

## Commerce and Trade

| <b>Governor's Proposed Amendments</b><br>(\$ in millions) |                         |              |                         |                |
|---|-------------------------|--------------|-------------------------|----------------|
|   | <b>FY 2013 Proposed</b> |              | <b>FY 2014 Proposed</b> |                |
|   | <u>GF</u>               | <u>NGF</u>   | <u>GF</u>               | <u>NGF</u>     |
| 2012-14 Current Budget<br>(Ch. 3, Special Session I)      | \$172.8                 | \$841.3      | \$175.5                 | \$728.8        |
| Proposed Increases  | 0.0                     | 0.0          | 6.2                     | 0.0            |
| Proposed Decreases  | <u>(2.0)</u>            | <u>(0.0)</u> | <u>(3.0)</u>            | <u>(0.0)</u>   |
| \$ Net Change   | (2.0)                   | 0.0          | 3.2                     | 0.5            |
| <b>HB 1500/SB 800, as Introduced</b>                      | <b>\$170.8</b>          | <b>\$0.0</b> | <b>\$178.8</b>          | <b>\$729.4</b> |
| % Change  | (2.0%)                  | 0.0%         | 1.9%                    | 0.0%           |
| FTEs  | 364.44                  | 1,294.56     | 364.44                  | 1,298.56       |
| # Change  | 0.00                    | 0.00         | 0.00                    | 4.00           |

- **Economic Development Incentive Payments**

- *Virginia Investment Partnership Grants.* Reduces funding by \$550,000 GF the first year and \$1.5 million GF the second year for the Virginia Investment Partnership Grant Program. A number of companies have failed to meet the investment and job creation criteria set out in performance agreements. The reduced level of funding is based on updated projections of grantees' performance.

- **Board of Accountancy**

- *Increase Funding Based on Workload.* Proposes an increase of \$270,755 NGF and 4.0 FTE positions the second year to address increased workload based on the growth in the number of licensed certified public accountants and enforcement cases. The funding is provided from fees assessed on CPAs.

- **Department of Business Assistance**

- *Increase Cap on Small Business Insurance or Guarantee Fund.* Proposed language authorizes the Small Business Finance Authority to issue an aggregate of up to \$15.0 million in loan guarantees -- an increase from the cap of \$10.0 million first instituted by the 2011 General Assembly. There has been no significant increase in

loan defaults since a policy was adopted to allow the Authority to leverage the amount of guarantees by up to four times the corpus in the fund.

- *Virginia Jobs Investment Program.* Reduces the administrative appropriation for the VJIP program by \$156,799 GF the second year, which represents a 10 percent cut in administrative expenses. There is no change proposed to the amount of funding for grants from the program.

- **Department of Housing and Community Development**

- *Fort Monroe Authority (FMA).* Proposes a reduction of \$1.5 million GF the first year but provides \$5.1 million GF the second year for operating funding as the Authority oversees the transition of the former Army base. Chapter 3 of the 2012 Acts of Assembly, Special Session I included no funding in FY 2014 for the FMA as the General Assembly has reviewed the needs of the authority on an annual basis. The Authority is responsible for preservation, conservation, maintenance and reuse of the property, whose ownership officially transferred to the Commonwealth on September 30, 2011. A corresponding amendment in Capital Outlay provides an additional \$2.5 million in the second year for maintenance reserve funding through the Department of General Services for replacement of a central pump station.
- *Southwest Virginia Cultural Heritage Foundation.* Provides \$250,000 GF in the second year for operation of the Heartwood Artisan Center, an economic development partnership between the Commonwealth and nineteen counties and four cities in Southwest Virginia.

- **Department of Labor and Industry**

- *Savings from Agency Reorganization.* Proposes a reduction of \$159,112 GF the second year from savings resulting from an internal reorganization of the agency which assumes existing staff will fulfill additional responsibilities previously assigned to other positions.
- *Supplant Funding in Occupational Safety and Health Program.* Includes a reduction of \$134,138 GF the second year, offset by a like increase in NGF from supplanting general funds with federal grant funding.

- **Department of Mines, Minerals and Energy**

- *Supplant Funding for Administrative Services.* Includes a reduction of \$109,297 GF the second year, offset by a like increase in NGF from supplanting general funds through indirect cost recovery from federal funds.
- *Supplant Funding for Coal Mining Environmental Services.* Includes a reduction of \$50,000 GF the second year for environmental inspection and enforcement, which will be supplanted with revenue from water discharge permits.

- *Supplant Funding for Coal Mining Operations.* Includes a reduction of \$50,000 GF the second year for coal mine licensing and miner certification services, which will be supplanted with revenue from certification fees.
- *Supplant Funding for Mineral Mining Operations.* Includes a reduction of \$50,000 GF the second year for mineral mine permit services, which will be supplanted with revenue from mineral mine license, certification, and mining permit fees.
- **Virginia Economic Development Partnership**
  - *Defense Industry Trade Initiative.* Provides \$481,500 GF the second year to assist Virginia businesses that are dependent on federal government contracting to identify international marketing opportunities as alternatives for their goods and services.
  - *Reduce Agency Personnel Costs.* Proposes a reduction of \$200,000 GF the second year by reducing personnel costs by not filling vacant positions upon retirements that will occur by the end of FY 2013.
  - *Reduce Discretionary Expenditures.* Reduces funding by \$55,969 GF the second year to reflect agency savings generated by reducing discretionary expenditures.
  - *Reduce Funding for Public Relations Program.* Proposes a savings of \$50,000 the second year through the elimination of one planned public relations campaign.
  - *Eliminate Virginia National Defense Industrial Authority.* Includes savings of \$342,851 GF the second year from the elimination of VNDIA pursuant to legislation adopted by the 2012 Session of the General Assembly. The savings for FY 2013 were captured in Central Appropriations.
- **Virginia Employment Commission**
  - *Online Job Recruitment Site.* Proposes a new initiative that includes \$500,000 GF the second year to establish an online job recruitment site that uses social networks to match job openings with job-seekers. The initiative is intended to be a one-year pilot project.
- **Virginia Tourism Authority**
  - *Advertising and Marketing Funds.* Proposes to reduce funding for the “See Virginia First” program by \$497,544 GF the second year and reallocates these funds toward increased out-of-state advertising and electronic marketing, particularly in the Washington, D.C. market.
  - *Eliminate Funding for Outdoor Advertising.* Proposes a reduction of \$75,000 GF the second year from removing support for the use of in-state billboards for tourism marketing.