

Commerce and Trade

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2020-22 Current Budget (Ch. 56, 2020 Special Session I)	\$400.9	\$755.5	\$342.1	\$725.2
Proposed Increases	15.7	0.0	88.1	30.3
Proposed Decreases	<u>(19.1)</u>	<u>(0.0)</u>	<u>(15.7)</u>	<u>(0.0)</u>
\$ Net Change	(3.4)	0.0	72.5	30.3
HB 1800/SB 1100, as Introduced	\$397.5	\$755.5	\$414.5	\$755.5
% Change	(0.9%)	0.0%	21.2%	4.2%
FTEs	421.23	1,301.77	427.23	1,318.77
# Change	9.00	0.00	15.00	17.00

- **Economic Development Incentive Payments (EDIP)**
 - *Virginia Investment Partnership Grants.* Proposes a technical reduction of \$160,000 GF the second year to align with anticipated grant payments. The payments are based on negotiated grants awarded to select projects that invest in Virginia and meet specified job creation and capital investment targets.
 - *Special Workforce Grants.* Increases grant payments the second year by \$2.3 million GF, bringing the total to \$5.3 million GF in FY 2021 and \$5.2 million GF in FY 2022. Grants are payable to a qualified company (Amazon Web Services) pursuant to Chapter 744 of the 2018 Acts of Assembly (HB 1551).
 - *Technology Development Grants.* Provides \$5.6 million GF the second year to be deposited to a special, nonreverting fund for the award of grants to a qualified company (Microsoft) pursuant to legislation to be considered during the 2021 legislative session. This represents the first installment of a multi-year custom performance grant totaling \$22.5 million. The project will result in the establishment of a new software development and R&D regional hub in a

qualified county. This economic development project was endorsed by the MEI Commission.

- ***Virginia Jobs Investment Program Grants.*** Proposes \$2.0 million GF the second year to restore previously unallotted funding for the Virginia Jobs Investment Program for grants to eligible businesses to offset recruiting, training and retraining costs.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces \$1.0 million GF the first year and \$3.0 million GF the second year in the agency's budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$2.0 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the Virginia Jobs Investment Program bullet above.

- **Department of Housing and Community Development**

- ***Increase Funding for Broadband.*** Proposes an additional \$15.3 million GF and four positions for the Virginia Telecommunication Initiative (VATI). The recommended appropriation includes \$15.0 million GF the second year to level fund VATI program grants at \$49.7 million in both FY 2021 and FY 2022, and an additional \$250,000 GF to fund two positions the second year for administration.
- ***Increase Deposits to the Housing Trust Fund.*** Recommends increasing deposits to the Housing Trust Fund by \$15.7 million GF in FY 2021 and \$25.0 million GF in FY 2021. The proposal would increase the appropriation to \$70.7 million GF the first year and \$55.0 million GF the second year and authorize an additional four positions. Proposed funding in the first year includes \$28.2 million designated to continue the Virginia Rent and Mortgage Relief Program when monies allocated from the Coronavirus Relief Fund expire.
- ***Eviction Prevention and Diversion Program.*** Recommends \$3.3 million GF to restore previously unallotted funding and authorizes two positions in the second year for the Eviction Prevention and Diversion Program at the Department of Housing and Community Development.
- ***Southeast Rural Community Assistance Project.*** Provides \$600,000 GF the second year, restoring previously unallotted funding for the Southeast Rural Community Assistance Project (SERCAP). SERCAP provides low-income, rural communities with technical assistance and support for water, wastewater and community development projects.

- ***Virginia Main Street Program.*** Recommends an increase of \$3.0 million GF for the Virginia Main Street Program, increasing proposed funding in FY 2022 from \$500,000 to \$3.5 million GF. The Virginia Main Street Program is a preservation-based economic and community development program that offers assistance to communities interested in revitalizing their historic commercial districts.
- ***NGF Appropriation for Federal Coronavirus Relief Funds.*** Recommends \$30.0 million NGF and 10 authorized positions at the Department of Housing and Community Development to administer federal funds received by the agency to provide coronavirus relief.
- ***NGF Appropriation for Percentage of Income Payment Program.*** Provides \$300,000 NGF and three positions at the Department of Housing and Community Development to administer the weatherization components of the Percentage of Income Payment Program (PIPP) in accordance with Chapters 1193 and 1194 of the 2020 Acts of Assembly (HB 1526/SB 851).
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces \$3.6 million GF the first year and \$4.9 million GF the second year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session. Of this total, \$3.9 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullets above.

- **Department of Labor and Industry**

- ***Increase Personnel in Occupational Safety Programs.*** Proposes an increase of \$1.5 million GF the second year to fill 12 unfunded positions in the Virginia Occupational Safety and Health (VOSH) Program, restoring previously unallotted funding. These positions would conduct safety and health inspections and issue citations where violations of VOSH regulations are found.
- ***Distribute Budget Reductions from Central Appropriations to Agency Budgets.*** Reduces \$1.5 million GF each year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$1.5 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullet above.

- **Department of Mines, Minerals and Energy**
 - *Savings from Agency Restructuring.* Recommends a reduction of \$547,780 GF the second year from savings associated with agency restructuring proposed in legislation to be considered during the 2021 legislative session. Under the proposed restructuring, the Department of Mines, Minerals and Energy would realign resources in order to increase its focus on renewable energy development. The proposed realignment would include a name change for the agency, a restructured workforce, and the closure of a field office in Lebanon, VA.

- **Department of Small Business and Supplier Diversity**
 - *Establish a Statewide Strategic Sourcing Unit.* Includes \$741,130 GF the second year and seven positions to establish and support a statewide unit to strategically source small, woman, and minority-owned (SWaM) participation on large dollar Commonwealth contracts. This is a restoration of funding previously unallotted.
 - *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces \$370,565 GF the first year and \$741,130 GF the second year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$741,130 GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullet above.

- **Virginia Economic Development Partnership**
 - *Increase Funding for Business Ready Sites Program.* Proposes an additional \$5.0 million GF the second year to expand funding for grants used to characterize, inventory, and develop sites in the Commonwealth in order to be more competitive with other states in attracting economic development projects.
 - *Create the Office for Labor Market and Education Alignment.* Provides \$500,000 GF the second year to establish the Office of Education and Labor Market Alignment in accordance with legislation to be considered by the 2021 General Assembly.
 - *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces \$12.5 million GF the first year and \$4.7 million GF the second year in the agency’s budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$5.0

million GF is proposed for restoration in HB 1800/SB 1100 as described in the bullets above.

- **Virginia Employment Commission**

- *One-time Funding for Customer Service Costs.* Includes \$10.0 million GF the second year for one-time support to cover costs associated with the increase in staffing necessary to process the high volume of unemployment insurance claims as a result of the COVID-19 pandemic.
- *Interest Payment on Federal Cash Advances.* Provides \$7.5 million GF the second year for estimated interest due on federal cash advances for unemployment insurance benefits. The interest payment will be due in September 2021. This interest payment is based on estimated borrowing of \$538.1 million from the federal government through September 2021.
- *Funding to Integrate CARES Act Programs into Unemployment Insurance System.* Includes \$5.0 million GF the second year for one-time costs to incorporate programs authorized by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act into the agency's new unemployment insurance system.

- **Virginia Tourism Authority**

- *Increase Funding for Heart of Appalachia Tourism Authority.* Proposes an increase of \$100,000 GF the second year, from \$200,000 to \$300,000 GF, to support tourism marketing in the coalfield region.
- *Distribute Budget Reductions from Central Appropriations to Agency Budgets.* Reduces \$150,000 GF the first year and \$100,000 GF the second year in the agency's budget to reflect approved budget reductions in Chapter 56 of the 2020 Acts of Assembly, Special Session I (HB 5005). These reductions were originally unallotted in Chapter 1289 of the 2020 Acts of Assembly (HB 30) and subsequently converted to budget reductions in the 2020 Special Session I. Of this total, \$100,000 million GF in the second year is proposed for restoration in HB 1800/SB 1100 as described in the bullet above.

- **Virginia Innovation Partnership Authority**

- *Additional Funding for Rent.* Proposes \$750,000 GF the second year for the Virginia Innovation Partnership Authority (VIPA) for rent expenses at locations in Richmond, VA and Northern Virginia. Before being restructured as VIPA, the Innovation and Entrepreneurship Authority occupied space rent free in a building owned by the Commonwealth in Herndon, VA. The building was sold in May 2020.