



# Senate Finance Committee

---

Rhode Island Commerce

May 13, 2021

**RHODE  
ISLAND**  
COMMERCE

# AGENDA

---

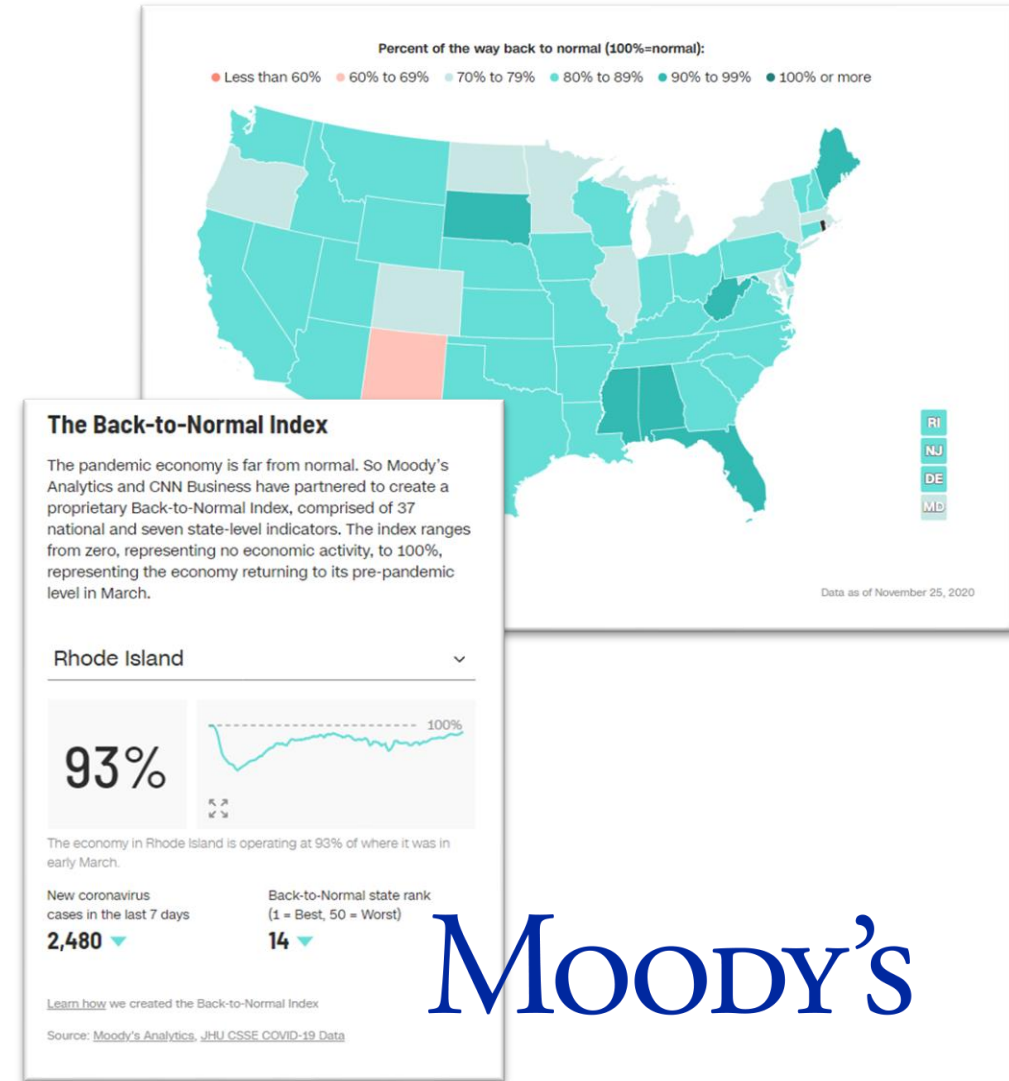
- **Continuing the recovery**
- **Toolbox to repair and revitalize RI's economy**
  - Supporting our small businesses
  - Investing in job opportunities & growth
  - Fostering and retaining talent in RI
- **Appendix**
  - Summary of sunset extensions proposed
  - FY22 proposed appropriation summary



# CONTINUING THE RECOVERY

## Hit hard, but making progress towards economic recovery

- Moody's Back-to-Normal Index: #14 in the U.S.
- March 2021 Unemployment Rate: 7.1%
  - Down from 17.4% in April 2020 (12<sup>th</sup> largest drop in the U.S.)
  - Better than Northeast states like NY(8.5%), CT (8.3%), NJ (7.7%), and PA (7.3%) and tourism-dependent states like HI (9.0%) and NV (8.1%)
  - Rhode Island has made significant progress recovering jobs in key sectors





# SUPPORTING OUR SMALL BUSINESSES

**Anchored by Small Business Relief Grant Program, investing \$30 million in FY 21 small business recovery**

- Relief Grant Program: \$5,000 flat grant for 4,000+ impacted small businesses
  - Received well over 5,000 applications by the April 30 deadline
  - 2,400+ applications approved (pending final signatures) or paid so far
- \$2.5 million for technical assistance, outreach, translation services, and administration efforts
- Collaborating with OMB and CRF compliance team to determine how remaining funds will be spent



# SUPPORTING OUR SMALL BUSINESSES

---

## Continuing and expanding the Small Business Assistance Program



- Over 160 loans to small Rhode Island businesses
- More than half have gone to women and minority-owned businesses
- Proposing an additional \$1 million in funding for FY22 and extending the program's sunset

# SUPPORTING OUR SMALL BUSINESSES

## Proposing to improve the Small Business Development Fund to assist more small businesses with access to capital

So far, \$20 million fund approved for Enhanced Capital to provide loans to eligible Rhode Island-based small businesses. At least \$15 million of loans will be provided to COVID Impacted Businesses.

Article 9 proposes to

- Expand eligibility to community and other local lenders,
- Strengthen selection process to approve applications for tax credits up to the program's currently authorized levels,
- Expand tax streams tax credits can be used against, and
- Allow tax credits to be transferred/sold





# SUPPORTING OUR SMALL BUSINESSES

## Continue investing in Small Business Innovation through Innovation Voucher Program

- Helps small businesses pursue Research & Development in partnership with knowledge partners
- 93 vouchers
- 7 projects supported product development in response to COVID-19
- 20+ new patents/licenses
- Article 9 proposes extending the program sunset through Dec. 2022



# SUPPORTING OUR SMALL BUSINESSES

---

## FY22 appropriations important to support our small businesses and their recovery

- Continue connecting small businesses with resources to help them grow through contracting opportunities, manufacturing expertise, and international trade
  - Small Business Promotion (Supply RI)
  - Chafee Center at Bryant (International Trade & Export Promotion)
  - Polaris
- Continue growing and supporting small business support networks
  - Minority Entrepreneurship
  - Network Matching Grants (Innovation Initiative)
  - Competitive Cluster Grants



# INVESTING IN JOB OPPORTUNITIES AND GROWTH

## Proposing to continue Qualified Jobs Tax Credit Program

- 30+ companies relocating to or expanding in Rhode Island



- Creating 4,500+ new jobs
- Article 9 proposes to continue the Qualified Jobs Tax Credit Program through December 2022

# INVESTING IN JOB OPPORTUNITIES AND GROWTH

**Continuing the Rebuild Rhode Island Tax Credit Program enables the state to attract investment and match federal infrastructure funds**

50 projects

Supporting 10,000+ construction jobs

Leveraging nearly \$3 billion in investment

Enabling additional investment and extending the program's sunset will allow this program to continue.

- \$22.5 million appropriation for FY22 proposed
- Article 9 proposes continuing the program and increasing the program cap from \$210 million to \$240 million.



# FOSTERING AND RETAINING TALENT IN RI

Retaining high quality STEM & Design Talent in state by offsetting the cost of student loan debt repayment

FY2022 Budget Proposal:

- Clarify eligibility for entrepreneurs
- Streamline administrative process of the program
- Exempt redemption of tax credit from taxation
- Extend the sunset to December 31, 2022



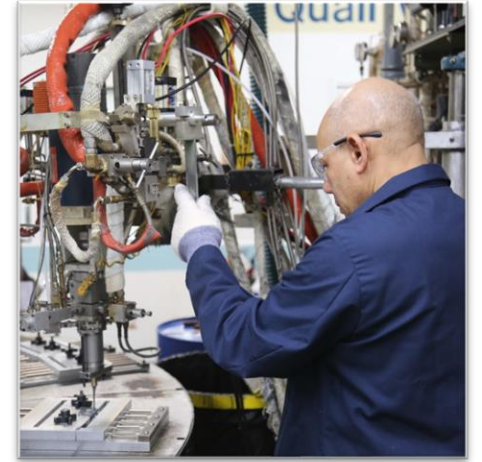


# Appendix

Additional details

# REQUESTING SUNSET EXTENSION THROUGH DECEMBER 2022

- Rhode Island Tax Increment Financing (TIF)
- Rhode Island Tax Stabilization Incentive
- Rebuild Rhode Island Tax Credit Program
- First Wave Closing Fund
- I-195 Redevelopment Project Fund
- Small Business Assistance Program
- Innovation Incentive
- Industry Cluster Grant
- P-TECH Program
- Air Service Development Fund
- Main Street Improvement Fund



# FY22 PROPOSED APPROPRIATIONS

## General Revenue:

- RI Commerce Corporation: \$7.7 M
- Airport Impact Aid: \$ 1 M
- STAC Research Alliance: \$0.9 M
- Innovative Matching Grants/Interns: \$1.0 M
- I-195 Redevelopment District: \$0.8 M
- Polaris Manufacturing Grant: \$0.4 M
- East Providence Waterfront Comm: \$0.1 M
- Minority Entrepreneurship: \$0.1 M
- Chafee Center at Bryant: \$0.5 M
- Innovation Initiative: \$1.0 M

- Rebuild RI Tax Credit Fund: \$22.5 M
- Competitive Cluster Grants: \$0.1 M
- Small Business Promotion: \$0.3 M
- Small Business Assistance: \$1.0 M
- Wavemaker Fellowship: \$1.6 M
- Central Management: \$2.2 M
- Housing and Community Dev: \$0.9 M

## RICAP:

- Quonset Point Infrastructure: \$3.1 M
- I-195 Redevelopment District Commission: \$0.6 M



# PATHWAYS IN TECHNOLOGY EARLY COLLEGE HIGH SCHOOL

---

*Students in each program have the opportunity to earn their high school diploma and an industry approved associate degree from CCRI in 4-6 years*

- 6 P-TECH programs launched across the state in Providence, Woonsocket, North-Providence, Newport, and Westerly
- 500+ students in 5 full-time schools (250 at PTECH lite)
- 90% retention rate
- 400+ mentors
- Additional funding not proposed for FY22

