

State of Rhode Island and Providence Plantations

# Fiscal Year 2019 Budget



Volume I – General Government and Quasi-Public Agencies

Gina M. Raimondo, Governor

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## **Agency Summary**

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### **EXECUTIVE OFFICE OF COMMERCE**

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#### **Agency Mission**

To promote and encourage the preservation, expansion, and sound development of new and existing industry, business, commerce, agriculture, tourism, and recreational facilities in the State. To create opportunities for economic stability and employment through a business climate that fosters opportunity for all Rhode Islanders.

#### **Agency Description**

The Executive Office of Commerce is authorized and established as the state's lead agency for economic development throughout Rhode Island and serves as the principal agency of the executive branch of state government for managing the promotion of commerce and the economy within the State. The Secretary of Commerce, appointed by the Governor with the advice and consent of the Senate, oversees the Executive Office of Commerce. The Secretary is charged with coordinating a cohesive direction of the State's economic development activities. The agency oversees the state's Office of Housing and Community Development, the Commerce Corporation (and all pass-through grant appropriations), the I-195 Redevelopment District Commission, the Department of Business Regulation and the Office of the Health Insurance Commissioner. From time to time, the Executive Office of Commerce is also tasked with facilitating other special governmental programs and initiatives.

#### **Statutory History**

The Executive Office of Commerce was created by the 2013 General Assembly for the purpose of developing an integrated system of economic development activities. RIGL 42-64.19 establishes the Executive Office of Commerce.

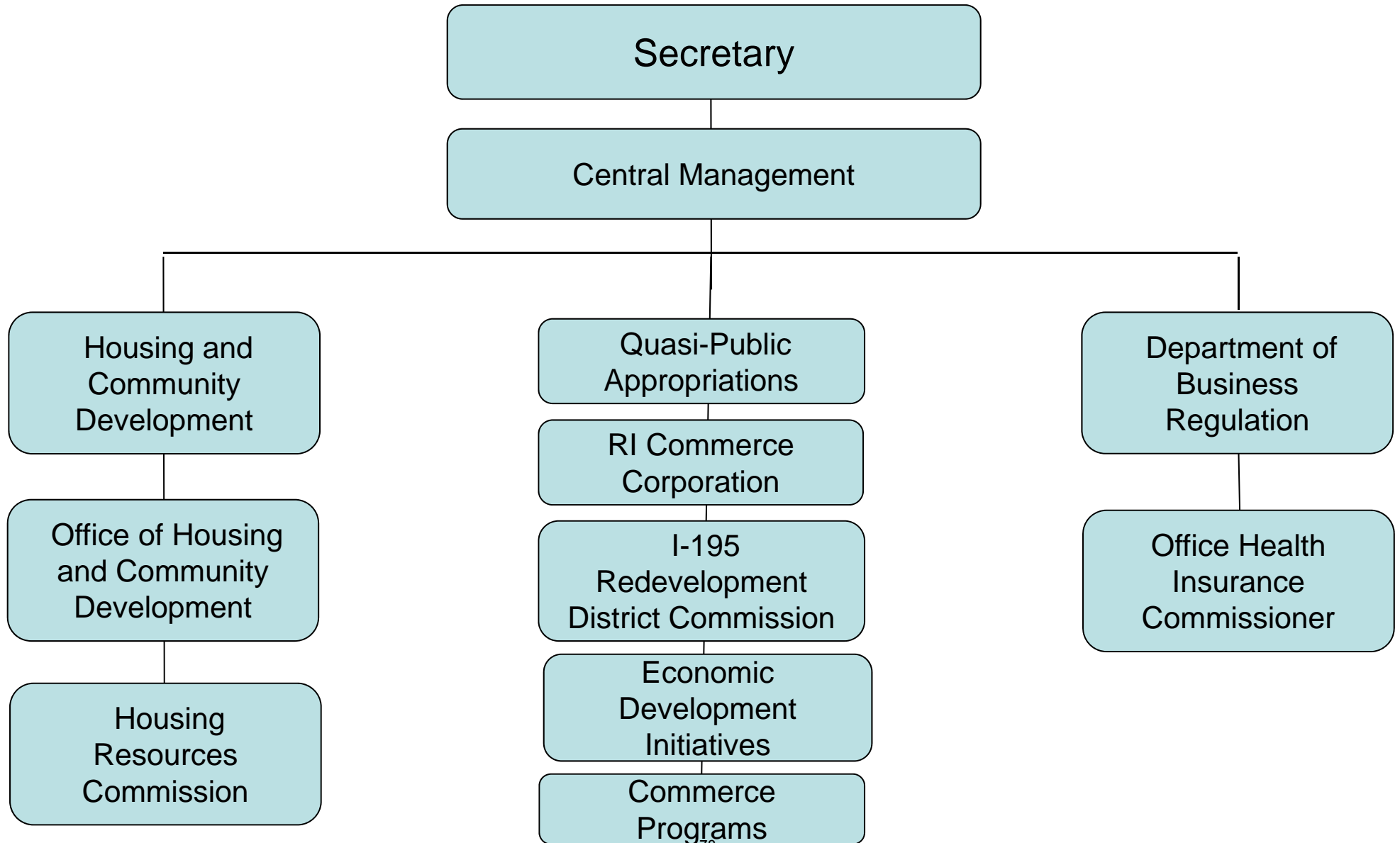
# Budget

## EXECUTIVE OFFICE OF COMMERCE

	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
<b>Expenditures by Program</b>					
Central Management	718,500	3,422,514	1,138,714	1,130,959	1,287,095
Housing and Community Development	13,320,595	16,133,202	23,282,944	26,022,148	20,105,942
Quasi-Public Appropriations	16,418,704	12,662,574	15,076,714	14,750,108	18,326,714
Economic Development Initiatives Fund	42,958,000	37,700,000	17,800,000	14,800,000	20,975,000
Commerce Programs	0	3,500,000	1,300,000	1,300,000	2,120,000
<b>Total Expenditures</b>	<b>73,415,799</b>	<b>73,418,290</b>	<b>58,598,372</b>	<b>58,003,215</b>	<b>62,814,751</b>
<b>Expenditures by Object</b>					
Salary And Benefits	1,683,173	2,083,276	2,389,378	2,159,716	2,258,966
Contract Professional Services	0	550	140,000	140,000	0
Operating Supplies And Expenses	40,471	67,517	159,119	501,930	510,910
Assistance And Grants	12,110,688	14,927,073	23,019,911	25,386,911	19,659,911
<b>Subtotal: Operating</b>	<b>13,834,332</b>	<b>17,078,416</b>	<b>25,708,408</b>	<b>28,188,557</b>	<b>22,429,787</b>
Capital Purchases And Equipment	8,224	1,300	2,903,250	3,077,944	6,303,250
Operating Transfers	59,573,243	56,338,574	29,986,714	26,736,714	34,081,714
<b>Subtotal: Other</b>	<b>59,581,467</b>	<b>56,339,874</b>	<b>32,889,964</b>	<b>29,814,658</b>	<b>40,384,964</b>
<b>Total Expenditures</b>	<b>73,415,799</b>	<b>73,418,290</b>	<b>58,598,372</b>	<b>58,003,215</b>	<b>62,814,751</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	60,458,832	54,708,755	33,057,819	29,808,525	37,314,974
Federal Funds	10,016,268	13,606,251	17,890,642	18,871,385	14,445,458
Restricted Receipts	2,681,142	4,391,678	4,749,911	6,249,911	4,754,319
Operating Transfers From Other Funds	259,557	711,606	2,900,000	3,073,394	6,300,000
<b>Total Expenditures</b>	<b>73,415,799</b>	<b>73,418,290</b>	<b>58,598,372</b>	<b>58,003,215</b>	<b>62,814,751</b>

# The Agency

## Executive Office of Commerce



## Performance Measures

### EXECUTIVE OFFICE OF COMMERCE

#### New Jobs Created/to be Created with Assistance from Commerce Jobs Incentive Programs

The figures represent the number of new jobs created/to be created by businesses that received assistance from Commerce Jobs Incentive Programs. This metric includes PARTIAL TOTALS. Please see notes: (1) This metric is based on the number of jobs approved for the Qualified Jobs Incentive (2) Performance measures are measured by calendar year. As a result, 2018 actuals are not yet available. (3) 2017 actuals are current through 10/30/2017 and represent PARTIAL TOTALS to date for 2017. (4) 2019 targets will be revisited based upon a number of factors.

	<i>Reporting Period: Calendar Year</i>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Target</b>	0.00	250.00	1,000.00	1,000.00	1,000.00
<b>Actual</b>	0.00	798.00	785.00	0.00	

#### New Development Created/to be Created with Assistance from Commerce Real Estate Incentive Programs

The figures represent the square feet of new development created/to be created with assistance from Commerce Real Estate Incentive Programs. This metric includes PARTIAL TOTALS. Please see notes: (1) This metric is based on real estate approved for the Rebuild Rhode Island tax credits, I-195 Redevelopment Fund, Tax Stabilization Incentive, and Tax Increment Financing programs. (2) Performance measures are measured by calendar year. As a result, 2018 actuals are not yet available. (3) 2017 actuals are current through 10/30/2017 and represent PARTIAL TOTALS to date for 2017. (4) Projects that came before the Commerce Corporation Board for approval on more than one date are counted in the calendar year during which the project was first approved for Rebuild Rhode Island tax credits. (5) 2019 targets will be revisited based upon a number of factors.

	<i>Reporting Period: Calendar Year</i>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Target</b>	0.00	180,000.00	600,000.00	600,000.00	600,000.00
<b>Actual</b>	0.00	2,153,581.00	759,832.00	0.00	

#### Total Real Estate Investment Leveraged by Commerce Real Estate Investment

The figures represent the total real estate investment leveraged by Commerce Real Estate Investments. This metric includes PARTIAL TOTALS. Please see notes: (1) This metric is based on total project cost of real estate projects approved for the Rebuild Rhode Island tax credits, Tax Stabilization Incentive, Tax Increment Financing, and I-195 Redevelopment Fund programs (2) Performance measures are measured by calendar year. As a result, 2018 actuals are not yet available. (3) 2017 actuals are current through 10/30/2017 and represent PARTIAL TOTALS. (4) These figures represent the total project cost. The total project cost minus the Commerce real estate program investments for 2016 is \$414,229,575 and for 2017 to date is \$278,153,915. (5) 2019 targets will be revisited based upon a number of factors.

	<i>Reporting Period: Calendar Year</i>				
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Target</b>	0.00	48,000,000.00	160,000,000.00	160,000,000.00	160,000,000.00
<b>Actual</b>	0.00	467,303,787.00	346,704,947.00	0.00	

## Performance Measures

### EXECUTIVE OFFICE OF COMMERCE

#### Businesses Assisted by Commerce

The figures represent the number of businesses assisted by Commerce. This metric includes PARTIAL TOTALS. Please see notes: (1) This metric is based on unique businesses contacted or assisted by members of Commerce in each calendar year. (2) Performance measures are measured by calendar year. As a result, 2018 actuals are not yet available. (3) 2017 actuals are current through 10/30/2017 and represent PARTIAL TOTALS to date in 2017. (4) In 2016, Commerce contacted or assisted 2,570 in-state entities and 485 out-of-state entities, and in 2017 to date, Commerce has contacted or assisted 3,956 in-state entities and 397 out-of-state entities. (5) 2019 targets will be revisited based upon a number of factors.

	<i>Reporting Period: Calendar Year</i>				
<i>Frequency: Annual</i>	2015	2016	2017	2018	2019
<b>Target</b>	0.00	2,500.00	5,000.00	5,000.00	5,000.00
<b>Actual</b>	0.00	3,055.00	4,353.00	0.00	

#### Tourist and Visitor Expenditure Numbers

The figures represent the annual tourist and visitor expenditures over the baseline of 2015. Data for this metric is not yet available. Please see notes: (1) This metric is measured in calendar years. (2) A third-party report will gather the 2016 data in Winter of FY2018. (3) Proxy measures show positive growth for tourist and visitor expenditures. In FY2016, the 5% hotel tax revenue was up 12.5% over FY15 (FY15 = \$17,219,528, FY16 = \$19,369,329). In FY2017, the 5% hotel tax revenue was up 13.8% over FY15 (FY15 = \$17,219,528, FY17 = \$19,599,832). ). (4) 2019 targets will be revisited based upon a number of factors.

	<i>Reporting Period: Calendar Year</i>				
<i>Frequency: Annual</i>	2015	2016	2017	2018	2019
<b>Target</b>	0.00	50,000,000.00	200,000,000.00	200,000,000.00	200,000,000.00
<b>Actual</b>	0.00	0.00	0.00	0.00	

## **Program Summary**

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**Agency: EXECUTIVE OFFICE OF COMMERCE**

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### **Central Management**

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#### **Mission**

To coordinate the administration and financing of the functions within the Executive Office of Commerce.

#### **Description**

The Central Management function of the Executive Office of Commerce is overseen by the Secretary of Commerce. This unit oversees the various functions of the Executive Office of Commerce and is responsible for the strategic planning, administration, and financing of economic development in the state.

#### **Statutory History**

The Executive Office of Commerce was created by the 2013 General Assembly for the purpose of developing an integrated system of economic development activities. RIGL 42-64.19 establishes the Executive Office of Commerce.

# Budget

## Agency: EXECUTIVE OFFICE OF COMMERCE

### Central Management

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
Operations	718,500	3,422,514	1,138,714	1,130,959	1,287,095
<b>Total Expenditures</b>	<b>718,500</b>	<b>3,422,514</b>	<b>1,138,714</b>	<b>1,130,959</b>	<b>1,287,095</b>
<b>Expenditures by Object</b>					
Salary and benefits	503,768	918,466	1,027,890	946,340	1,110,688
Contract Professional Services	0	550	0	0	0
Operating supplies and Expenses	9,969	27,498	107,574	181,369	173,157
<b>Subtotal: Operating</b>	<b>513,737</b>	<b>946,514</b>	<b>1,135,464</b>	<b>1,127,709</b>	<b>1,283,845</b>
Capital Purchases And Equipment	8,224	0	3,250	3,250	3,250
Operating Transfers	196,539	2,476,000	0	0	0
<b>Subtotal: Other</b>	<b>204,763</b>	<b>2,476,000</b>	<b>3,250</b>	<b>3,250</b>	<b>3,250</b>
<b>Total Expenditures</b>	<b>718,500</b>	<b>3,422,514</b>	<b>1,138,714</b>	<b>1,130,959</b>	<b>1,287,095</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	718,500	945,275	1,138,714	1,130,959	1,287,095
Federal Funds	0	2,477,239	0	0	0
<b>Total Expenditures</b>	<b>718,500</b>	<b>3,422,514</b>	<b>1,138,714</b>	<b>1,130,959</b>	<b>1,287,095</b>



## **Program Summary**

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**Agency: EXECUTIVE OFFICE OF COMMERCE**

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### **Housing and Community Development**

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#### **Mission**

To provide financial and operational support for all housing programs administered by the Housing Resources Commission, federal Community Development Block (CDBG) program, and related programs. To provide opportunities for healthy and affordable housing through production and the coordination of the homeless system and implementation of the State's plan to end homelessness.

#### **Description**

Housing and Community Development is comprised of the Housing Resources Commission (HRC) and the Office of Community Development, which administers federal Community Development Block Grant (CDBG) funds and related programs. The Housing Resources Commission (HRC) is responsible for the disbursement of funds for a rental assistance program, which will provide housing to homeless individuals and families by non-profit homeless service providers.

#### **Statutory History**

RIGL 42-64.19-7(h) establishes the state's housing and community development functions within the Executive Office of Commerce.

# Budget

## Agency: EXECUTIVE OFFICE OF COMMERCE

### Housing and Community Development

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Housing and Community Development	10,639,453	11,741,524	18,533,033	19,772,237	15,351,623
Housing Resources Commission	2,681,142	4,391,678	4,749,911	6,249,911	4,754,319
<b>Total Expenditures</b>	<b>13,320,595</b>	<b>16,133,202</b>	<b>23,282,944</b>	<b>26,022,148</b>	<b>20,105,942</b>
<b>Expenditures by Object</b>					
Salary and benefits	1,179,405	1,164,810	1,361,488	1,213,376	1,148,278
Operating supplies and Expenses	30,502	40,019	51,545	320,561	337,753
Assistance And Grants	12,110,688	14,927,073	21,869,911	24,486,911	18,619,911
<b>Subtotal: Operating</b>	<b>13,320,595</b>	<b>16,131,902</b>	<b>23,282,944</b>	<b>26,020,848</b>	<b>20,105,942</b>
Capital Purchases And Equipment	0	1,300	0	1,300	0
<b>Subtotal: Other</b>	<b>0</b>	<b>1,300</b>	<b>0</b>	<b>1,300</b>	<b>0</b>
<b>Total Expenditures</b>	<b>13,320,595</b>	<b>16,133,202</b>	<b>23,282,944</b>	<b>26,022,148</b>	<b>20,105,942</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	623,185	612,512	642,391	900,852	906,165
Federal Funds	10,016,268	11,129,012	17,890,642	18,871,385	14,445,458
Restricted Receipts	2,681,142	4,391,678	4,749,911	6,249,911	4,754,319
<b>Total Expenditures</b>	<b>13,320,595</b>	<b>16,133,202</b>	<b>23,282,944</b>	<b>26,022,148</b>	<b>20,105,942</b>

## **Program Summary**

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**Agency: EXECUTIVE OFFICE OF COMMERCE**

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### **Quasi-Public Appropriations**

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#### **Mission**

To supervise the work of the Rhode Island Commerce Corporation, the I-195 Redevelopment District Commission, and other special governmental programs and initiatives in the areas of economic development and research.

#### **Description**

This program includes appropriations made to the Rhode Island Commerce Corporation, the I-195 Redevelopment District Commission, and other related initiatives.

#### **Statutory History**

RIGL 42-64.19-6(1) charges the Secretary of Commerce with the supervision of the Rhode Island Commerce Corporation's works, which include pass-through funding to the I-195 Redevelopment District Commission and other economic development programs and functions. RIGL 42-64 establishes the Rhode Island Commerce Corporation. RIGL 42-64.14 is the I-195 Redevelopment Act of 2011, of which RIGL 42-64.14-5 establishes the I-195 Redevelopment District Commission.

## Budget

### Agency: EXECUTIVE OFFICE OF COMMERCE

#### Quasi-Public Appropriations

Expenditures by Sub Program	2016 Actuals	2017 Actuals	2018 Enacted Budget	2018 Revised Budget	2019 Recommended
I-195 Redevelopment District Commission	1,104,324	1,541,722	3,661,000	3,834,394	7,061,000
RI Commerce Corp. - Executive Office of Commerce Programs	3,600,000	0	0	0	0
RI Commerce Corporation	7,394,514	7,434,514	7,474,514	7,224,514	7,474,514
RI Commerce Corporation Pass Through Grants	4,319,866	3,686,338	3,941,200	3,691,200	3,791,200
<b>Total Expenditures</b>	<b>16,418,704</b>	<b>12,662,574</b>	<b>15,076,714</b>	<b>14,750,108</b>	<b>18,326,714</b>
<b>Expenditures by Object</b>					
Contract Professional Services	0	0	140,000	140,000	0
Assistance And Grants	0	0	1,150,000	900,000	1,040,000
<b>Subtotal: Operating</b>	<b>0</b>	<b>0</b>	<b>1,290,000</b>	<b>1,040,000</b>	<b>1,040,000</b>
Capital Purchases And Equipment	0	0	2,900,000	3,073,394	6,300,000
Operating Transfers	16,418,704	12,662,574	10,886,714	10,636,714	10,986,714
<b>Subtotal: Other</b>	<b>16,418,704</b>	<b>12,662,574</b>	<b>13,786,714</b>	<b>13,710,108</b>	<b>17,286,714</b>
<b>Total Expenditures</b>	<b>16,418,704</b>	<b>12,662,574</b>	<b>15,076,714</b>	<b>14,750,108</b>	<b>18,326,714</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	16,159,147	11,950,968	12,176,714	11,676,714	12,026,714
Operating Transfers from Other Funds	259,557	711,606	2,900,000	3,073,394	6,300,000
<b>Total Expenditures</b>	<b>16,418,704</b>	<b>12,662,574</b>	<b>15,076,714</b>	<b>14,750,108</b>	<b>18,326,714</b>
<b>Purchased Services</b>					
Management & Consultant Services			140,000		0
<b>Subtotal</b>			<b>140,000</b>		<b>0</b>

## Program Summary

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**Agency: EXECUTIVE OFFICE OF COMMERCE**

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### **Economic Development Initiatives Fund**

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#### **Mission**

To be utilized to fund various economic development initiatives and programs within state government.

#### **Description**

This program includes funds for specific development initiatives and programs that the Executive Office uses to carry out its mission of promoting and developing commerce and creating opportunity for all Rhode Islanders.

#### **Statutory History**

The Executive Office of Commerce was created by the 2013 General Assembly for the purpose of developing an integrated system of economic development activities. RIGL 42-64.19 establishes the Executive Office of Commerce as the state's lead agency for economic development throughout Rhode Island. Funding was initially appropriated for the Economic Development Initiatives Fund as part of the FY 2016 Appropriations Act to support a number of new initiatives and programs designed to spur the development of commerce in the state.

## Budget

Agency: EXECUTIVE OFFICE OF COMMERCE

### Economic Development Initiatives Fund

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Economic Development Initiatives Fund	42,958,000	37,700,000	17,800,000	14,800,000	20,975,000
<b>Total Expenditures</b>	<b>42,958,000</b>	<b>37,700,000</b>	<b>17,800,000</b>	<b>14,800,000</b>	<b>20,975,000</b>
<b>Expenditures by Object</b>					
Operating Transfers	42,958,000	37,700,000	17,800,000	14,800,000	20,975,000
Subtotal: Other	42,958,000	37,700,000	17,800,000	14,800,000	20,975,000
<b>Total Expenditures</b>	<b>42,958,000</b>	<b>37,700,000</b>	<b>17,800,000</b>	<b>14,800,000</b>	<b>20,975,000</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	42,958,000	37,700,000	17,800,000	14,800,000	20,975,000
<b>Total Expenditures</b>	<b>42,958,000</b>	<b>37,700,000</b>	<b>17,800,000</b>	<b>14,800,000</b>	<b>20,975,000</b>

## Program Summary

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**Agency: EXECUTIVE OFFICE OF COMMERCE**

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### Commerce Programs

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#### **Mission**

To house the economic initiatives that will carry out the mission of the Executive Office of Commerce.

#### **Description**

This program includes those economic development initiatives and programs that will enable the Executive Office of Commerce to carry out its mission of promoting and developing commerce and creating opportunity for all Rhode Islanders.

#### **Statutory History**

The Executive Office of Commerce was created by the 2013 General Assembly for the purpose of developing an integrated system of economic development activities. RIGL 42-64.19 establishes the Executive Office of Commerce as the state's lead agency for economic development throughout Rhode Island.

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## Budget

Agency: EXECUTIVE OFFICE OF COMMERCE

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### Commerce Programs

<b>Expenditures by Sub Program</b>	<b>2016 Actuals</b>	<b>2017 Actuals</b>	<b>2018 Enacted Budget</b>	<b>2018 Revised Budget</b>	<b>2019 Recommended</b>
Economic Initiatives	0	3,500,000	1,300,000	1,300,000	2,120,000
<b>Total Expenditures</b>	<b>0</b>	<b>3,500,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>2,120,000</b>
<b>Expenditures by Object</b>					
Operating Transfers	0	3,500,000	1,300,000	1,300,000	2,120,000
Subtotal: Other	0	3,500,000	1,300,000	1,300,000	2,120,000
<b>Total Expenditures</b>	<b>0</b>	<b>3,500,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>2,120,000</b>
<b>Expenditures by Source of Funds</b>					
General Revenue	0	3,500,000	1,300,000	1,300,000	2,120,000
<b>Total Expenditures</b>	<b>0</b>	<b>3,500,000</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>2,120,000</b>