

Commerce and Trade

Adopted Amendments (\$ in millions)				
	FY 2017 Adopted		FY 2018 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2016-18 Base Budget, Ch. 665	\$197.0	\$894.9	\$197.0	\$894.9
Increases	29.6	7.7	57.2	7.1
Decreases	<u>(22.9)</u>	<u>(174.2)</u>	<u>(37.0)</u>	<u>(173.4)</u>
\$ Net Change	6.8	(166.5)	20.3	(166.2)
Chapter 780 (HB 30, as Approved)	\$203.8	\$728.4	\$217.3	\$728.7
% Change	3.4%	(18.6%)	10.3%	(18.6%)
FTEs	378.34	1,311.66	378.34	1,311.66
# Change	15.0	(8.50)	15.00	(8.50)

- **Economic Development Incentive Payments**

- ***Incentive Payments Holding Account.*** Provides \$63.8 million GF and \$150,000 NGF in FY 2017, and \$53.9 million GF and \$950,000 NGF in FY 2018 for economic development programs.
 - ***Commonwealth's Development Opportunity Fund.*** Provides \$20.8 million GF each year for grants or loans to assist in the creation of new jobs and investment. From the amounts provided, \$1.4 million the first year and \$1.0 million the second year is designated for the Southeastern Universities Research Association to support the electron ion colider project, and up to \$2.0 million each year may be provided to meet commitments authorized from the Port of Virginia Economic and Infrastructure Development Zone Grant Fund.
 - ***Virginia Investment Partnership Grants.*** Provides \$3.7 million GF the first year and \$5.3 million GF the second year for the Virginia Investment Partnership Grant Program for grant payments to companies based on fulfilled performance agreements. The payments are based on negotiated grants awarded to select projects that invest in Virginia and promote stable or growing employment opportunities.

- ***Major Eligible Employer Performance Grants.*** Provides \$1.8 million GF each year for performance-based grants due to major employers who have met investment and job creation requirements. This appropriation represents a decrease of \$5.0 million each year compared to the 2014-16 biennium based on commitments made in prior years.
- ***Governor's Motion Picture Opportunity Fund.*** Provides \$6.0 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. The general fund amount reflects an increase of \$3.6 million the first year and \$600,000 the second year compared to the FY 2015-16 appropriation. The nongeneral fund totals represent a decrease of \$100,000 in each fiscal year of the biennium to better reflect anticipated revenue from the digital media fee.
- ***Aerospace Engine Facility Incentive Payments.*** Provides \$8.9 million GF the first year and \$3.7 million GF in in the second year to fund the anticipated payments required in the *Code of Virginia* for the Rolls-Royce aeroengine facility in Prince George County.
- ***Virginia Economic Development Incentive Grant Program.*** Provides \$4.2 million GF the first year and \$4.4 million GF the second year for payments due to companies that have met investment and job creation criteria required by performance agreements.
- ***Advanced Shipbuilding Training Facility Grant.*** Provides \$7.2 million GF the first year for the final scheduled grant payment pursuant to a memorandum of understanding between the Commonwealth, Huntington Ingalls, Inc. and the Newport News Industrial Development Authority for the construction of a new apprenticeship training school.
- ***Pulp, Paper, and Fertilizer Advanced Manufacturing Performance Grant Program Fund.*** Provides \$2.0 million GF the first year and \$3.0 million GF the second year to be used for performance grants to a qualified entity in accordance with provisions stipulated in the *Code of Virginia*. The qualified entity must meet certain requirements for capital investment, new full-time jobs, and other criteria set forth in a memorandum of understanding with the Commonwealth.
- ***Commonwealth Research Commercialization Fund.*** Transfers administration of the fund to the Innovation and Entrepreneurship Authority under the Secretary of Technology.
- ***Virginia Biosciences Health Research Corporation.*** Provides \$2.5 million GF the first year and \$5.0 million GF the second year for the Virginia Biosciences

Health Research Corporation (VBHRC), a \$2.5 million increase over the FY 2015-16 appropriation. Up to \$2.5 million from funds managed by the Commonwealth Health Research Board (CHRB) is also authorized to support collaborative research projects between the CHRB and the VBHRC with the approval of both boards of directors.

- ***Virginia-Israel Advisory Board.*** Provides continued funding for the Board, an agency that serves as a facilitator for Israeli companies interested in locating or expanding in Virginia. The funding levels of \$209,859 GF the first year and \$209,868 GF the second year are materially unchanged compared to FY 2016.
- ***Tourism Grant.*** Provides \$500,000 GF each year of the biennium to fund grants or loans to political subdivisions or businesses for the purpose of expanding or attracting new tourism and hospitality projects in the Commonwealth. Funds are to be disbursed through the Virginia Tourism Authority based on criteria approved by the Governor. Funding is equal to the FY 2016 appropriation.
- ***Funding for Marketing and Trade Missions.*** Provides \$500,000 GF each year to the Virginia Economic Development Partnership for additional domestic and international marketing and trade missions.

- **Board of Accountancy**

- ***Systems Analyst Position.*** Authorizes one additional nongeneral fund position and increases the NGF appropriation by \$146,282 each year to support the hiring of a systems analyst and additional IT support.
- ***Update Software System.*** Provides \$500,000 NGF each year for costs associated with updating online licensing software.

- **Department of Housing and Community Development**

- ***Housing Trust Fund.*** Provides an additional \$1.5 million GF each year of the biennium, bringing the total appropriation to \$5.5 million GF each year.
- ***Virginia Telecommunications Initiative.*** Provides \$1.3 million GF each year to establish the Virginia Telecommunications Initiative with the purpose of expanding broadband infrastructure to unserved areas of the Commonwealth. The provision includes one position and \$83,647 each year to administer the program.
- ***Enterprise Zone Program.*** Provides an additional \$1.0 million GF each year for job creation and real property investment grants.

- *Establish the GO Virginia Initiative.* Chapters 779 and 778 of the 2016 Acts of Assembly (HB 834/SB 449) establish the Virginia Growth and Opportunity Board to administer grants to foster economic growth and regional collaboration. The adopted budget provides two positions and \$225,000 GF each year for administrative support and provides \$5.5 million GF the first year and \$30.0 million GF the second year to be deposited into the Virginia Growth and Opportunity Fund and distributed as follows:
 - \$5.5 million GF the first year and \$3.5 million the second year to be allocated to qualifying regions to support organizational and capacity building activities and workforce gap analyses;
 - \$12.2 million GF the second year to be allocated to qualifying regions based on each region's share of the state population; and
 - \$14.3 million GF the second year to be awarded to regional councils on a competitive basis.

GO Virginia Initiative			
(\$ in millions)			
	<u>FY 2017</u>	<u>FY 2018</u>	<u>Total</u>
Virginia Growth and Opportunity Fund			
Grants for Organizational Building and Gap Analyses	\$5.5	\$3.5	\$9.0
Grants Based on Each Region's Share of the State Population	0	12.2	12.2
Competitively Awarded Grants	<u>0</u>	<u>14.3</u>	<u>14.3</u>
Subtotal	\$5.5	\$30.0	\$35.5
Administration	<u>\$0.2</u>	<u>\$0.2</u>	<u>\$0.4</u>
Total	\$5.7	\$30.2	\$36.0

- *Support for Southwest Virginia Cultural Heritage Foundation.* Provides \$875,000 GF in each year for operation of the Heartwood Artisan Center, an increase of \$400,000 over the FY 2016 appropriation. The foundation is required to report to the Governor and Chairmen of the House Appropriations and Senate Finance Committees by September 1st of each year on progress for the center to become self-sufficient.
- *City of Bristol Economic Development Project.* Provides \$500,000 GF the first year for the Birthplace of County Music Museum. Funding will be used to complete

construction of the museum facility, including consolidating administrative offices and providing additional exhibit and educational space. This amount matches funding provided by the state of Tennessee for the project.

- ***Support for the Town of Farmville.*** Provides \$132,400 GF the first year to the Town of Farmville to support the vice presidential debate to be hosted at Longwood University. Funding will be used primarily to cover the cost of police overtime, additional police vehicles, street barricades, traffic cones and other public safety equipment.
- ***Remove Federal Appropriation.*** Removes \$172.3 million NGF each year of the biennium for a federal appropriation related to the administration of the Virginia contract for Project-Based Section 8 Housing Assistance payments. Implementation of the contract has been postponed due to delays at the federal level.
- ***Center for Advanced Engineering and Research.*** Provides \$600,000 GF the first year and \$325,797 GF the second year for the Center for Advanced Engineering and Research and Integrated Systems Test Facility contingent upon federal grants of at least \$3.0 million.

- **Department of Labor and Industry**

- ***Transfer of Apprenticeship-Related Instruction.*** Provides \$940,000 GF each year to reflect the transfer of apprenticeship-related instruction from the Virginia Community College System to the Department of Labor and Industry (DOLI) in accordance with Chapters 63 and 86 of the 2015 Acts of Assembly.

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

- ***Energy Efficiency and Renewable Energy Initiatives.*** Provides \$215,000 GF and 2 positions each year to develop and expand energy efficiency and renewable energy activities within the agency. One position will support the Virginia Solar Energy Development Authority as well as general support for the agency.
- ***Mining Inspector Positions.*** Provides \$200,000 GF and \$200,000 NGF each year to match an available federal grant which will enable the agency to hire additional mining inspectors.
- ***Statewide Performance Contracting.*** Provides \$375,000 GF and 1 position each year to expand the use of performance contracting, including funding to develop systems to analyze and track potential energy efficiency upgrades.
- ***Division of Geology and Mineral Resources.*** Provides \$201,873 GF each year to retain geologists currently supported by an expiring federal grant. Nongeneral fund

reductions of \$168,227 the first year and \$201,873 the second year reflect the loss of federal funding.

- **Virginia Economic Development Partnership**

- *Additional Funding for Economic Development.* Provides an additional \$5.2 million GF each year for economic development and international trade programs. Language in the adopted budget directs the use these funds as follows:
 - \$466,000 GF each year to expand and re-brand the Virginia Jobs Investment Program;
 - \$1.0 million GF each year to support the Virginia International Trade Alliance;
 - \$2.0 million each year to match federal grants for the Going Global Defense Initiative, Virginia International Trade Alliance, and the State Trade Export Promotion grant program;
 - \$650,000 GF each year to support Virginia exporters;
 - \$250,000 GF each year to implement the recommendations of the Virginia Sustained Growth Study; and
 - \$794,700 to support U.S. and international business attraction efforts.
- *Virginia Nutrient Credit Exchange.* Directs the Virginia Economic Development Partnership to transfer \$250,000 of appropriated funding to the Department of Environmental Quality and directs the two agencies to work jointly on the development of long-term offsetting methods within the Virginia Nutrient Credit Exchange.
- *Brownfields Restoration Fund.* Provides an additional \$1.5 million GF each year to the Brownfields Restoration and Economic Redevelopment Assistance Fund to fund site remediation grants of up to \$500,000.
- *Business Ready Sites Program.* Provides \$2.0 million GF over the biennium for an industrial site development pilot program.

- **Virginia Tourism Authority**

- *Advertising and Marketing.* Provides an increase of \$1.0 million GF each year to expand research capabilities, content generation, and tourism marketing.

- ***Asian Market Tourism Promotion.*** Provides \$450,000 GF the first year for the final payment of a multi-year agreement for an Asian market tourism campaign designed to promote travel from China to Virginia. The funding represents an increase of \$50,000 over the FY 2016 appropriation.
- ***Virginia Sports Hall of Fame and Museum.*** Provides \$500,000 GF the first year and \$250,000 the second year to support of the Virginia Sports Hall of Fame and Museum in Portsmouth.
- ***Spearhead Trails.*** Includes \$300,000 GF each year to support Spearhead Trails, an initiative of the Southwest Virginia Recreation Authority.