	-	-	-	8,528,463	-	8,528,463
<b>Grand Total</b>	<b>5,669,276</b>	<b>5,899,549</b>	<b>930,000</b>	<b>1,040,000</b>	<b>5,922,885</b>	<b>18,207,091</b>	<b>8,661,200</b>	<b>46,330,000</b>



# Full-time Equivalents (FTE)

	FTE's		Total
	RI Commerce	Funded by	
	Base	Sources	
OPERATIONS	16	1	17
FINANCIAL SERVICES	3	3	6
CLIENT SERVICES	6	5	11
BUSINESS DEVELOPMENT	5.5	0	5.5
BRANDING & MARKETING	7	5	12
INVESTMENTS	5.5	3.5	9
<b>TOTAL FTE'S</b>	<b>43</b>	<b>17.5</b>	<b>60.5</b>