

## Commerce and Trade

The Governor's proposed amendments for the Commerce and Trade secretariat include \$15.3 million in additional general fund dollars and \$226,256 in nongeneral fund dollars. When compared to current legislative appropriations, these additional amounts would result in a total general fund appropriation of \$238.4 million and a total nongeneral fund appropriation of \$1.5 billion.

Almost 70 percent of the new general fund spending is proposed for the Department of Housing and Community Development. The \$10.7 million GF includes increased spending for the Enterprise Zone Program, Indoor Plumbing Program, Virginia Housing Partnership Revolving Fund, and the Eastern Shore broadband project. Twenty-six percent of the new spending or \$4.0 million increases support for the workforce training services program.

In addition to these amendments, the budget as introduced proposes \$18.0 million GF for economic development projects budgeted in Central Appropriations. These items include \$5.0 million for the Governor's Development Opportunity Fund, \$12.0 million to have SRI International locate in the Shenandoah Valley, and \$1.0 million for constructing the Southwest Virginia Technology Development Center.

- **Board of Accountancy**

- *Compliance Safety Officer.* Proposes \$12,774 NGF in the first year and \$61,484 NGF in the second year and one position to investigate complaints. The number of complaints against Certified Public Accountants and CPA firms in FY 2006 was 60 percent higher than the number received in FY 2002. During this same time period, the number of accountants increased 15 percent, and the average case processing time increased 30 percent for disciplinary cases and 25 percent for unlicensed cases.

- **Department of Business Assistance**

- *Workforce Services Job Investment Program.* Proposes \$2.0 million GF in the first year and \$2.0 million GF in the second year and three positions to increase worker recruiting and training services for new or expanding businesses. Because of increasing service demands, the program has accommodated reimbursement requests by carrying the bills over into subsequent fiscal years. Total funding for the program would increase to \$10.5 million GF in each year.

- **Department of Housing and Community Development**

- *Enterprise Zone Program.* Proposes \$2.0 million GF in the first year and \$2.0 million in the second year and one position to ensure that the incentive program remains effective and to improve program accountability. In 2005, the Enterprise Zone Program qualified over \$157.0 million of real property investments.

- *Eastern Shore Broadband Project.* Proposes \$1.6 million GF in the first year to complete predevelopment activities for installation of fiber optic cable on the Eastern Shore, from Emporia to the Wallops NASA facility and the Wallops Island Research Park with possible extensions to the Northern Neck and Middle Peninsula. The 2006 General Assembly allocated \$1.4 million GF to initiate this effort.
- *Indoor Plumbing.* Proposes \$900,000 GF in the first year and \$1.6 million GF in the second year to extend indoor plumbing and extensive housing rehabilitation to 50 additional homes each year. In the first year, budget language designates \$900,000 to the Southeast Rural Community Assistance Project for indoor plumbing rehabilitation projects. In FY 2008, \$1.6 million GF would be appropriated directly to the department, increasing state dollars for the effort to \$4.5 million. According to the 2000 census, over 19,000 occupied households in Virginia still lacked complete indoor plumbing.
- *Virginia Housing Partnership Revolving Fund.* Proposes \$2.0 million GF in the second year to be deposited to the Fund in order to address priority housing needs for low-income individuals, elderly, disabled, and homeless Virginians.
- *Regional Research and Development Center.* Proposes \$330,000 GF in the second year to create an industry-focused regional research and development center in Covington. The 2006 Appropriation Act provides funding to establish two centers in Lynchburg and Hopewell.
- *Appalachian Regional Commission.* Proposes \$136,909 GF in the first year and \$142,909 GF in the second year to address new dues increases, raising total dues in FY 2007 and FY 2008 to \$265,000 and \$271,000, respectively.

- **Department of Labor and Industry**

- *Occupational Health and Safety Program (OSHA).* Proposes \$586,573 GF in the second year to fill nine unfunded positions to comply with the federally-approved state OSHA plan. Six of the positions are safety inspectors and three are health inspectors. Federal fund allocations have not kept pace with program costs, resulting in vacant positions as state dollars were used to cover reduced federal spending.

- **Department of Professional and Occupational Regulation**

- *Increased Enforcement Efforts.* Proposes \$1,498,651 NGF and 32 positions in the second year to investigate and resolve complaints brought to the regulatory boards. The department is seeking to resolve complaints within 90 days or less. That goal is currently met only 50 to 75 percent of the time. The Northern Virginia region, which has experienced the greatest difficulties in recruiting and retaining

qualified employees, consistently fails to meet this goal. The position increases are not expected to result in any fee increases.

- **Virginia Economic Development Partnership**

- *Herbert H. Bateman Advanced Shipbuilding and Carrier Integration Center.* Proposes \$1.0 million GF in the first year for the Center to carry out research and development, education, training, and re-training activities relevant to the state's shipbuilding industry. The Commonwealth's commitment to the Center is articulated in § 2.2-2444 of the Code of Virginia.
- *Identifying Emerging Markets.* Proposes \$200,000 GF in the second year to commission a comprehensive independent assessment of Virginia's private sector, State, and Federal research assets to determine which markets provide unique competitive advantages that serve as a foundation for growth.

- **Virginia Employment Commission**

- *Education for Independence.* Proposes budget language to strike the Education for Independence program as an eligible activity for financial and technical assistance under the Workforce Investment Act. The Education for Independence program was established and previously funded under the 1990 Carl D. Perkins Vocational Education and Applied Technology Act.

- **Virginia Tourism Authority**

- *State Welcome Centers.* Proposes \$250,000 GF in the second year to support the state's 10 Welcome Centers. The total annual operational cost for the Welcome Centers and Capitol Bell Tower is about \$2.0 million. Currently, about \$380,000 is raised annually from the sale of advertising space and brochure placements; and \$1.0 million is received from VDOT for center operations. The VTC has been supplementing the Centers and Bell Tower operations from its marketing and advertising funds to cover the annual operating costs and payroll increases.