

## House Finance Committee

Rhode Island Commerce  
February 15, 2022

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COMMERCE

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## AGENDA

- **COVID-19 economic recovery**
- **Continue economic development toolkit to strengthen and rebuild Rhode Island's economy.**
- **Expansion of wavemaker for healthcare workers**
- **Targeted Investments from ARPA State Fiscal Recovery Funds to support small businesses, impacted industries, and minority-owned businesses.**



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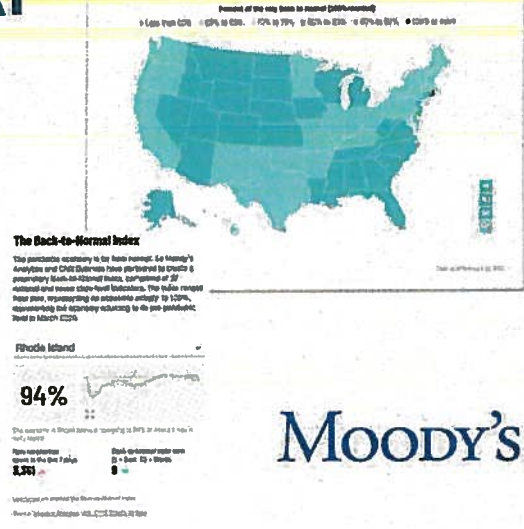
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# COVID-19 ECONOMIC RECOVERY

Hit hard, but making progress towards economic recovery

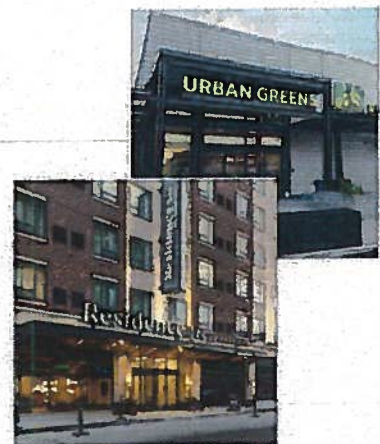
- **Moody's Back-to-Normal Index** #1 in Northeast
- **December 2021 Unemployment Rate: 4.8%**
  - Down from 17.4% in April 2020 (7<sup>th</sup> largest drop in the U.S.)
  - Better than Northeast states like NY (6.2%), CT (5.8%), NJ (6.3%)
  - Rhode Island has made significant progress recovering jobs in key sectors
    - Both construction and manufacturing have recovered all of the jobs lost during the pandemic



# STRENGTHEN AND REBUILD

Helping encourage development in Rhode Island with the Rebuild RI Program

- Tax credit for a variety of different project types including for job creation projects, manufacturers, historic rehabilitations, and other mixed-use developments, among other types.
- 50+ projects approved through Rebuild RI leading to nearly \$3 billion of investment in the state.
- Every dollar invested leading to fifteen dollars of total investment.
- Article 9 proposes to:
  - Increase cap of aggregate credits from \$210 million to \$225 million
  - Extend program sunset to 2023



# STRENGTHEN AND REBUILD

## Continuing key small business supports

Article 9 proposes to extend these programs' sunset provisions through 2023.



## Small Business Assistance Program

- 180 loans to small Rhode Island businesses, creating or retaining a total of more than 1,200 jobs
- More than half of loans have gone to women- and minority-owned businesses

## Innovation Initiative

- In FY22, \$0.9 million of Network Matching Grant funding was used to make 11 awards to organizations to provide small businesses with technical assistance, access to capital, or physical space.
- The Innovation Vouchers program has supported 97 awardees with \$4.6 million in dedicated R&D funding to help businesses scale their efforts.

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# INVESTING IN JOB OPPORTUNITIES AND GROWTH

## Proposing to continue Qualified Jobs Tax Credit Program

- 24 companies relocating to or expanding in Rhode Island



- Creating almost 4,000 new jobs
- Article 9 proposes to continue the Qualified Jobs Tax Credit Program through December 2023

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# Supporting healthcare workers

## Expanding the Wavemaker Fellowship

- Wavemaker Fellowship – Refundable tax credit to support student loan burden for 4 years for fellows
  - STEM field focused program
- Article 9 proposes:
  - Creation of a healthcare fund to provide dedicated funding for high-demand healthcare practitioners
  - Partnering with Executive Office of Health and Human Services (EOHHS) on the selection process
  - Extend program sunset to 2023



# Targeted investments from State Fiscal Recovery Funds

To support small businesses, impacted industries, and minority-owned businesses.

- **Small Business Technical & Financial Assistance: \$45 million**
  - Builds on \$32 million authorized in 2021 (H6494) RI Rebounds programming.
  - Adds \$13 million for FY 2023.
- **Small Business Access to Capital: \$20 million**
  - New program to support grants or loans.



## FOCUSED BUSINESS SUPPORT

### Targeted support using ARPA funds

- **Assistance to Impacted Industries: \$28.5 million**
  - Builds on the \$13 million previously authorized under RI Rebounds with an additional \$15.5 million for FY 2023.
  - Focused on tourism, hospitality, and events industries.
- **Minority Business Support Initiative: \$10 million**
  - Establish new minority business support initiative
  - Provide technical assistance, loans, and programming space
- **Main Street Revitalization: \$5 million**
  - Recapitalize the Main Street RI Streetscape Improvement Fund

