

## Commerce and Trade

The Governor's recommended amendments result in a net decrease of \$7.0 million GF for the biennium when compared to the original appropriation. This total reflects new spending of \$15.6 million, offset by \$22.6 million in reductions.

New funding of \$10.9 million is proposed for operation of the Virginia Advanced Shipbuilding and Carrier Integration Center, along with \$4.5 million for workforce training. Also proposed is an amendment of \$250,000 for the Tredegar National Civil War Center, to enhance tourism promotion.

The \$22.6 million in budget reductions fall into four broad categories: (1) targeted reductions of specific activities -- \$10.1 million; (2) across-the-board reductions of 3 percent in FY 2001 and 6 percent in FY 2002 -- \$6.9 million; (3) productivity savings approved in the 2000 Session -- \$5.4 million; or (4) technical adjustments - \$139,975.

Targeted reductions include several initiatives proposed by the 1999 and 2000 General Assemblies. These include \$5.0 million for the Industrial Site Development Program; \$385,395 for the Regional Competitiveness Act; \$210,000 for increased Planning District Commission grants; \$200,000 for Small Business Development Centers; \$200,000 for the heavy equipment operator training program at Fort Pickett; and \$150,000 for animal control officer training.

In addition, the Governor proposes to eliminate \$1.0 million GF in the Central Appropriations' Economic Contingency Fund that the General Assembly provided to help localities cope with economic growth.

- **Department of Agriculture and Consumer Services**

- **Budget Reductions.** Decreases general fund support by \$1.2 million in FY 2001 and by \$2.5 million in FY 2002 for technical adjustments, productivity savings, across-the-board cuts, and targeted reductions. Almost half of the reductions are in unspecified across-the-board cuts. The total second year reductions are equal to 9.4 percent of the department's general fund budget.
- **Animal Control Officer Training.** Proposes to reduce the FY 2001 appropriation by \$50,000 GF and to eliminate the \$100,000 GF appropriation in FY 2002. The activity responds to standards approved by the State Veterinarian and the Department of Criminal Justice Services.

- **Department of Business Assistance**
  - **Budget Reductions.** Reduces general fund support by \$505,374 in FY 2001 and by \$702,232 in FY 2002 for technical adjustments, productivity savings, across-the-board cuts, and targeted reductions. Over one-third of the reductions are in unspecified across-the-board cuts. The amendments reduce the department's general fund budget by 4.7 percent in FY 2002.
  - **Small Business Development Centers.** Eliminates supplemental funding of \$200,000 GF provided by the General Assembly for FY 2002. Some \$2.8 million of general fund support remains available in the second year for the 30 centers to provide in-depth counseling to small businesses.
  - **Workforce Training.** Adds \$4.5 million GF in FY 2001 to meet commitments the department has made to new and existing Virginia businesses. State assistance may be provided if a company makes a capital investment of at least \$1.0 million and creates at least 25 new jobs. The amendment increases the program's appropriation in FY 2001 to \$18.0 million.
  - **Workforce Training Language.** Removes language authorizing the department to prorate the amount of reimbursement businesses receive when total awards exceed the appropriations.
  
- **Department of Housing and Community Development**
  - **Budget Reductions.** Reduces general fund support by \$392,929 in FY 2001 and by \$676,593 in FY 2002 for technical adjustments, productivity savings, across-the-board cuts, and targeted reductions. The cumulative effect of all the budget cuts reduces the department's general fund budget by 8.6 percent in FY 2002.
  - **Industrial Site Development Program.** Reduces general fund support for the activity by \$2.5 million in each year of the biennium. The amendment leaves \$3.0 million GF in FY 2001 and \$3.0 million GF in FY 2002 to carry out the program.
  - **Regional Competitiveness Act.** Decreases by \$358,395 GF in FY 2002 the appropriation for the Regional Competitiveness Program. A companion language amendment reduces the minimum level of support qualified regions would receive from \$300,000 to \$250,000 per year. Nine regional partnerships would have been eligible for the \$300,000 per year payment.
  - **Planning District Commissions.** Eliminates a \$210,000 GF increase the General Assembly approved for FY 2002.

- **Department of Mines, Minerals and Energy**
  - **Budget Reductions.** Reduces general fund support by \$293,939 in FY 2001 and by \$736,031 in FY 2002 for technical adjustments, productivity savings, across-the-board cuts, and targeted reductions. The cumulative effect of all the budget cuts reduces the department's general fund budget by 12.2 percent in FY 2002.
  - **Solar Photovoltaic Manufacturing Incentive Grants.** Decreases the general fund support for this program by \$1.0 million in FY 2002. The amendment is based on a November 2000 re-estimate of solar panel production, and leaves the program with \$1.7 million GF in FY 2002 for incentive payments.
- **Virginia Economic Development Partnership**
  - **Virginia Advanced Shipbuilding and Carrier Integration Center (VASCIC).** Provides \$10.9 million GF in FY 2002 for an operations grant. Under legislation enacted by the 1998 Session, the Commonwealth agreed to provide \$58.0 million to construct the center and an additional \$40.0 million to establish and operate VASCIC. In the 2000 Session, the General Assembly fulfilled the capital obligation. The amendment represents the first payment for operational support.
  - **Budget Reductions.** Reduces general fund support by \$973,883 in FY 2001 and by \$1,704,740 in FY 2002 for technical adjustments, productivity savings, across-the-board cuts, and targeted reductions. Almost half of the reductions are in across-the-board cuts. The cumulative effect of all the budget cuts reduces the department's general fund budget by 11.1 percent in FY 2002.
  - **Certified Community Cooperative Advertising Program.** Eliminates the program's \$500,000 GF appropriation in FY 2002.
  - **Heavy Equipment Operator Training Program.** Reduces by \$200,000 the general fund support for the program in FY 2002. A sum of \$50,000 GF remains for the Southside Virginia Business and Education Commission to carry out the program with the Virginia Community College System at Fort Pickett.
- **Virginia Employment Commission**
  - **Workforce Investment Act.** Deletes language approved by the General Assembly in the 2000 Session requiring the agency to use discretionary moneys provided by the federal Workforce Investment Act to fund the Education for Independence and the Virginia's Skills Centers Programs. Proposed language defers to

either the Virginia Workforce Council or to local Workforce Investment Boards on whether the programs are funded.

- **Virginia Tourism Authority**

- **Tredegar National Civil War Center.** Provides \$250,000 GF in FY 2002 to continue efforts to develop a national Civil War museum and education center in Richmond. A companion amendment in Central Appropriations strikes language permitting the Governor to pledge up to \$250,000 from the Governor’s Development Opportunity Fund for this purpose.
- **Budget Reductions..** Reduces general fund support by \$934,518 in FY 2001 and by \$1,243,149 in FY 2002 for technical adjustments, productivity savings, across-the-board cuts, and targeted reductions. Almost half of the reductions are in across-the-board cuts. The cumulative effect of all the budget cuts reduces the department’s general fund budget by 7.8 percent in FY 2002.
- **“See Virginia First” Cooperative Advertising Program.** Removes \$310,000 GF in the second year of the biennium for cooperative advertising programs conducted in partnership with the Virginia Association of Broadcasters and the Outdoor Advertising Association of Virginia.