

Commerce and Trade

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2019 Proposed		FY 2020 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Current Budget (Ch. 2, 2018 Special Session I)	\$225.7	\$700.0	\$230.1	\$693.8
Proposed Increases	45.8	0.0	54.5	0.0
Proposed Decreases	<u>(2.1)</u>	<u>(0.0)</u>	<u>(0.2)</u>	<u>(0.0)</u>
\$ Net Change	43.8	0.0	54.3	0.0
HB 1700/SB 1100, as Introduced	\$269.5	\$700.0	\$284.4	\$693.8
% Change	19.4%	0.0%	23.6%	0.0%
FTEs	373.34	1,307.66	377.34	1,307.66
# Change	3.0	0.0	7.00	0.0

- **Economic Development Incentive Payments (EDIP)**
 - *Virginia Investment Partnership Grants.* Proposes a reduction of \$270,000 GF the first year and \$210,000 GF the second year to align with anticipated grant payments. The payments are based on negotiated grants awarded to select projects that invest in Virginia and meet specified job creation and capital investment targets.
 - *Major Eligible Employer Performance Grants.* Recommends a reduction of \$1.8 million GF in FY 2019, recognizing that the company will not reach certain performance milestones to qualify for the planned grant payment.
 - *Semiconductor Manufacturing Grant Program.* Proposes language authorizing the Governor to appropriate monies for economic development incentives through withdrawals from the Revenue Reserve Fund. The Semiconductor Manufacturing Grant payment of \$50.0 million GF the second year would be paid through a withdrawal from the Reserve Fund. The Grant would be paid to a qualifying semiconductor manufacturer, subject to minimum capital investment

and job creation targets. The planned grant payment is not included as an appropriation under the Office of Commerce and Trade.

- **Department of Housing and Community Development**

- *Increase Funding for Virginia Telecommunications Initiative.* Increases second year funding for broadband deployment by \$46.0 million GF to \$50.0 million GF. The Governor proposes to maintain funding at \$50.0 million annually through FY 2024 for a total five year investment of \$250.0 million.
- *Increase Deposits to the Housing Trust Fund.* Recommends increasing deposits to the Housing Trust Fund by \$14.5 million GF in FY 2019 and \$4.5 million GF in FY 2020, bringing the two-year total to \$30.0 million GF.
- *Create an Eviction Diversion Program.* Proposes to spend \$104,050 GF and create one position the second year to develop an Eviction Diversion Program. The program administrator would be charged with leading a coordinated statewide effort to reduce and prevent evictions using existing state, local and federal programs and resources.

- **Department of Labor and Industry**

- *Increase Personnel in Occupational Safety Programs.* Proposes new spending of \$1.4 million GF and 12 positions in the Virginia Occupational Safety and Health (VOSH) Program. These positions would conduct safety and health inspections and issue citations where violations of VOSH regulations are found.

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

- *Establish an Office of Offshore Wind.* Proposes new spending of \$250,000 GF the second year to enable the creation of an Office of Offshore Wind within the Division of Energy at the Department of Mines, Minerals and Energy. Funding would support 1.50 FTEs who would engage with offshore wind developers and supply chain companies to support the future development of offshore wind assets in Virginia.
- *Support for Renewable Energy Development.* Proposes new spending of \$10.0 million GF in FY 2019 to enable the development of a revolving loan fund and loan-loss reserve fund intended to incentivize private investments in energy efficiency, renewable energy, alternative fuels, and similar conservation-related projects in the public and private sectors.

- *Funding for Solar Energy Projects at State Facilities.* Recommends new spending of \$137,000 GF the second year to support one position to oversee procurement of renewable energy infrastructure on state properties.
- **Fort Monroe Authority**
 - *Funding for First Landing Monument.* Recommends \$500,000 GF in FY 2019 to be used for planning, design, construction and other costs associated with construction of a permanent monument commemorating the 400-year anniversary of the First Landing of Africans at Point Comfort in 1619.
 - *Additional Operating Support.* Recommends additional operating support of \$156,922 GF each year to offset the reduction in funding from the National Park Service (NPS) resulting from a delay in the transfer of the 35-acre Wherry Parcel to NPS. Funding would be used for public works maintenance, grounds maintenance and security patrols.
- **Virginia Economic Development Partnership**
 - *Increase Funding for Business Ready Sites Program.* Proposes an additional \$20.0 million GF in FY 2019 to significantly expand funding for grants used to characterize, inventory and develop sites in the Commonwealth in order to be more competitive with other states in attracting economic development projects. Current FY 2019 base funding is \$1.1 million. No language is included governing the use of the funds.
- **Virginia Employment Commission**
 - *Strategic Workforce Dashboard.* Recommends \$124,635 GF and 3.00 FTEs the first year and \$1.9 million GF and 6.00 FTEs the second year to develop and implement a strategic workforce dashboard pursuant to Chapter 225 of the 2018 Acts of Assembly (HB 1006). The dashboard and related tools would provide information on issues such as state and regional labor market conditions, the relationship between the supply and demand for workers, workforce program outcomes, and projected employment growth or decline.
- **Virginia Tourism Authority**
 - *Increase Funding for Heart of Appalachia Tourism Authority.* Proposes an increase of \$250,000 GF the first year, from \$100,000 to \$350,000 GF, to support tourism marketing in the coalfield region.

- ***Increase Support for Spearhead Trails.*** Increases funding by \$300,000 GF in FY 2019, from \$550,000 to \$850,000 GF. Spearhead Trails is an initiative of the Southwest Virginia Recreation Authority.