

Overview of the Virginia International Trade Corporation Business Plan

Virginia Senate Finance Committee
The Honorable Todd Haymore
Secretary of Commerce & Trade
September 22, 2016

Executive Summary

- The Virginia International Trade Corporation (VITC) will promote and deliver international trade development programs and services to businesses across the Commonwealth.
- VITC will absorb the existing international trade development programs of the Virginia Economic Development Partnership (VEDP).
- The business plan outlines the performance measures, programs, resources, and timeline to create VITC.

Performance Measures | Programs and Strategies | Resources |
Implementation Timeline | Memorandum of Agreement with VEDP |
Conclusion

Performance Measures

- VITC will have three annual performance measures:
 - Growth in number of companies served;
 - Growth in international sales of companies served; and
 - Growth in number of trade supported jobs in companies served.
- On a biennial basis, VITC will also report export-related tax revenue to the state from companies served.
- The goal is to achieve a 10% improvement each year in each of the annual goals.

Programs and Strategies

- The programs and strategies listed in the business plan are all existing VEDP export trade programs that will be transferred to VITC on April 1, 2017.
- The business plan does not propose any new programs or call for additional funding or staff.
- The program descriptions indicate these programs will continue to operate as they do now.

Resources

- VITC legislation directs VEDP to “transfer...all portions of its budget currently allocated for trade-related programs, personnel, and costs to the [VIT] Corporation” on April 1, 2017.
- The business plan states all VITC programs and services will be undertaken within the FY17 and FY18 funding/staff levels currently assigned to VEDP’s International Trade Division:
 - \$6.6MM in FY2017 and 20 staff (only **3 months** operation as separate entity)
 - \$6.7MM in FY2018 and 20 staff
- Proposes that administrative duties associated with the establishment and initial operation of VITC will be fully supported by VEDP funding and staff.

Implementation Timeline

- September 1, 2016: Business plan submitted*
- October 1, 2016: List due with all contracts to be identified and reassigned from VEDP to VITC
- December 1, 2016: Governor can appoint board and hire CEO, in consultation with board
- April 1, 2017: VITC powers and duties take effect; MOA signed with VEDP
- May 1, 2017: FY2018 operating plan submitted
- November 1, 2017: VDACS recommendations submitted; Coalition plan submitted
- July 1, 2018: FY2018 Audit; MOA with VEDP expires

Memorandum of Agreement with VEDP

- VITC legislation requires VEDP to enter into a MOA with VITC to provide support services, such as administrative, human resources, fiscal, and information technology, through July 1, 2018.
- This proposed arrangement is similar in theory to the existing relationship that VEDP has with Virginia Tourism Corporation.
- A draft of this MOA was required to be submitted with the business plan on September 1, 2016.
- Further development of the MOA should await the appointment of the VITC CEO.

Conclusion

- Proceed to enact VITC legislation: “follow the will of the General Assembly”
- Adhere to future timeline benchmarks unless directed otherwise
- Continued discussion with Governor’s policy office, General Assembly, Commerce & Trade staff, and key stakeholders
- Ensure good management of public resources