
VIRGINIA STATE BUDGET

2004 Session

Budget Bill - SB29 (Introduced)

Bill Order » Office of Commerce and Trade » Item 108

Department of Business Assistance

Item 108 (Not set out)	First Year - FY2003	Second Year - FY2004
Industrial Development Services (53400)	\$13,755,787	\$11,905,514
Community and Business Assistance (53401)	\$3,532,014	\$2,258,950
Industrial Employee Training (53403)	\$7,738,827	\$7,698,680
Financial Assistance for Industrial Development (53410)	\$885,000	\$735,000
Other Services (53499)	\$1,599,946	\$1,212,884
Fund Sources:		
General	\$11,505,692	\$10,795,084
Special	\$324,464	\$325,253
Dedicated Special Revenue	\$721,959	\$670,089
Federal Trust	\$1,203,672	\$115,088

Authority: Title 2.2, Chapter 9; Chapter 22, Article 7; and Chapter 24, Article 7, Code of Virginia.

A. The Virginia Small Business Financing Authority is authorized to withdraw revenues of up to \$50,000 the first year and \$50,000 the second year from the accrued interest balances of the Virginia Small Business Growth Fund in order to cover the costs of administering the Virginia Capital Access Program.

B.1. Out of the amounts for Industrial Development Services shall be provided \$175,000 the first year and \$148,700 the second year from the general fund to the Virginia-Israel Advisory Board.

2. The Virginia-Israel Advisory Board shall report by January 15 of each year to the Chairmen of the Senate Finance and House Appropriations Committees on the Board's activities and expenditure of state funds.

C.1. Out of the amounts provided for Industrial Development Services shall be provided \$560,000 the first year and \$410,000 the second year from the general fund for a statewide small business incubator program. Grants shall be awarded on a competitive basis with preference given to applicants demonstrating significant local, private, or federal match money. Cash contributions shall be afforded higher priority than "in-kind" matches. The Department of Business Assistance shall monitor the progress of the grantees and report to the Chairmen of the Senate Finance and House Appropriations Committees by November 4 of each year. The report shall include, but not be limited to, the number of grants awarded, the location and degree of local and private participation of each successful applicant, the number of businesses to be served at each site, the level of business investment at each site, the number of jobs created, and the applicant's expenses in managing the small business incubator. The Department may use up to \$50,000 the first year and \$50,000 the second year from the general fund to support the small

business incubator program. Any unexpended balance in this program at the close of business on June 30, 2003 and June 30, 2004 shall not revert to the general fund, but shall be carried forward and reappropriated.

2. The department shall report by December 6, 2002, to the Secretary of Commerce and Trade and to the Chairmen of the Senate Finance and House Appropriations Committees on the small business incubator program. The report shall assess the effectiveness of the program to include, but not be limited to, such items as the number of local programs receiving state funding; the types of activities and services offered; the financial and in-kind support provided by localities, for-profit and nonprofit organizations to state-supported incubators; the number of new businesses started; the number of jobs created; and the direct and indirect costs of the programs.

D.1. In the event the total awards to businesses eligible for reimbursement under the Industrial Employee Training Program are greater than the appropriation provided, the Department may either prorate the amount of reimbursement businesses receive or request the Governor to transfer such sums as necessary from the Governor's Development Opportunity Fund to this item. The Secretary of Commerce and Trade shall notify the Chairmen of the Senate Finance and House Appropriations Committees 30 days prior to the transfer of funding from the Governor's Development Opportunity Fund. The Director of the Department of Planning and Budget is authorized to transfer the second year appropriation to the first year to meet unexpected demand.

2. It is the intent of the General Assembly that the Department attempt to provide job training and retraining services for manufacturing and industrial businesses and facilities.

3. Contingent upon passage of Senate Bill 695 (2003 Session), any monies remaining in the Industrial Employee Training Program at the end of fiscal years 2003 and 2004 shall not revert to the general fund of the state treasury but shall be deposited to the Workforce Retraining Fund and be available for allocation in the ensuing fiscal years.

E. The Secretary of Commerce and Trade shall develop a plan for consolidating the Department of Business Assistance into an appropriate agency within the Commerce and Trade Secretariat. Agencies that the Secretary shall consider consolidating the Department of Business Assistance into shall include, but not be limited to, the Virginia Economic Development Partnership and the Department of Minority Business Enterprises. As part of this plan, the Secretary shall develop a process to transfer the workforce-related service activities at the Department of Business Assistance to the Virginia Economic Development Partnership. Savings estimated at \$350,000 the second year are anticipated from the consolidation. The Secretary of Commerce and Trade shall report to the Chairmen of the House Appropriations and Senate Finance Committees by November 1, 2002, with a plan for completing the consolidation.

F.1. To meet changing financing needs of small businesses, the Executive Director of the Virginia Small Business Financing Authority with the approval of the Director of the Department of Business Assistance may transfer moneys between funds managed by the Authority. These include the Virginia Small Business Growth Fund (§ 2.2-2310, Code of Virginia); the Virginia Export Fund (§ 2.2-2309, Code of Virginia); and the Insurance or Guarantee Fund (§ 2.2-2290, Code of Virginia). The Executive Director of the Virginia Small Business Financing Authority shall report, by fund, the transfers made by January 1 and July 1 of each year to the Chairmen of the Senate Finance and House Appropriations Committees.

2. In addition, it is the intent of the General Assembly that the Virginia Small Business Financing Authority develop and implement a plan to target a portion of the Small Business Growth Fund to community banks in rural areas with high unemployment rates to facilitate business development. The Small Business Financing Authority and Department of Business Assistance shall report to the Chairmen of the House Appropriations and Senate Finance Committees and the Secretary of Commerce and Trade by October 1, 2002, regarding the plan developed to meet the intent of this provision.