

Commerce and Trade

Adopted Adjustments (\$ in millions)				
	FY 2019 Adopted		FY 2020 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 836	\$205.6	\$761.4	\$205.6	\$761.4
Adopted Increases	35.6	4.7	44.8	4.3
Adopted Decreases	(15.5)	(65.9)	(20.3)	(71.8)
\$ Net Change	20.1	(61.3)	24.5	(67.6)
Ch. 2 (HB 5002, as Adopted)	\$225.7	\$700.1	\$230.1	\$693.8
% Change	9.8%	(8.1%)	11.9%	(8.9%)
FTEs	370.34	1,307.66	370.34	1,307.66
# Change	2.00	0.00	2.00	0.00

- **Office of the Secretary of Commerce and Trade**

- *Improve Coordination of Economic Development Programs.* Directs the Secretary of Commerce and Trade to conduct a comprehensive examination of the Commonwealth’s economic development system and make recommendations to consolidate or improve coordination of activities to increase efficiency and effectiveness of economic development programs and policies.
- *Deputy Secretary for Technology and Innovation.* Moves \$206,741 GF each year from the Office of the Secretary of Technology to the Office of the Secretary of Commerce and Trade, to support the addition of a Deputy Secretary for Technology and Innovation.
- *Commonwealth Broadband Chief Advisor.* Provides funding for the position of Commonwealth Broadband Chief Advisor within the Office of the Secretary of Commerce and Trade pursuant to Chapter 766 of the 2018 Acts of Assembly (HB 1583), and increases funding by \$140,000 GF and 1.00 FTE each year.

- **Economic Development Incentive Payments (EDIP)**
 - ***Incentive Payments Holding Account.*** Provides a total of \$43.8 million GF and \$6.3 million NGF in FY 2019, and \$38.1 million GF and \$5.9 million NGF in FY 2020 for economic development programs.
 - ***Commonwealth's Development Opportunity Fund.*** Provides \$19.8 million GF each year for grants or loans to localities to assist in the creation of new jobs and investment in accordance with criteria established by the *Code of Virginia*. This amount represents level funding of the program compared to the FY 2018 appropriation.
 - ***Virginia Investment Partnership Grants.*** Includes \$4.9 million GF the first year and \$5.4 million GF the second year for the Virginia Investment Partnership Grant Program. The payments are based on negotiated grants awarded to select projects that invest in Virginia and promote stable or growing employment opportunities. The two-year appropriation represents an increase of \$5.9 million over the base.
 - ***Major Eligible Employer Performance Grants.*** Provides \$1.8 million GF the first year for performance-based grants due to major employers who have met investment and job creation requirements.
 - ***Governor's Motion Picture Opportunity Fund.*** Continues level funding of \$3.0 million GF the first year and \$3.0 million GF the second year, and \$150,000 NGF each year to attract film industry production activity to the Commonwealth.
 - ***Aerospace Engine Facility Incentive Payments.*** Provides \$5.5 million NGF each year from the Aerospace Manufacturing Performance Grant Fund and \$630,000 NGF the first year and \$261,000 NGF the second year from the Aerospace Manufacturer Workforce Training Grant Fund to fund anticipated payments required in the *Code of Virginia* for the Rolls-Royce facility in Prince George County. These amounts were previously appropriated from the general fund and deposited into the respective funds but were not paid out because of delays in meeting performance targets.
 - ***Virginia Economic Development Incentive Grant (VEDIG) Program.*** Provides \$4.4 million GF the first year and \$3.0 million GF the second year for payments due to companies that have met investment and job creation criteria required by VEDIG performance agreements. The two-year total is \$4.2 million higher than the FY 2018 appropriation. Language authorizes the Governor to award additional grants up to a total of \$8.0 million between July 1, 2017, and June 30, 2019, to eligible companies.

- ***Life Sciences Consortium.*** Continues level funding of \$3.8 million GF each year for the Virginia Biosciences Health Research Corporation, a non-stock corporation research consortium that contracts with private entities, foundations and other government sources for research in the biosciences.
- ***Virginia Jobs Investment Program Grants.*** \$5.7 million GF the first year and \$2.7 million GF the second year is provided to the Virginia Jobs Investment Program Fund for grants to eligible businesses to offset recruiting, training and retraining costs.
- ***Transfer Virginia-Israel Advisory Board to Legislative Branch.*** Transfers funding of \$215,184 GF each year from the Office of Commerce and Trade to the Legislative Department, pursuant to Chapter 697 of the 2018 Acts of Assembly (HB 1297). The Virginia-Israel Advisory Board serves as a facilitator for Israeli companies interested in locating or expanding in Virginia.
- **Board of Accountancy**
 - ***NGF Appropriation for Licensing System Transition.*** Increases the nongeneral fund appropriation \$419,099 NGF the first year and \$47,214 NGF the second year for costs associated with the agency’s transition to a new online licensing system.
- **Department of Housing and Community Development**
 - ***Increase Funding for Broadband.*** Increases general fund support from \$1.0 million GF to \$4.0 million GF each year for the Virginia Telecommunications Initiative, a grant program supporting broadband deployment across the Commonwealth.
 - ***Eliminate Funding for the Building Collaborative Communities and the Building Entrepreneurial Economies Programs.*** Removes \$637,000 GF each year for the Building Collaborative Communities and Building Entrepreneurial Economies grant programs.
 - ***Increase Administrative Support for GO Virginia.*** Includes an increase in general fund spending of \$637,000 GF each year for the Department of Housing and Community Development to provide additional administrative support for GO Virginia.
 - ***Increase Virginia Growth and Opportunity Fund.*** Deposits to the Virginia Growth and Opportunity Fund are \$29.5 million GF the first year and \$34.5 million GF the second year, compared to the FY 2018 appropriation of \$24.5 million. Funds are distributed as follows:

- \$3.3 million GF the first year and \$2.3 million GF the second year to be allocated to qualifying regions to support organizational and capacity building activities. Funding generally requires a local match, however, the GO Virginia Board may waive the local match requirement.
 - \$13.9 million GF the first year and \$16.9 million the second year to be allocated to qualifying regions based on each region's share of the state population. If sufficient demand exists, the Board may reallocate monies between distributions up to \$1.0 million in order to increase funding to regional councils that would otherwise receive less than that amount based on population.
 - \$12.3 million GF the first year and \$15.3 million GF the second year to be awarded to regional councils on a competitive basis.
- ***GO Virginia Broadband Language.*** Directs the GO Virginia Board to form a workgroup for the purpose of developing a statewide policy framework to facilitate the allocation of grants to qualifying regions for broadband assessments, planning and implementation projects.
 - ***Increase Support for Rapid Re-Housing.*** Provides an increase of \$100,000 GF each year for rapid re-housing efforts, bringing the total to \$1.1 million GF each year. The increase doubles from \$100,000 to \$200,000 GF the amount specifically dedicated to addressing veteran homelessness.
 - ***Match Funding for National Disaster Resilience Grant.*** Provides \$1.7 million GF the second year to fund the Commonwealth's required match as part of the National Disaster Resilience Grant. The total required match is \$5.0 million, which is anticipated to be appropriated over a three-year period ending in FY 2022.
- **Department of Labor and Industry**
 - ***Reduce Federal Appropriation.*** Reduces by \$350,000 NGF each year the nongeneral fund appropriation for the Virginia Occupational Safety and Health Program to reflect anticipated federal funding.
 - **Department of Mines, Minerals and Energy**
 - ***New Spending for Solar Energy Study.*** Includes new spending of \$100,000 GF to conduct a two-year study to determine what regulatory reforms and market incentives are necessary to increase the use of energy storage devices in the Commonwealth.

- **Department of Small Business and Supplier Diversity**
 - *Small Business Jobs Grant Fund.* Reduces the NGF appropriation by \$175,000 NGF the first year and \$500,000 NGF the second year to align with the fund’s anticipated cash balance. With no additional general fund deposits planned, it is expected that by FY 2020, the fund balance will be zero.
 - *Upgrade Expenditure Dashboard.* Increases spending by \$250,000 GF the first year to upgrade the agency’s expenditure dashboard application used to track and report spending by state agencies with small businesses.
 - *Reporting Requirement.* Requires the Director of the Department of Small Business and Supplier Diversity to report quarterly to the Secretary of Commerce and Trade and the Chairmen of the House Appropriations and Senate Finance Committees on certain metrics intended to measure the agency's efforts to maximize job creation and retention among the Commonwealth's small businesses.

- **Fort Monroe Authority**
 - *Support for Loss of Federal Grant.* Provides \$628,000 GF each year for the Fort Monroe Authority to supplant the loss of federal funding.
 - *Additional Operating Support.* Provides an additional \$128,691 GF the first year and \$236,330 GF the second year. Funding will support a portion of the additional operating costs associated with the U.S. Army's transfer of approximately 70 acres of land to the Commonwealth of Virginia and support additional staffing costs in the second year for the Fort Monroe Visitor and Education Center.
 - *Maintenance Reserve.* Out of bond proceeds for capital costs of maintenance reserve projects, \$2.0 million each year is designated for building and utility repairs at Fort Monroe.

- **Virginia Economic Development Partnership**
 - *Establish a Customized Workforce Recruitment and Training Program.* Provides new spending of \$2.5 million GF the first year and \$5.0 million GF the second year to create a customized workforce recruitment and training program for eligible new or expanding companies in the Commonwealth.
 - *Additional Funding for Marketing.* Provides an additional \$2.2 million GF the first year and \$3.2 million GF the second year for economic development marketing and business-ready site development initiatives.
 - *Funding for Incentives Management.* Includes an increase of \$364,035 GF each year to provide support for the Division of Incentives. Legislation enacted by the 2017

General Assembly required the creation of the division responsible for reviewing, vetting, tracking, and coordinating economic development incentives.

- **Virginia Employment Commission**

- *Reduce Federal Appropriation.* Reduces the agency's nongeneral fund appropriation by \$53.5 million NGF the first year and \$58.7 million NGF the second year based on anticipated federal revenue.
- *Retain NGF for Operations and IT Upgrades.* Language redirects up to \$600,000 NGF in proceeds from the sale of the Norfolk office to support service levels in the agency's local offices, and provides for the retention of up to \$2.2 million NGF for information technology upgrades.

- **Virginia Tourism Authority**

- *Increase Advertising and Marketing Funds.* Provides an increase of \$200,000 GF each year to expand tourism marketing.
- *Increase Asian Market Tourism Promotion.* Includes an increase of \$50,000 GF the second year. Funding over the biennium for this initiative is \$400,000 GF the first year and \$450,000 GF the second year, representing the second and third payments in a three-year agreement with Air India to establish nonstop air service between Delhi, India and Washington Dulles International Airport.
- *Richmond Tourism Initiative.* Provides new funding of \$150,000 GF each year to support a multi-year tourism development initiative in partnership with the Richmond Raceway.
- *Increase Support for Spearhead Trails.* Increases funding from \$300,000 to \$550,000 GF each year. Spearhead Trails is an initiative of the Southwest Virginia Recreation Authority.
- *Coalfield Regional Tourism Authority.* Provides funding of \$100,000 GF each year for the Coalfield Regional Tourism Authority to secure matching funding from the Coalfield Economic Development Authority.
- *Carver Price Legacy Museum.* Provides \$25,000 GF the first year to support the Carver Price Legacy Museum in Appomattox County.
- *Infrastructure Improvements at Great Meadow.* Provides \$250,000 GF the first year to support infrastructure improvements at Great Meadow, The Plains, an equestrian sports venue, in order to host the FEI Nations Cup of Eventing. The improvements will allow the facility to bid on additional events which will draw additional tourism and create tourism-related jobs.

- **Innovation and Entrepreneurship Investment Authority (IEIA)**
 - *Move Innovation and Entrepreneurship Investment Authority (IEIA) to Commerce and Trade.* Includes \$11.0 million GF the first year and \$11.3 million GF the second year in funding for the IEIA, also known as the Center for Innovative Technology (CIT). This represents a transfer from the Technology Secretariat to the Commerce and Trade Secretariat and also includes an increase in funding of \$1.3 million GF over the biennium.