

ECONOMIC DEVELOPMENT

ARPA Federal Recovery Funds for Small Business Assistance: The budget commits \$50.0M in FY2023 to provide technical and financial assistance for small businesses, subsidies for SBA loan interest, and aid targeted to the tourism, hospitality, and event industries.

Minority Business Accelerator: From ARPA Federal Recovery Funds, the budget proposes spending \$1.5M in FY2023 to fund a minority business accelerator program, supporting technical and financial assistance and investment in minority-owned businesses.

Minority Entrepreneurship: The budget includes level funding of \$140,000 in funding for a minority urban business incubator. For FY2023, these funds would go to the non-profit Urban Ventures program.

Rebuild RI Tax Credit: The budget calls for increasing the total cap on this multi-year program from \$210M to \$225M, as well as for providing \$13.5M in general revenue to fund commitments already made. According to information provided by the Commerce Corporation to the November 2021 Revenue Estimating Conference, \$195.2M in tax credits and sales tax reimbursements had been authorized and \$40.3M distributed as of mid-October 2021. According to the House Fiscal Office, the General Assembly has so far allocated \$134.7M towards fulfilling these commitments.

Wavemaker Fellowship: The budget proposes expanding this program originally designed to offset student loans with tax credits for full-time Rhode Island workers in STEM (Science, Technology, Engineering, and Mathematics). A new category of eligible workers, those employed as a “high-demand healthcare practitioner” (to be defined by Commerce Corporation regulations) would become eligible for the credits. Instead of just adding this category, the program is being divided into two funds, one for healthcare and one for the STEM fields (“life, natural or environmental sciences; computer, information or software technology; advanced mathematics or finance; engineering; industrial design or other commercially related design field; or medicine or medical device technology”). The proposed \$2.4M in funding would provide \$800,000 for healthcare workers while level funding at \$1.6M support for STEM workers.

Sunsetting of Programs: The budget calls for extending the sunset dates – from December 31, 2022, to December 31, 2023 – of 13 economic development programs coordinated and managed by the Rhode Island Commerce Corporation. The programs proposed to be extended include the Rebuild RI Tax Credit, the Wavemaker Fellowship, Tax Increment Financing, and the I-195 Redevelopment Project Fund. The purpose of sunset dates is to encourage the General Assembly to review programs for their effectiveness in spurring economic activity and opportunity and to close those not achieving their stated purposes.

Small Business Development Loan Fund Small Business Development Loan Fund: The budget seeks to modify this tax incentive program by revising the application criteria to make eligible community-based financial institutions, including Rhode Island companies, whereas the original legislation limited entrance to a few large companies with specific federal certification. The budget would also allow the program’s tax credits to have broader applications and to be sold or transferred.

BROADBAND

Last-Mile Broadband: In an effort to extend broadband to underserved communities and the sizable minority of Rhode Islanders who do not yet have such access to high-speed and reliable internet service, the FY2023 budget recommends using \$15.4M for FY2023 (\$25.0M overall for FY2023-FY2025) from State Fiscal Recovery Capital Projects funds. These funds will, in part, provide a state match to secure \$100.0M in additional federal funds from the Infrastructure Investment and Jobs Act. To fund a needs assessment, statewide mapping, and a coordinator position, the FY2022 supplemental budget enacted in January 2022 committed \$500K from SFRF for broadband infrastructure planning work.