

Commerce and Trade

Adopted Amendments (\$ in millions)				
	FY 2015 Adopted		FY 2016 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Current Budget (Chapter 3, 2014 Special Session I)	\$166.5	\$881.8	\$179.1	\$894.9
Increases	15.4	1.5	20.0	0.0
Decreases	<u>(0.0)</u>	<u>(172.3)</u>	<u>(2.1)</u>	<u>(0.0)</u>
\$ Net Change	15.4	(170.8)	17.9	0.0
Chapter 665 (HB 1400, as Approved)	\$181.9	\$711.1	\$197.0	\$894.9
% Change	9.3%	(19.4%)	10.0%	0.0%
Central Account Reversions	(\$3.4)	\$0.0	(\$3.7)	\$0.0
% Change	(1.9%)	0.0%	(1.9%)	0.0%
FTEs	363.34	1,318.66	363.34	1,320.16
# Change	0.00	(1.50)	0.00	0.00

- **Economic Development Incentive Payments**
 - *Funding for Commonwealth Development Opportunity Fund.* Includes an increase of \$9.9 million the first year and \$10.8 million the second year for the Commonwealth Opportunity Fund, bringing the biennial appropriation to \$40.7 million. A companion action to the “front page” of the budget reduces the overall general fund carry-forward balance by \$7.75 million in FY 2015 to offset prior reductions to COF balance reversions. In total, these actions provide \$48.45 million to the COF over the biennium, an increase of \$28.4 million compared to the appropriation in Chapter 3 of the 2014 Acts of Assembly, Special Session I, of \$20.0 million -- an increase of 36 percent above prior biennial appropriations. Additionally, language originally included in Chapter 3 authorizing the Governor to transfer up to \$5.0 million from existing appropriations to economic development activities is retained.

- ***Virginia Tourism Incentive Pilot Project.*** Includes \$500,000 GF the second year for a pilot project to provide grants and loans to local governments in the promotion of tourism activities.
- ***Ship Repair Training Fund.*** Provides \$250,000 the second year for capitalization of a Pre-Hire Immersion program for the ship repair industry in partnership with the Virginia Ship Repair Association and the Virginia Community College System. This one-time funding for the Pre-Hire Immersion program is to be used to establish a revolving fund to be repaid by graduates of the program that successfully gain employment in the ship repair trade.

- **Department of Housing and Community Development**

- ***Provide Funding for Rapid Re-Housing Program.*** Includes \$1.0 million the second year to support rapid re-housing efforts. From these amounts, \$500,000 is dedicated to the re-housing programs targeting veterans. The General Assembly removed a proposal to fund this program that had been included in HB/SB 30, 2014 Session.
- ***Housing Trust Fund.*** Provides \$4.0 million GF each year in additional capitalization to the Virginia Housing Trust Fund. The Trust Fund is used to support housing programs including down payment and closing cost assistance, affordable rental housing, and temporary rental assistance.
- ***Delay Implementation of Federal Rental Assistance Pass-Through Contract.*** Includes a nongeneral fund appropriation reduction of \$172.3 million the first year, reflecting the delay of the transfer of federal project-based Section 8 Housing Assistance payments to DHCD. DHCD is expected to serve as the pass-through entity, but will not administer the program. The contract transfer has been postponed until FY 2016.
- ***Southwest Virginia Cultural Heritage Programs.*** The adopted amendments provide \$475,000 GF the second year for continued support of the Southwest Virginia Cultural Heritage Foundations a state entity established to leverage significant cultural and natural heritage assets of the nineteen counties and four cities of Southwest Virginia.
- ***Authorize Use of a Portion of Community Development Funding for Program Support Costs.*** Includes language authorizing the Department to utilize up to 2 percent of its general fund appropriations for Community Development Services grant programs to help defray the costs of administering them. In recent years, the Department's administrative budget has been reduced substantially making it difficult to effectively administer its programs.

- *Review of Enterprise Zone Program Efficacy.* Includes language to authorize the use of up to \$80,000 from existing appropriations to be used for an evaluation of the overall effectiveness of the Enterprise Zone Program as well as other factors that contribute to the success of businesses locating within dedicated Enterprise Zones.
- *Commission on Local Government Assessment of Local Consolidation.* Provides direction to the Commission on Local Government to develop a process for determining an appropriate calculation for additional state funds for future local consolidations including local school divisions.
- *Central Account Reductions.* Item 471.10 reflects general fund savings totaling \$1.1 million the first year and \$379,511 the second year at DHCD. The largest action is a reduction of \$750,000 the first year by reducing by 50 percent funding made available for water and wastewater construction grants in Southwest Virginia.
- **Department of Mines, Minerals and Energy**
 - *Central Account Reductions.* Item 471.10 reflects savings totaling \$278,795 the first year and \$418,014 the second year at DMME. Savings include delaying the filling of vacant positions, shifting personnel costs to nongeneral fund sources, information technology cost reductions and reduced grants for wind energy research.
- **Department of Small Business and Supplier Diversity**
 - *Adjust Authorization for Loans from VSBFA Insurance or Guarantee Fund.* Authorizes increased leveraging of the Virginia Small Business Financing Authority (VSBFA) insurance or guarantee program from the lesser of four times the principal amount or \$15.0 million to the greater of the two.
 - *Reduce Small Business Investment Grant Fund.* Reduces from \$1.5 million to \$1.0 million GF each year the amount appropriated for the Small Business Investment Grant Fund. This fund was established by Chapters 657 and 669 of the 2012 Acts of Assembly (HB 585/SB 344), but usage of the program has been limited and the full amounts appropriated have not been utilized.
 - *Employment Services Organizations.* Directs the inclusion of employment services organizations within the definition of procurement programs and goals and targets for small, women-owned, and minority-owned business classifications.

- *Transfer 1 Additional Position from Virginia Jobs Investment Program to VEDP.* Includes a reduction of \$67,761 GF and 1.0 FTE position the second year to reflect the transfer of one additional position associated with the VJIP program to the Virginia Economic Development Partnership (VEDP). The majority of the staff and funding was shifted to VEDP through legislative action last year.
- *Central Account Reductions.* Item 471.10 reflects savings totaling \$256,655 the second year at DSBSD from turnover and vacancy savings.
- **Fort Monroe Authority**
 - *Central Account Reductions.* Item 471.10 reflects savings totaling \$286,710 the first year and \$315,355 the second year at Fort Monroe from a variety of strategies including reduced contractor and other discretionary expenses, reduced legal fees and personnel costs and deferred elevator repair in an unleased building.
- **Virginia Economic Development Partnership**
 - *Commonwealth Center for Advanced Manufacturing.* The adopted amendments include \$1.5 million GF the first year for facility planning, site layout and building concept design for the apprentice academy of the Commonwealth Center for Advanced Manufacturing.
 - *Brownfields Restoration and Redevelopment Fund.* The adopted amendments provide \$750,000 GF the second year Brownfields Restoration and Economic Development Fund administered by the Virginia Resources Authority.
 - *National Security R&D Partnerships.* Provides \$350,000 GF the second year for the continued support of an organization that initially received funding through the Federal Action Contingency Trust Fund for connecting national security agency research and development program managers with technology entrepreneurs.
 - *Reflect Transfer of Funding and Position for Virginia Jobs Investment Program.* Includes an increase of \$67,761 GF and 1.0 FTE position the second year to reflect the transfer of 1 additional position associated with the VJIP program to the Virginia Economic Development Partnership. The majority of the staff and funding was shifted to VEDP through legislative action last year.
 - *Central Account Reductions.* Item 471.10 reflects savings totaling \$929,509 the first year and \$1.3 million the second year at VEDP based on the agency's proposal to reduce funding for domestic and international marketing initiatives.

- **Virginia Tourism Authority**

- ***Provide Funding to Promote Tourism with China.*** Proposes an appropriation of \$400,000 GF the second year to market tourism between the Commonwealth and China. This is the first year of a three year action that fulfills a contractual agreement made as part of an incentive package to attract additional flights from China.
- ***Regional Tourism Grants.*** Provides additional funding in support of two regional tourism initiatives in Hampton Roads and Southwest Virginia including \$200,000 GF the second year to the Southwest Virginia Regional Recreation Authority for its Spearhead Trails initiative and \$250,000 GF in each year to the City of Portsmouth to support operations of the Virginia Sports Hall of Fame.
- ***Eliminate Funding for Outdoor Advertising.*** Includes a reduction of \$75,000 GF each year from removing support for the use of in-state billboards for tourism marketing.
- ***Central Account Reductions.*** Item 471.10 reflects general fund savings totaling \$693,733 the first year and \$1.1 million the second year at the Tourism Authority from a variety of strategies, including postponing website upgrades, reducing marketing and research activities.