2024 Special Session I

Budget Bill - HB6001 (Chapter 2)

Department of Small Business and Supplier Diversity

Item 111

	First Year - FY2025	Second Year - FY2026
Economic Development Services (53400)	**$9,326,797**	**$8,826,797**
Minority Business Enterprise Procurement Reporting and Coordination (53406)	$6,098	$6,098
Minority Business Enterprise Outreach (53407)	$193,625	$193,625
Minority Business Enterprise Certification (53414)	$1,987,080	$1,987,080
Business Information Services (53418)	$2,012,607	$1,990,887
Administrative Services (53422)	$2,811,108	$2,337,828
Financial Services for Economic Development (53423)	$2,316,279	$2,311,279
Fund Sources:		
General	$6,180,690	$5,680,690
Special	$1,180,540	$1,180,540
Commonwealth Transportation	$1,800,567	$1,800,567
Trust and Agency	$100,000	$100,000
Dedicated Special Revenue	$65,000	$65,000

Authority: Title 2.2, Chapters 16.1 and 22, Code of Virginia.

A. The Department, in conjunction with the Department of General Services, the Virginia Employment Commission, and the Virginia Department of Transportation, is authorized to conduct analyses of the availability of minority business enterprises in Virginia and the utilization of such businesses by the Commonwealth of Virginia, localities, or private industry in the acquisition of goods and services. The Department also is authorized to receive and accept from the United States government, or any agency thereof, and from any other source, private or public, any and all gifts, grants, allotments, bequests or devises of any nature that would assist the Department in conducting such analyses or otherwise strengthen its services to minority business enterprises. The Director, Department of Planning and Budget, is authorized to establish a nongeneral fund appropriation for the purposes of expending revenues that may be received for this effort.

B. Out of the amounts in this Item, $819,753 the first year and $819,753 the second year from the general fund shall be deposited to the Small Business Investment Grant Fund pursuant to § 2.2-1616, Code of Virginia. Notwithstanding the provisions of § 2.2-1616, Code of Virginia, an eligible investor that makes a qualified investment in a small business on or after July 1, 2020, but prior to January 1, 2023, that has been certified by the Authority pursuant to subsection D of § 2.2-1616, Code of Virginia shall be eligible for a grant in an amount equal to the lesser of 25 percent of the qualified investment or $50,000. The Department shall aggressively market the program and shall report to the Governor and the Secretary of Commerce and Trade on the status of the program

by November 1 of each year.

C. Out of the amounts in this Item, $83,000 the first year and $83,000 the second year from the general fund shall be provided to support the Business One-Stop Program.

D.1. Out of the amounts in this Item, $1,345,540 from nongeneral funds the first year and $1,345,540 from nongeneral funds the second year shall be provided for the Virginia Small Business Financing Authority.

2. The Virginia Small Business Financing Authority is authorized to insure additional loans for eligible small businesses, pursuant to § 2.2-2290, Code of Virginia, up to an aggregate amount not to exceed four times the principal amount in the Insurance or Guarantee Fund, or up to an aggregate amount of $15,000,000. In the event that the authority is called upon to pay on guaranties of loans of more than 10 percent of the aggregate amount of all outstanding insured loans, the authority shall not insure any further loans and shall immediately notify the Governor and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees. Pursuant to § 4-1.03 of this act, the Director, Department of Planning and Budget, is authorized to transfer a sum sufficient to the Insurance or Guarantee Fund in the event the amount in the fund falls below the amount needed to honor any guarantee.

3. For the I-95 HOV/HOT Lanes project as evidenced by the Comprehensive Agreement approved pursuant to the Public-Private Transportation Act of 1995, the maximum fee and/or premium charged by the Virginia Small Business Financing Authority pursuant to §§ 2.2-2285 and 2.2-2291, Code of Virginia, for acting as the conduit issuer for any bond financing is not to exceed $25,000 per annum.

E. The Department shall include employment services organizations within the development and operation of any state procurement program or program goal and targets for small, women-owned, and minority-owned businesses consistent with requirements in the Code of Virginia requiring the Department to certify employment service organizations.

F. Notwithstanding any other provision of law, any business certified on or after July 1, 2017, by the Department as a small, women-owned, or minority-owned business, shall be certified for a period of five years unless (i) the certification is revoked before the end of the five-year period, (ii) the business ceases operation, or (iii) the business no longer qualifies as a small, women- or minority-owned business.

G. Beginning with the calendar quarter ending September 30, 2018, the Director of the Department shall report to the Secretary of Commerce and Trade and the Chairs of the House Appropriations and Senate Finance and Appropriations Committees on the agency's efforts to maximize job creation and retention among the Commonwealth's small businesses. The report shall include, at a minimum, measures of (i) the effectiveness of programs administered by the Small Business Financing Authority in assisting borrowers to create jobs and enable increased capital investment; (ii) the efficiency and effectiveness of Small, Women-owned, and Minority-owned Business and Disadvantaged Business Enterprise programs; (iii) the success of the agency's outreach and technical assistance activities; and, (iv) the number of businesses certified, and the average number of business days to process a certification application each month. The report shall be in a format prescribed by the Secretary but shall include specific data breakouts for rural areas and service-disabled veteran businesses currently certified in the SWaM certification and shall be due within thirty days of the close of each calendar quarter.

H. Notwithstanding § 2.2-1604, Code of Virginia, any cooperative association organized pursuant to Chapter 3 (§ 13.1-301 et seq.) of Title 13.1 of the Code of Virginia as a nonstock corporation that was certified as a small business by the Department prior to July 1, 2017, may be recertified as a small business by the Department, provided that such cooperative association otherwise meets the requirements for certification as a small business pursuant to Article 1 (§ 2.2-1603 et seq.) of Chapter 16.1 of Title 2.2 of the Code of Virginia and any other applicable provision of the Code of Virginia.

I. Out of the amounts in this Item, $500,000 the first year from the general fund shall be used by the department to produce a new statewide disparity study.