

Commerce and Trade

The adopted amendments for the Commerce and Trade secretariat include \$11.8 million in additional general fund dollars and \$1.6 million in nongeneral fund dollars. When compared to current legislative appropriations, these additional amounts would result in a total general fund appropriation of \$233.4 million and a total nongeneral fund appropriation of \$1.5 billion.

Over 70 percent of the new general fund support is appropriated to the Department of Housing and Community Development. The \$8.4 million GF includes increased funding for the Enterprise Zone Program, Indoor Plumbing Program, and the Eastern Shore broadband project. Almost 20.0 percent of the new spending or \$2.0 million increases support for the workforce services program.

In addition to these amendments, the budget provides another \$13.0 million GF for economic development projects budgeted in Central Appropriations, including \$12.0 million to have SRI International locate in the Shenandoah Valley and \$1.0 million to construct the Southwest Virginia Technology Development Center.

- **Board of Accountancy**

- *Compliance Safety Officer.* Provides \$12,774 NGF in the first year and \$61,484 NGF in the second year and one position to investigate complaints. The number of complaints against Certified Public Accountants and CPA firms in FY 2006 was 60 percent higher than the number received in FY 2002. During this same time period, the number of accountants increased 15 percent, and the average case processing time increased 30 percent for disciplinary cases and 25 percent for unlicensed cases.

- **Department of Business Assistance**

- *Workforce Services Job Investment Program.* Provides \$2.0 million GF in the first year and three positions to increase worker recruiting and training services for new or expanding businesses.

- **Department of Housing and Community Development**

- *Enterprise Zone Program.* Provides \$2.0 million GF in the first year and \$2.0 million GF in the second year and one position to increase monitoring and to improve program accountability. Last year, the pro-ration of benefits (61¢ on the dollar) was the largest in the program's history, affecting almost 300 applicants. In concert with House Bill 2417 and Senate Bill 1057 of the 2007 Session, which reduce the percentage of real property improvements that are eligible for enterprise zone real property improvement grants, these actions are intended to eliminate the need for pro-ration.

- *Eastern Shore Broadband Project.* Includes \$1.6 million GF in FY 2007 to complete predevelopment activities for installation of fiber optic cable on the Eastern Shore, from Emporia to the Wallops NASA facility and the Wallops Island Research Park with possible extensions to the Northern Neck and Middle Peninsula. The 2006 General Assembly allocated \$1.4 million GF to initiate this effort.
- *Indoor Plumbing.* Provides \$900,000 GF in the first year and \$1.6 million GF in the second year to extend indoor plumbing and extensive housing rehabilitation. In the first year, budget language designates the \$900,000 to the Southeast Rural Community Assistance Project for indoor plumbing rehabilitation projects. In FY 2008, the \$1.6 million GF is directly appropriated to the department, increasing state dollars for the effort to \$4.5 million. Budget language also requires the department to report on ways to improve the program’s efficiencies.
- *Regional Research and Development Center.* Budget language directs the agency to submit a report to the General Assembly on the progress made by the Hopewell and Lynchburg regional research and development centers funded in 2006.
- *Appalachian Regional Commission.* Includes \$136,909 GF in the first year and \$142,909 GF in the second year to address new dues increases, raising total dues in FY 2007 and FY 2008 to \$265,000 and \$271,000, respectively.
- *Water Quality in the Southern Rivers Watershed.* Budget language directs the transfer of \$17.0 million from the Water Quality Improvement Fund administered by the Department of Environmental Quality (DEQ) to the agency. The Department of Housing and Community Development is to use the funds as grants to assist local governments in reducing the amount of untreated or under-treated household wastewater being directly discharged into streams and groundwater in non-Chesapeake Bay watershed areas. A companion amendment is included in the appropriations for DEQ.

- **Department of Labor and Industry**

- *Occupational Health and Safety Program (OSHA).* Provides \$586,573 GF in the second year to fill nine unfunded positions to comply with the federally-approved state OSHA plan. Six of the positions are safety inspectors and the rest are health inspectors. Federal fund allocations have not kept pace with program costs, resulting in vacant positions as state dollars were used to cover reduced federal spending.

- **Department of Professional and Occupational Regulation**

- *Increased Enforcement Efforts.* Provides \$1.5 million NGF and 32 positions in the second year to investigate and resolve complaints brought to the regulatory boards. The department seeks to resolve complaints in 90 days or less, a goal that is currently met only about 50 to 75 percent of the time. The Northern Virginia

region, which has experienced the greatest difficulties in recruiting and retaining qualified employees, consistently fails to meet the goal. The position increases are not expected to result in any fee increases.

- **Virginia Economic Development Partnership**

- *Review of Economic Arrangements with Insurance Firms Headquartered in Virginia.* Budget language requires the Partnership to review economic arrangements entered into by the state to determine the extent to which commitments made by such insurance firms and the state have been met. A report is to be submitted to Senate Finance and House Appropriations Committees.

- **Virginia Employment Commission**

- *Education for Independence.* Budget language strikes the Education for Independence program as an eligible activity for financial and technical assistance under the Workforce Investment Act. The Education for Independence program was established and previously funded under the 1990 Carl D. Perkins Vocational Education and Applied Technology Act.
- *Use of Reed Act Funds.* Provides additional Reed Act funds of \$10.5 million NGF in the second year to administer the federal Wagner-Peyser Job Service Grant and the Unemployment Insurance Grant to address shortfalls in federal support for the two programs.

- **Virginia Racing Commission**

- *Virginia Horse Industry Board and Virginia Horse Center Foundation.* Provides an additional \$40,000 NGF in the second year for each of these entities, increasing the amount of revenues each receives from the Commission to \$80,000.
- *Marketing.* Budget language clarifies legislative intent regarding the award of Commission money to promote, market, sustain, and grow Virginia's horse industry.

- **Virginia Tourism Authority**

- *State Welcome Centers.* Includes \$250,000 GF in the second year to support the state's ten Welcome Centers. The total annual operational cost for the Welcome Centers and Capitol Bell Tower is about \$2.0 million. Currently, about \$380,000 is raised annually from the sale of advertising space and brochure placements, and \$1.0 million is received from VDOT for center operations. The VTC has been supplementing the Centers and Bell Tower operations from its marketing and advertising funds to cover the annual operating costs and payroll increases.

- ***Coalfield's Tourism Authority.*** Provides \$75,000 GF in the second year to support the operations of the Coalfield's Tourism Authority, which develops and markets tourism in the coalfield counties of Buchanan, Dickenson, Lee, Russell, Scott, Tazewell, and Wise, and the City of Norton.

- ***Danville and King George Welcome Centers.*** Provides \$490,318 GF in FY 2008 to support the operations of the two new Welcome Centers. Budget language requires a Memorandum of Agreement between the Virginia Tourism Corporation and King George County to protect the interests of all parties concerning the Potomac Gateway Welcome Center.