

## Commerce and Trade

<b>Adopted Adjustments</b> (\$ in millions)				
	<b>FY 2021 Adopted</b>		<b>FY 2022 Adopted</b>	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
<b>2020-22 Current Budget</b> (Ch. 56, 2020 Special Session I)	\$400.9	\$755.5	\$342.1	\$725.2
Adopted Increases	16.5	0.0	136.6	30.3
Adopted Decreases	<u>(19.3)</u>	<u>(0.0)</u>	<u>(16.2)</u>	<u>(0.0)</u>
\$ Net Change	(2.8)	0.0	120.5	30.3
<b>Ch. 552 (HB 1800, as Adopted)</b>	<b>\$398.1</b>	<b>\$755.5</b>	<b>\$414.5</b>	<b>\$755.5</b>
% Change	(0.7%)	0.0%	35.2%	4.2%
FTEs	421.23	1,301.77	444.23	1,318.77
# Change	9.00	0.00	32.00	17.00

- **Secretary of Labor**

- *New Secretary of Labor Created.* Establishes a new Secretariat of Labor pursuant to the provisions of Chapter 453 of the 2021 Acts of Assembly, Special Session I (HB 2321). Transfers from the office of the Chief Workforce Development Officer \$599,192 GF the second year and authorizes four positions to support the new office.
- *Labor Law and State Capital Construction Process Workgroup.* Updates language for a workgroup examining remedies for alleged labor law violations on the state's capital construction contracts. Initiates an infrastructure to investigate alleged labor law violations; training for procurement officers on current labor laws; and an interagency taskforce to share data on substantiated findings of worker misclassification and wage theft.

- **Economic Development Incentive Payments**

- *Virginia Investment Partnership Grants.* Includes 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). Additional second year amounts represent final payments to the company.
- *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 Chapter 271 of the 2021 Acts of Assembly, Special Session I (SB 1156). 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.* Provides \$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.
- *Infrastructure Upgrades for Pharmaceutical Manufacturing Economic Development.* Provides \$10.0 million GF the second year to the City of Petersburg for the installation of a water tank and associated infrastructure at a chemical plant complex. The improvements to the site will allow the facility to support economic development in the region through the recruitment and retention of pharmaceutical manufacturers. Funding is contingent upon (i) an executed performance agreement between Phlow Corporation, the City of Petersburg and the Virginia Economic Development Partnership; and (ii) an executed loan to the City of Petersburg through the Department of Environmental Quality's Virginia Clean Water Revolving Loan Fund.
- *Shipping and Logistics Headquarters Grant Fund.* Appropriates \$6.3 million GF the second year to a special, nonreverting fund for the award of grants to a qualified shipping and logistics company (CMA CGM) in accordance with Chapter 434 of the 2021 Acts of Assembly, Special Session I (HB 5001), and subject to performance metrics agreed to in a memorandum of understanding with the

Commonwealth. This represents the first installment of a two-year custom performance grant totaling \$9.5 million. This economic development project was endorsed by the MEI Commission.

- *MEI Commission Language.* Allows the Virginia Economic Development Partnership to authorize incentive packages that involve the in-state re-location of employers under \$250,000 without the approval of the MEI Commission. Under current law, the Commission is required to review all proposed economic development incentive packages in which a business relocates or expands its operations in one or more Virginia localities and simultaneously closes its operations or substantially reduces the number of its employees in another Virginia locality.
- *Governor’s Motion Picture Opportunity Fund.* Increases funding for the Governor’s Motion Picture Opportunity Fund from \$3.0 million GF to \$4.0 million GF in FY 2022, restoring second year funding that was previously unallotted.
- *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.

- **Department of Housing and Community Development**

- *Increase Funding for Broadband.* Provides an additional \$15.3 million GF and four positions for the Virginia Telecommunication Initiative (VATI). The 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.* Increases deposits to the Housing Trust Fund by \$15.7 million GF in FY 2021 and \$25.0 million GF in FY 2022. This increases the appropriation to \$70.7 million GF the first year and \$55.0 million GF the second year and authorizes an additional four positions. 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.* Provides \$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.*** Includes an increase of \$1.5 million GF for the Virginia Main Street Program, increasing funding in FY 2022 from \$500,000 to \$2.0 million GF. Language provides that the funding may be used to support small, micro, and sole proprietor businesses, as well as women-owned and minority-owned businesses, the Community Business Launch program, and other such business support activities.
- ***NGF Appropriation for Federal Coronavirus Relief Funds.*** Appropriates \$30.0 million NGF and authorizes 10 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 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).
- ***Accessory Dwelling Units Stakeholder Advisory Group.*** Provides \$50,000 GF the second year to enable the Department of Housing and Community Development to hire outside assistance to assist in implementing the provisions of Chapter 411 of the 2021 Acts of Assembly, Special Session I (HB 2053). The bill directs the Department to lead a workgroup to provide recommendations on increasing local development of accessory dwelling units on single-family dwelling lots.
- ***Elevated Septic System Pilot Project in Rural Coastal Virginia.*** Provides \$100,000 GF the first year and \$20,000 GF the second year to the Middle Peninsula Planning District Commission for the purpose of designing and constructing a pilot elevated septic system suitable for areas susceptible to recurrent flooding in rural coastal Virginia.
- ***Statewide Broadband Maps.*** Provides \$424,000 GF the second year to develop a statewide broadband map.
- ***Commission on Local Government Review of Mandatory Property Tax Exemptions.*** Directs the Commission on Local Government to undertake a review of the effects of mandatory property tax exemptions on local government revenues and services and recommend potential options for mitigating fiscal impacts.

- ***Industrial Revitalization Fund.*** Provides an additional \$500,000 GF the second year for the Industrial Revitalization Fund and designates the increase for the removal, renovation or modernization of port-related buildings and facilities in the cities of Portsmouth, Norfolk, Newport News, Richmond, or Front Royal. The total amounts appropriated to the fund are \$2.5 million GF in FY 2021 and \$3.0 million GF in FY 2022.
- ***Additional Support for Planning District Commissions.*** Provides an additional \$294,000 GF the second year to provide each of the 21 Planning District Commissions with an increase of \$14,000 per year. The 2020 Appropriation Act provided this amount in both years of the biennium; however, the increase was unallotted due to COVID-19 impacts to the state budget.
- ***Virginia Community Development Financial Institutions Fund.*** Includes a one-time appropriation of \$10.0 million GF and authorizes three positions the second year to establish the Virginia Community Development Financial Institutions Fund to provide grants to community development financial institutions, community development enterprises, or other similar entities, for the purpose of providing loans, grants or forgivable loans to small businesses impacted by the COVID-19 pandemic.
- ***VATI Pilot Program for Public Broadband Authorities.*** Directs the Department of Housing and Community Development to create a pilot program within the Virginia Telecommunication Initiative (VATI), with awards not to exceed 10 percent of total available VATI funds in FY 2022, to which public broadband authorities may apply without investment from the private sector. This was a recommendation of the Broadband Advisory Council.
- ***Virginia Coalfield Economic Development Authority.*** Provides \$500,000 GF the second year for the Lenowisco Planning District Commission and Cumberland Plateau Planning District Commission for initiatives intended to expand education and telehealth access. Funding for grants will be managed by the Virginia Coalfield Economic Development Authority.
- ***Increase Funding for Enterprise Zone Grant Program.*** Increases funding for Enterprise Zone Grant Fund by \$250,000 GF in FY 2022. The 2020 Appropriation Act provided this amount in both years of the biennium; however, the increase was unallotted due to COVID-19 impacts to the state budget.
- ***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.

- **Department of Labor and Industry**

- *Increase Personnel in Occupational Safety Programs.* Includes 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.
- *Adjust Funding for Labor Law Services.* Removes funding in the amounts of \$175,073 GF the first year and \$500,290 GF the second year from for the Labor and Employment Law Division. This is funding that was included in Chapter 1289, 2020 Acts of Assembly, to support implementation and enforcement of the provisions of Senate Bill 481 (2020), which ultimately did not pass.
- *Labor Law and State Capital Construction Process Workgroup.* Provides \$300,000 GF in FY 2021 to support ongoing efforts to better understand workplace related violations on state capital construction projects and to develop legislative and budgetary recommendations for the 2022 General Assembly Session. A companion amendment establishes the labor law and state capital construction process workgroup and related infrastructure.
- *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. Department of Mines, Minerals and Energy.
- *Savings from Agency Restructuring.* Includes a reduction of \$547,780 GF the second year from savings associated with agency restructuring pursuant to Chapter 532 of the 2021 Acts of Assembly, Special Session I (HB 1855). Under the restructuring, the Department of Mines, Minerals and Energy is renamed the Department of Energy, and resources are realigned to increase the agency’s focus on renewable energy development. In addition, the agency will eliminate 11 existing positions, establish eight new positions, and close a field office in Lebanon, VA.
- *Study of Gold and Hard Rock Mineral Mining.* Provides \$250,000 GF the second year to study the health and environmental impacts of mining gold, pursuant to Chapter 423 of the 2021 Acts of Assembly, Special Session I (HB 2213).

- *R-PACE Work Group.* Directs the Department of Mines, Minerals, and Energy to establish a work group to assess the feasibility of creating a Virginia Residential Property-Assessed Clean Energy (R-PACE) Program.
- **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.
  - *Business One-Stop Improvement Plan.* Directs the Department of Small Business and Supplier Diversity to develop an improvement plan for the Business One Stop. This is a recommendation from the Joint Legislative Audit and Review Commission report on the Operations and Performance of the Department of Small Business and Supplier Diversity.
  - *Small Business Certification.* Language provides that certain cooperative associations that were small business certified as of July 1, 2017, may be recertified.
  - *Address Findings from 2020 Disparity Study:* Provides \$598,403 GF the second year and five positions for the Department to initiate recommendations from the 2020 Disparity Study, which found that women and minority-owned business are underrepresented in state procurement and contracting opportunities.
  - *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.
- **Virginia Economic Development Partnership**
  - *Increase Funding for Business Ready Sites Program.* Includes 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.
  - *Office of Education and Labor Market Alignment.* Provides \$500,000 GF the second year to establish the Office of Education and Labor Market Alignment at the Virginia Economic Development Partnership in accordance with Chapter 502 of the 2021 Acts of Assembly, Special Session I (SB 1314).

- ***Talent Accelerator Program.*** Restores \$2.4 million GF the second year, half of the funding previously appropriated in Chapter 1289 of the 2020 Acts of Assembly (HB 30) for the Virginia Talent Accelerator Program at the Virginia Economic Development Partnership, bringing year two funding for the program to \$7.4 million.
- ***International Trade Plan.*** Provides support for Virginia's International Trade Plan, totaling \$1.1 million GF the second year. Out of the amounts provided, \$330,000 GF is directed to increase Virginia's capacity to leverage federal trade funding, and \$370,000 is allocated to support businesses with supply chain security. The remaining funds are intended to expand existing trade programs, including the Virginia Leaders in Export Trade (VALET) program.
- ***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.

- **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 \$750,000 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.
- ***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.
- ***Actuarial Study on Paid Family and Medical Leave.*** Provides \$300,000 GF the second year for the Virginia Employment Commission to complete an actuarial study to better understand the costs associated with the implementation of a Paid Family and Medical Leave program in Virginia.
- ***Unemployment Compensation Overpayment Forgiveness.*** Provides \$19.0 million GF the second year to support costs for the Virginia Employment Commission to forgive the overpayment of benefits under certain conditions. Chapter 539 of the



2021 Acts of Assembly, Special Session I (HB 2040), requires any forgiveness of overpayments to be reimbursed from the general fund to the state's UI trust fund. \$18.7 million GF is provided for the reimbursement provisions of the bill, and \$250,000 GF is provided for administrative costs.

- **Virginia Tourism Authority**

- *Increase Funding for Heart of Appalachia Tourism Authority.* Includes an increase of \$100,000 GF the second year, from \$200,000 to \$300,000 GF, to support tourism marketing in the coalfield region.
- *Heart of Appalachia Tourism Authority Name Change.* A technical amendment updates a reference to the Coalfield Regional Tourism Authority to the Heart of Appalachia Tourism Authority in accordance with the name change effectuated in Chapter 384 of the 2021 Acts of Assembly, Special Session I (SB 1399).
- *Tourism Promotion Grants.* Provides \$2.1 million GF the second year for grants to promote tourism pursuant to Chapter 383 of the 2021 Acts of Assembly, Special Session I (SB 1398). This is the amount of estimated general fund revenue raised by sales taxes imposed on accommodations fees.
- *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.

- **Virginia Innovation Partnership Authority**

- *Additional Funding for Rent.* Provides \$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.
- *Virginia Nuclear Energy Consortium Planning Grant.* Provides \$100,000 GF the second year for the Virginia Nuclear Energy Consortium Authority as a one-time planning grant to develop a nuclear research and innovation hub in Virginia.
- *Commonwealth Center for Advanced Manufacturing.* Increases appropriations for the Commonwealth Center for Advanced Manufacturing by \$400,000 GF the first year and \$1.0 million GF the second year to attract federal research funds.