

Commerce and Trade

The Governor's proposed 2002-04 budget for Commerce and Trade results in a net decrease of \$4.3 million GF for the biennium when compared to the adjusted appropriation for current operations. This total represents new funding of \$15.0 million, offset by \$19.3 million in targeted reductions.

New funding of \$14.0 million in FY 2004 is proposed for the operation of the Virginia Advanced Shipbuilding and Carrier Integration Center in Newport News. In addition, \$3.6 million in FY 2004 is proposed to meet commitments for the Solar Photovoltaic Manufacturing Incentive Grant Program. New funding of \$2.2 million for the 2002-04 biennium is proposed for the Department of Forestry to replace equipment used in fighting forest fires. Finally, \$200,000 in FY 2004 is proposed for the Information Technology Performance Grant Program in the Department of Business Assistance.

In addition to these amounts, \$28.2 million GF is contained in the Central Appropriations for several economic development programs, such as the Governor's Opportunity Fund.

Proposed targeted reductions include \$2.0 million each year for the Industrial Site Development Program and \$1.0 million each year for the Regional Competitiveness Program. These reductions are in addition to cuts made in FY 2002 as part of the Productivity Savings and Executive Order 74 strategies.

Another \$15.8 million in reductions for Commerce and Trade agencies is contained in the Central Appropriations as part of the 6 percent across-the-board reduction. Actions for achieving these savings are not specified in the budget.

- **Department of Agriculture and Consumer Services**
 - ***Budget Reductions.*** Across-the-board budget reductions located in Central Appropriations of 6 percent are proposed, totaling \$3.0 million for the 2002-04 biennium.
- **Department of Business Assistance**
 - ***Budget Reductions.*** Includes across-the-board budget reductions of 6 percent in Central Appropriations, totaling \$800,000 for the 2002-04 biennium.
 - ***Information Technology Employment Performance Grant Program.*** Proposes \$200,000 GF the second year to provide grants to eligible

technology firms located in regions which include the planning district with the highest annual average unemployment rate in the state in 1998.

- ***Additional Positions for Small Business Development Program.*** Adds \$281,000 NGF and 3.0 FTE positions to develop, implement, and oversee economic recovery and disaster preparedness for small businesses. The additional positions will also provide programmatic oversight for small business development centers.

- **Department of Housing and Community Development**

- ***Budget Reductions.*** Includes across-the-board budget reductions of 6 percent in Central Appropriations, totaling \$3.7 million GF for the 2002-04 biennium.
- ***Industrial Site Development Program.*** Proposes reducing the general fund appropriation by \$2.0 million in each year, leaving \$850,000 of appropriations for the program in each year of the biennium. To replace the general fund support, the Governor recommends issuing debt through the Virginia Public Building Authority in order to fund the various projects. Statutory revisions will be necessary to enable funding of industrial site projects through the Virginia Public Building Authority.
- ***Regional Competitiveness Program.*** Proposes a reduction of \$1.0 million GF in each year of the biennium for the Regional Competitiveness Program, leaving about \$9.0 million in each year of the biennium for the 19 qualified regional partnerships.

- **Department of Forestry**

- ***Budget Reductions.*** Includes across-the-board budget reductions of 6 percent in Central Appropriations, totaling \$1.6 million GF for the 2002-04 biennium.
- ***Replacement of Firefighting Equipment.*** Proposes new funding of \$721,000 GF the first year and \$1.5 million GF the second year for the purchase, under the Master Equipment Lease Program, of tractors and fireplow units used by the department in fighting forest fires. This recommended funding will enable the department to replace about one-third of its existing heavy firefighting equipment.

- **Department of Mines, Minerals and Energy**
 - ***Budget Reductions.*** Includes across-the-board reductions of 6 percent in Central Appropriations, totaling \$1.4 million for the 2002-04 biennium.
 - ***Solar Photovoltaic Manufacturing Grant Program.*** Adds \$3.6 million GF in FY 2004 for this incentive program based on the current estimate of the manufacturer's production level.

- **Department of Professional and Occupational Regulation**
 - ***Budget Reductions.*** Includes provisions in Part 3 that direct the State Comptroller to transfer \$606,204 NGF each year of the biennium to the state general fund.

- **Virginia Economic Development Partnership**
 - ***Budget Reductions.*** Includes across-the-board budget reductions in Central Appropriations of 6 percent, totaling \$986,000 GF for the 2002-04 biennium.
 - ***Marketing Missions and Industry Shows.*** Proposes reducing funding for marketing missions and industry shows by roughly one-third to produce a savings of \$500,000 GF each year.
 - ***Virginia Advanced Shipbuilding and Carrier Integration Center (VASCIC).*** Provides \$14.0 million GF in FY 2004 for an operating grant. Under legislation enacted by the 1998 Session, the Commonwealth agreed to provide \$58.0 million to construct the center and up to an additional \$40.0 million to establish and operate VASCIC. The capital obligation was fulfilled by the 2000 Session.
 - ***Virginia Commercial Space Flight Authority.*** Provides \$404,200 GF each year to support the Virginia Commercial Space Flight Authority which is intended to help attract new aerospace businesses to the Commonwealth.

- **Virginia Employment Commission**
 - ***Additional Unemployment Benefit Payments.*** Proposes an additional \$68.4 million NGF in each year of the biennium to pay additional unemployment claims and benefits.

- **Customer Contact Centers.** Recommends \$7.2 million NGF the first year and \$2.8 million the second year for the implementation of four call centers across the state. The centers will allow customers to apply for unemployment benefits by telephone, voicemail, e-mail, or fax.
 - **Maximum Employment Level.** Proposes an increase of 30.0 FTE from nongeneral funds to enable local workforce investment boards to provide one-stop centers offering comprehensive job training services.
 - **Education for Independence Program and Virginia Skills Centers.** Proposes replacing language in the Appropriation Act that requires the agency to fund two programs, Education for Independence and the Virginia Skills Centers, from the Commonwealth's allocation of federal Workforce Investment Act funding. The new language would allow the two programs to be funded by the agency if funds are available after all federal requirements are met.
- **Virginia Tourism Authority**
 - **Budget Reductions.** Includes across-the-board reductions of 6 percent in Central Appropriations, totaling \$2.1 million for the 2002-04 biennium.