

Commerce and Trade

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2019 Proposed		FY 2020 Proposed	
	<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
Proposed Increases	18.6	6.2	21.7	5.9
Proposed Decreases	<u>(15.3)</u>	<u>(65.9)</u>	<u>(17.1)</u>	<u>(71.8)</u>
\$ Net Change	3.3	(59.7)	4.6	(66.0)
HB/SB 30, as Introduced	\$208.9	\$701.7	\$210.3	\$695.4
% Change	1.6%	(7.8%)	2.3%	(8.7%)
FTEs	368.34	1,307.66	368.34	1,307.66
# Change	0.00	0.00	0.00	0.00

- **Economic Development Incentive Payments (EDIP)**

- *Incentive Payments Holding Account.* Recommends a total of \$44.0 million GF and \$6.3 million NGF in FY 2019, and \$41.3 million GF and \$5.9 million NGF in FY 2020 for economic development programs. The following programs are included in this account:

- *Commonwealth's Development Opportunity Fund.* Proposes \$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.* Proposes \$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.*** Recommends 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.
- ***Life Sciences Consortium.*** Proposes 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-Israel Advisory Board.*** Provides funding of \$215,184 GF each year which is materially unchanged from FY 2018. The Virginia-Israel Advisory Board serves as a facilitator for Israeli companies interested in locating or expanding in Virginia.
- ***Funding for Marketing and Trade Missions.*** Provides \$500,000 GF each year to the Virginia Economic Development Partnership for domestic and international marketing and trade missions.

- **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.*** Proposes doubling general fund support to \$2.0 million GF each year for the Virginia Telecommunications Initiative, a grant program supporting broadband deployment.
- ***Establish Virginia Grocery Investment Fund.*** Proposes new spending of \$3.8 million GF each year to establish the Virginia Grocery Investment Fund. Funding would be used to engage in public-private partnerships for the purpose of encouraging development of supermarkets and other healthier food options in underserved communities.
- ***Eliminate the Building Collaborative Communities and the Building Entrepreneurial Economies Programs.*** Proposes removing \$637,000 GF each year for the Building Collaborative Communities and Building Entrepreneurial Economies grant programs.
- ***Increase Administrative Support for GO Virginia.*** Recommends an increase in general fund spending of \$637,000 GF each year for the Department to provide additional administrative support for GO Virginia.
- ***Virginia Growth and Opportunity Fund.*** Proposed deposits to the Virginia Growth and Opportunity Fund are \$24.5 million GF each year, equal to the FY 2018 appropriation:
 - \$2.3 million GF each year to be allocated to qualifying regions to support organizational and capacity building activities.
 - \$10.9 million GF to be allocated to qualifying regions based on each region's share of the state population.
 - \$11.3 million GF to be awarded to regional councils on a competitive basis.
- ***NGF Appropriation for GO Virginia.*** Appropriates \$3.2 million NGF in unused capacity building funds from the Virginia Growth and Opportunity Fund to increase allocations for per capita grants. The additional funding for per capita grants is intended to provide a minimum of \$750,000 per year for each regional council. Those regions receiving the minimum \$750,000 allocation would be required to provide a match on the general fund portion of the allocation only.
- ***Override Limitation on Virginia Growth and Opportunity Fund Allocations.*** Includes language that proposes to override the requirement in statute that no more than 90 percent of moneys in the Virginia Growth and Opportunity fund be awarded or allocated in any fiscal year.

- ***Increase Support for Rapid Re-Housing.*** Proposes 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.*** Proposes \$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 Development.*** Proposes new spending of \$1.0 million GF each year to establish programs for subsidizing solar energy projects. Of this amount, \$350,000 GF is proposed to support a revolving loan program, and \$650,000 GF is proposed for a loan loss reserve program.
 - ***New Funding for Energy Storage Projects.*** Proposes new spending of \$120,000 GF each year to support the development of pumped storage hydro-electric energy systems 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. No additional general fund deposits are proposed, and it is expected that by FY 2020, the fund balance will be zero.
 - ***Upgrade Expenditure Dashboard.*** Proposes new spending of \$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.
- **Fort Monroe Authority**
 - ***Support for Loss of Federal Grant.*** Proposes \$628,000 GF each year for the Fort Monroe Authority to supplant the loss of federal funding.

- *Maintenance Reserve.* In addition, out of bond proceeds for capital costs of maintenance reserve projects, \$2.0 million the first year is designated for building and utility repairs at Fort Monroe.
- **Virginia Economic Development Partnership**
 - *Establish a Customized Workforce Recruitment and Training Program.* Proposes 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 \$200,000 GF each year of the biennium for economic development marketing efforts.
 - *Funding for Incentives Management.* Recommends 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.* Proposes an increase of \$200,000 GF each year to expand tourism marketing.
 - *Increase Asian Market Tourism Promotion.* Recommends an increase of \$50,000 GF the second year. Proposed 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.* Proposes new spending of \$150,000 GF each year to support a multi-year tourism development initiative in partnership with the Richmond Raceway.