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# VIRGINIA STATE BUDGET

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2001 Session

## Budget Bill - HB1600 (Introduced)

Bill Order » Central Appropriations » Item 548

Central Appropriations

Item 548	First Year - FY2001	Second Year - FY2002
<b>Economic Contingency (75800)</b>	<b>\$40,500,000</b>	<b>\$31,250,000</b>
	<b>\$41,850,000</b>	<b>\$31,300,000</b>
Fund Sources:		
General	\$40,500,000	\$18,250,000
	\$41,850,000	\$18,300,000
Trust and Agency	\$0	\$13,000,000

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Authority: Discretionary Inclusion.

A. The Governor is hereby authorized to allocate sums from this appropriation, in addition to an amount not to exceed \$2,000,000 from the unappropriated balance derived by subtracting the general fund appropriations from the projected general fund revenues in this act, to provide for supplemental funds pursuant to paragraph B hereof. Transfers from this Item shall be made only when (1) sufficient funds are not available within the agency's appropriation and (2) additional funds must be provided prior to the end of the next General Assembly Session.

B. This appropriation includes ~~\$1,000,000~~ \$2,300,000 the first year to be used by the Governor as he may determine to be needed for the following purposes:

1. To address the six conditions listed in § 4-1.03 a 3 of this act.
2. To provide for unbudgeted and unavoidable increases in costs to state agencies for essential commodities and services which cannot be absorbed within agency appropriations.
3. To secure federal funds in the event that additional matching funds are needed for Virginia to participate in the federal Superfund program.
4. To provide for the administrative costs and grant payments for applications filed for calendar year 1999 for the Virginia Caregivers Grant Program operated pursuant to Chapter 21, Title 63.1, Code of Virginia.

C. The Department of Planning and Budget shall submit a quarterly report of any disbursements made from, commitments made against, and requests made for such sums authorized for allocation pursuant to paragraph B to the Chairmen of the House Appropriations and Senate Finance Committees. This report shall identify each of the conditions specified in paragraph B for which the transfer is made.

D. Any unexpended balance remaining in this Item on June 30, 2001, shall be carried forward on the books of the Comptroller and shall be available for expenditure in the second year of the current biennium. Any unexpended balance remaining in this Item on June 30, 2002, shall be carried forward on the books of the Comptroller and shall be available for expenditures in the next biennium.

E.1. This appropriation includes \$30,000,000 the first year to be used at the discretion of the Governor, subject to

prior consultation with the Chairmen of the House Appropriations and Senate Finance Committees, to attract economic development prospects to locate or expand in Virginia. Funds appropriated for the purposes of this paragraph shall be deposited to the Governor's Development Opportunity Fund, as established in § 2.1-51.6:5, Code of Virginia, on July 1 of each fiscal year.

2. The Governor may allocate these funds as grants or loans to political subdivisions. Loans shall be approved by the Governor and made in accordance with procedures established by the Virginia Economic Development Partnership and approved by the State Comptroller. Loans shall be interest-free unless otherwise determined by the Governor and shall be repaid as follows: the first \$1,000,000 of repayments shall be deposited to the Governor's Motion Picture Opportunity Fund, and any additional repayments shall be deposited to the general fund of the state treasury. The Governor may establish the interest rate to be charged, otherwise, any interest charged shall be at market rates as determined by the State Treasurer and shall be indicative of the duration of the loan. The Virginia Economic Development Partnership shall be responsible for monitoring repayment of such loans and reporting the receivables to the State Comptroller as required.

3. Funds may be used for public and private utility extension or capacity development on and off site; road, rail, or other transportation access costs beyond the funding capability of existing programs; site acquisition; grading, drainage, paving, and other activity required to prepare a site for construction; construction or build-out of publicly-owned buildings; grants or loans to an Industrial Development Authority, Housing and Redevelopment Authority, or other political subdivision pursuant to their duties or powers; training; or anything else permitted by law.

4. Prior to the issuance of bonds by the City of Newport News Industrial Development Authority, the Governor is authorized to use unobligated balances to meet any unanticipated expense associated with the Commonwealth's share of the cost of the Virginia Advanced Shipbuilding and Carrier Integration Center.

5. ~~At his discretion, the Governor is authorized to pledge up to \$250,000 from the Governor's Development Opportunity Fund in fiscal year 2002 for the proposed national comprehensive museum and education center on the Civil War.~~

~~6.a. Out of the amounts in this Item for the Governor's Development Opportunity Fund, the Governor may make available, in the form of a zero interest loan, a line of credit up to \$4,500,000 to assist the City of Salem to support the expansion of a major employer. The City shall not provide a cash match. The city's matching contribution shall include the donation of at least 7.2 acres and the assumption of all site preparation and site development costs. The City shall repay the loan over a five year period, commencing one year after completion of the expansion.~~

~~b. Such line of credit shall be contingent upon an affirmative decision by such employer to expand its facility in Salem and upon communication of the decision to the Virginia Economic Development Partnership. In addition, the City must certify to the Virginia Economic Development Partnership that the project scope includes a capital investment equal to or greater than \$14,100,000; investment equal to or greater than \$25,513,000 for machines and tools; and an increase equal to or greater than 40 jobs in a thirty month period.~~

7. Consideration should be given to economic development projects that 1) are in areas of high unemployment; 2) link commercial development along existing transportation/transit corridors within regions; and 3) are located near existing public infrastructure.

8. Of the amounts deposited to the Governor's Development Opportunity Fund, \$1,000,000 the first year may be transferred to fulfill the Commonwealth's obligation in attracting a major employer to Loudoun County. The funds shall be paid to the major employer to reimburse costs incurred in the private construction of a portion of the Loudoun County Parkway. The Governor's Development Opportunity Fund may receive matching funds from Loudoun County to be combined with these funds for purposes of the reimbursement of the Loudoun County Parkway.

F. In the event Major League Baseball grants a franchise to an ownership group to locate a Major League Baseball team in Virginia, the Governor is hereby authorized to develop a financing plan, which has regard for the recommendations of House Document 7 (1997) by the Joint Subcommittee Studying Funding of a Baseball Stadium. At the next session of the General Assembly following the award of such franchise to a team to play its home games in the Commonwealth, the Governor shall submit to that General Assembly a detailed financing plan to carry out the Commonwealth's commitment, if any, to finance construction of a Major League Baseball Stadium.

G.1. Out of the amounts in this Item, the Governor is authorized to provide up to \$1,000,000 the first year from the general fund to be used as incentives to partner with a film company for the filming, in Virginia, of up to two movies on the Civil War. Prior to the offer of any incentives, the film company must certify that a distribution and production agreement has been reached with a network, cable or theatrical distributor. Any consideration for incentives shall be directly tied to an in-kind promotional agreement between such company and the Virginia Tourism Corporation. Such in-kind agreements may include promotional advertising, inclusion of a promotional "trailer," and promotional links to related "Web Domains." The Virginia Tourism Corporation may also set other criteria in determining the amount of incentives to award such company.

2. Any funds not otherwise committed for the purpose outlined in paragraph G1, shall be carried forward and made available to the Governor's Motion Picture Opportunity Fund, as established in § 2.1-548.61, Code of Virginia.

3. Prior to November 1, 2000, the Tourism Corporation shall develop a methodology for calculating the economic benefit of providing grants to attract film production. The methodology shall include a way in which to measure and determine the direct impact of tax revenue generated by each film attracted by use of a grant. In preparing the methodology required under this paragraph, the Tourism Corporation shall cooperate with the House Appropriations and Senate Finance Committees. The Committees shall make periodic inquiries on the progress of this project.

H.1. Out of the amounts in this Item shall be provided \$1,500,000 the second year from the general fund for the Virginia Tourism Authority to plan, develop, test, and implement a visitors technology program. The purpose of the program is twofold: (1) to encourage out-of-state visitors to vacation or visit the Commonwealth; and (2) to encourage visitors to lengthen their stay in Virginia.

2. The Virginia Tourism Authority shall, in conjunction with the Visitor Service Facility Business Technology Advisory Committee, and appropriate state agencies, and representatives from local and regional tourism organizations, local governments, historic and recreational attractions, and the lodging and hospitality industries, develop a plan for the visitors technology program.

3. The plan shall be submitted to the Secretary of Commerce and Trade and to the Chairmen of the Senate Finance and House Appropriations Committees by December 1, 2000. The plan shall include, but not be limited to, the policies defining state-responsible and nonstate-responsible start-up, equipment and maintenance costs; the schedule and costs for developing, testing, and implementing the program, including the purchase of technology software and hardware and internet connections to the Web site of the Virginia Tourism Corporation and its partners; the experiences of similar systems in South Carolina, Colorado, and elsewhere; and options to phase the implementation of the program.

4. In developing the plan, the Authority shall be guided by these principles: (a) The visitors technology program shall include state-certified local visitor centers and state welcome centers. The program's focus is on technology and not on the construction of new facilities; (b) The program needs to be interactive with the capacity to offer ticketing and reservation services to attractions, hotels and restaurants across the state; (c) The program needs to have the capability to market Virginia attractions on the Internet; and (d) The program should permit hotels and motels to participate so that guests can make reservations and buy tickets through the hotels' computer systems.

I. This appropriation includes \$250,000 the first year and \$250,000 the second year from the general fund to establish a statewide workforce training loan program focusing on technology-related training. Funds appropriated for the purposes of this paragraph shall be deposited to the Workforce Training Access Fund, as established in § 9-329.6, Code of Virginia.

J.1. Out of this appropriation, \$13,000,000 the second year from the general fund and \$13,000,000 ~~million~~ the second year from higher education operating funds is designated to create the Commonwealth Technology Research Fund. The Fund shall be established on the books of the Comptroller, the balance of which shall not revert to the general fund at the end of the fiscal year but shall be reappropriated for expenditure in the succeeding year. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request bearing the signature of the Director, Department of Planning and Budget.

2. The purpose of the fund shall be to attract public and private research funding for institutions of higher education, in order to increase technological and economic development in Virginia.

3. The Fund shall be administered by the Department of Planning and Budget. Awards from the Fund shall be made to Virginia public institutions of higher education.

4.a. For purposes of awards, the Fund shall have three components: 1) A matching funds program to leverage federal and private research dollars. 2) A strategic enhancement program to upgrade the research capacity of those academic departments that have demonstrated the ability to perform innovative research in technology fields that has strong potential to contribute to economic development in the Commonwealth. 3) A program to upgrade research capacity in key departments of the institutions in order to attract specific companies to locate or expand in Virginia.

b. Awards for the matching funds component shall be contingent upon the approval of the institution's grant proposal for federal or private funds.

c. Awards from the Commonwealth Technology Research Fund pursuant to paragraphs 1 through 5 of this Item shall be matched on at least a dollar-for-dollar basis by the respective institution of higher education or combinations thereof. However, for good cause, this requirement may be waived, in whole or in part, by the decision-making authority described in paragraph 5 d of this Item, provided that such action is reported to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees at least ten days prior to the award or disbursement of funds for such purpose.

5.a. Awards shall be based on scientific merit and economic development potential of research programs in the following fields: aerospace, biotechnology, energy, environmental and information technologies, high performance manufacturing, telecommunications, and transportation. However, for good cause, awards supporting research in other relevant fields or disciplines may be made by the decision-making authority described in paragraph 5 d of this Item, provided that such action is reported to the Director, Department of Planning and Budget and the Chairmen of the House Appropriations and Senate Finance Committees at least ten days prior to the award or disbursement of funds for such purpose.

b. Specific guidelines for the award of funds from this program shall be developed by the Department of Planning and Budget, the Innovative Technology Authority, the Virginia Economic Development Partnership, and the State Council of Higher Education, in consultation with representatives of the House Appropriations and Senate Finance Committees, or their designees, and three representatives of higher education institutions. These guidelines shall address, at minimum, the application process, and the composition and operation of proposal review panels, and give special emphasis to fostering collaboration between institutions of higher education and partnerships between institutions of higher education and business and industry. The agreed upon guidelines shall be reported to the Governor and to the Chairmen of the House Appropriations and Senate Finance Committees by September 1,

2000. No proposals shall be considered for funding under the program before these guidelines have been reported to the Governor and Chairmen of the House Appropriations and Senate Finance Committees, and distributed to the institutions of higher education.

c. The Director, Department of Planning and Budget shall coordinate the evaluation of proposals, to be conducted by review panels with the appropriate science and technology expertise, drawn from federal agencies and academic and industrial research institutions across the country.

d. Recommendations on the grants shall be made by representatives from the Innovative Technology Authority, the Virginia Economic Development Partnership, and the State Council of Higher Education based on the recommendations of the review panels.

6.a. Effective January 1, 2001, the Director, Department of Planning and Budget, shall provide the Governor and the Chairmen of the House Appropriations and Senate Finance Committees with a quarterly report to include a detailed list of awards committed, the amount of each approved award, a description of the approved proposals and the amount of federal or private matching funds anticipated where applicable.

b. Not later than June 30, 2002, the Department of Planning and Budget shall submit to the Governor and the Chairmen of the House Appropriations and Senate Finance Committees an evaluation of the Fund. The evaluation shall include an assessment of the effectiveness of the Fund in attracting public and private research funding and increasing technological and economic development in Virginia, and an assessment of the administration of the program including the effectiveness of the decision-making process.

K. Out of this appropriation, \$2,500,000 the first year and \$2,500,000 the second year ~~from the general fund~~ shall be deposited to the Commonwealth Health Research Fund.

~~L. This appropriation includes \$1,000,000 the second year from the general fund for Economic Development Grant Payments to localities pursuant to the provisions of House Bill 1268.~~

**I VETO THIS ITEM /s/ JAMES S. GILMORE, III (4/9/00) (Vetoed item is enclosed in brackets.)**

[ M. The Governor is hereby authorized to communicate to major league baseball the Commonwealth's commitment to fund its portion of the stadium financing plan as recommended in House Document #7 (1997) by the Joint Subcommittee Studying Financing Options for the Purpose of Constructing a Baseball Stadium in Virginia, and such commitment is to be effective only in the event major league baseball grants, or commits to grant a franchise to an ownership group to locate a major league baseball team in Virginia. At the next session of the General Assembly following the award or commitment to award such franchise, the Governor shall submit to that General Assembly a detailed financing plan to carry out the Commonwealth's commitment to finance construction of a major league baseball stadium. ]

N. Included in this Item is \$250,000 from the general fund the first year which may be transferred to the Major League Baseball Stadium Authority for the purposes set forth in § 15.2-5801, Code of Virginia.

**I VETO THIS ITEM /s/ JAMES S. GILMORE, III (5/19/00) (Vetoed item is enclosed in brackets.)**

[ O.1. This appropriation includes \$5,500,000 the first year from the general fund to provide limited health care benefits and related administrative expenses for displaced textile workers, as defined in paragraph O 2.

2.a. There is hereby created the Textile Workers Temporary Health Benefits Program for the purpose of providing health care benefits for displaced Virginia textile workers and their dependents, as described in paragraph O 3.

b. The temporary health insurance benefits authorized by this Item shall be available from June 1, 2000 to May 30, 2001.

c. The Department of Medical Assistance Services shall receive \$2,917 per month to administer the program.

d. The Virginia Employment Commission (VEC) shall receive a one-time fee of \$10 per claimant. Such fee shall be used to cover the costs of certification of eligibility to participate in the temporary health benefits program authorized by this Item.

e. The Textile Workers Temporary Health Benefits Program shall enroll all qualifying persons who are certified by the Virginia Employment Commission to the Department of Medical Assistance Services as eligible for the benefits authorized by this Item.

3.a. Participation in the temporary health benefits program authorized by this Item shall be limited to residents of Virginia and their dependents who are (i) former employees of textile companies located in the West Piedmont Planning District and their dependents and (ii) former employees of textile companies located in any county from a Planning District adjoining the West Piedmont Planning District Commission and their dependent spouses, provided that such county's 1999 average unemployment rate was equal to or greater than 6 percent.

b. To be eligible for benefits under this program: (i) the former employee's unemployment status must have resulted from a textile company ceasing or limiting business operations on or after July 1, 1999, but, on or before January 31, 2000; (ii) the worker must qualify, or have been qualified, for the regular Unemployment Insurance Program; and (iii) the worker must not have been terminated for cause.

c. Qualifying former employees whose benefits have expired, as well as former employees receiving unemployment insurance benefits, may register for the program at local VEC offices in the coverage area and at other sites as determined by the Department of Medical Assistance Services. The Virginia Employment Commission and the Department of Medical Assistance Services shall make every effort to utilize sites and procedures that are convenient for the eligible individuals.

d. Limited health insurance coverage for former employees and their dependent spouse shall end at the earlier of (i) full-time employment, defined as working for wages or salary in excess of the federal minimum wage for more than 30 hours per week, or (ii) termination of the limited health benefits program as described in this Item.

4. The Department of Medical Assistance Services shall develop, implement, and administer the Textile Workers Temporary Health Benefits Program for displaced Virginia textile workers who meet the criteria listed in paragraph O 3.

5. Lack of health care for the displaced Virginia textile workers and their families shall be deemed to be a public health emergency pursuant to § 9-6.14:4.1, Code of Virginia; therefore, to meet this emergency situation the Board of Medical Assistance Services shall promulgate emergency regulations to implement this program to be effective June 1, 2000. The program shall: (i) include the eligibility criteria listed in paragraph O 3; (ii) provide health benefits to the displaced Virginia textile worker and his dependents as certified by the Virginia Employment Commission; (iii) provide health benefits similar to, but not in excess of, the amount, duration and scope of medical services covered as established in the State Plan for Medical Assistance pursuant to § 32.1-325, Code of Virginia; and (iv) provide such covered health care benefits for the period of June 1, 2000 to May 30, 2001.

6. For the purpose of linking essential services to displaced workers and their families and ameliorating, to the extent possible, the effects of loss of income and benefits, the Virginia Employment Commission and the Department of Medical Assistance Services shall establish an aggressive outreach mechanism for recent displaced workers in Virginia.

7. The Department of Medical Assistance Services and the Virginia Employment Commission shall report to the Chairmen of the House Appropriations and Senate Finance Committees on their progress in designing and implementing the program on May 1, 2000, and provide the Committee Chairmen with updated reports on the status of the program on June 1, 2000, July 1, 2000, September 1, 2000, and December 1, 2000. ]

*P. Included in this Item is \$50,000 the first year and \$50,000 the second year from the general fund to pay for private legal services or other necessary legal services. Transfers shall be made by the Director, Department of*

*Planning and Budget upon prior written authorization of the Governor or the Attorney General, pursuant to § 2.1-122, Code of Virginia.*