

Budget Overview House Appropriations



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Accomplishments



- Since beginning of the McDonnell Administration
– 127 project announcements
- 11,632 jobs; \$2.2 billion in investment
- Including: Northrop Grumman HQ, ICF International and Acumen Solutions, Microsoft, Capital One expansion, Micron Technology expansion, Phoenix Packaging, Trinity Packaging

Overview – Economic Development Incentives



- \$751,948 (FY12): additional funding for grant payments under the Virginia Investment Partnership Grant Program
- \$1.6 million (FY12): Micron semiconductor manufacturing performance grant ~ company has met performance grant criteria of new capital investment and job creation
- \$7.5 million (FY12): funds to assist localities affected by BRAC
- -\$5.8 million (FY12) to capture savings from economic development savings (Project Ignite and savings from Biofuels Production Incentive Program based on most recent payment estimate)
- \$3 mil: moved to FY12 from FY11 for supplemental training grant as part of the state's incentive package to attract an aerospace engine manufacturer; company is anticipated to meet targets in FY12
- \$337,500 (FY12): funding for a project in Danville under the Solar Photovoltaic Manufacturing Incentive Grant Program

Overview – Operating Costs



- \$370,000 (FY12): restores cuts to the Department of Business Assistance agency administrative costs
- \$1.9 million (FY12): funds to operate Fort Monroe Authority; Army leaves in 2011 and reverts to the Commonwealth
- \$64,930 (FY11 and FY12): increase in Virginia's dues to participate in the Appalachian Regional Commission (VA receives \$30 mil in funding through ARC for the Appalachian Development Highway System)
- -\$411,224 (FY11/12): savings from unexpended costs for DHCD move to Main Street Centre
- -\$169,547 (FY12): reduced funding for Child Service Coordinator Program (DHCD)

Overview – Operating Costs



- **-\$59,000 (FY12): savings for reduced space of DOLI HQ in Richmond**
- **-\$74,529 (FY11): savings from reduced recruitment for DOLI regional offices**
- **\$924,934 (FY12): provides funding for 4 nonstate entities for their share of the Virginia Dominion Power rebate included in the state rebate directed to the general fund (pass-through – DMME)**
- **\$750,000 (FY12): restores funding for coal mine safety programs at DMME**

Overview – Operating Costs



- -\$62,000 (FY12): savings from an information technology support position at DMME
- -\$21,197 (FY11); -\$10,925 (FY12): reduced discretionary fund in the Divisions of Energy and Geologic and Mineral Resource Investigations at DMME
- -\$34,000 (FY12): transfer support for the state agency energy savings position to a federal grant at DMME
- -\$80,255 (FY11); -\$95,978 (FY12): transfer position responsible for managing the state natural gas management contract to nongeneral fund at DMME
- \$500,000 (FY12): provide funding to the Virginia Offshore Wind Development Authority to assist the authority in competing for the location of the proposed National Offshore Wind Technology Center in Virginia (DMME)

Overview – Operating Costs



- \$379,095 (FY12): restores operating funds for the Virginia Commercial Spaceflight Authority
- \$697,997 (FY12): restores marketing funds for the Virginia Economic Development Partnership (VEDP)
- -\$25,000 (FY12): savings for IT hardware and space maintenance at VEDP
- -\$80,477 (FY12): savings by maintaining vacant positions at VEDP
- -\$600,000 (FY12): reduced funding for the Virginia Biotechnology Wetlab program
- -\$8,066 (FY12): reduced funding for the Virginia National Defense Industrial Authority by 2 percent

Overview – Operating Costs



- \$8.9 mil (FY12) GF; \$3 mil (FY12) NGF: split interest payments due on federal loans used to pay mandatory unemployment compensation benefits (VEC)
- \$1 mil (FY12): provide funds for OpSail Virginia 2012 (Virginia Tourism Authority)
- -\$15,130 (FY12): reduced funding for ‘See Virginia First’ advertising program (VTA)
- -\$50,000 (FY12): reduced funding for Virginia Association of Public TV and Radio to promote VA tourism (VTA)
- -\$100,000 (FY12): reduced funding for radio and television advertising within the state and in the D.C., Baltimore markets (VTA)

Recommendations of the Job Creation Commission



GROWING VIRGINIA'S INNOVATION ECONOMY

- **Virginia Research and Technology Innovation Program (VRTIP) - \$25 million:**
To create a comprehensive structure to grow Virginia's innovation economy. The VRTIP will serve as a catalyst for leveraging the entrepreneur, Virginia higher education research assets and private-sector funding to encourage evolving technologies that create the industries, businesses and jobs of the future.

Why Virginia Research and Technology Investment Program is Needed



Virginia's major competitors for technology projects have similar programs

State	Program	Total Funding
Georgia	Georgia Research Alliance	\$525 million
Maryland	Maryland Bio 2020 Initiative	\$1.3 billion
New York	New York State Foundation for Science, Technology and Innovation (NYSTAR)	\$316 million
North Carolina	NC Biotechnology Center	\$1.2 billion
Ohio	Ohio Third Frontier	\$2.3 billion
Pennsylvania	Ben Franklin Technology Partners	\$140 million
Texas	Texas Emerging Technology Fund	\$334 million

Proposed
Funding:
\$25 million

Virginia Research and Technology Investment Program

GAP Fund ~ 20 %
\$5 million

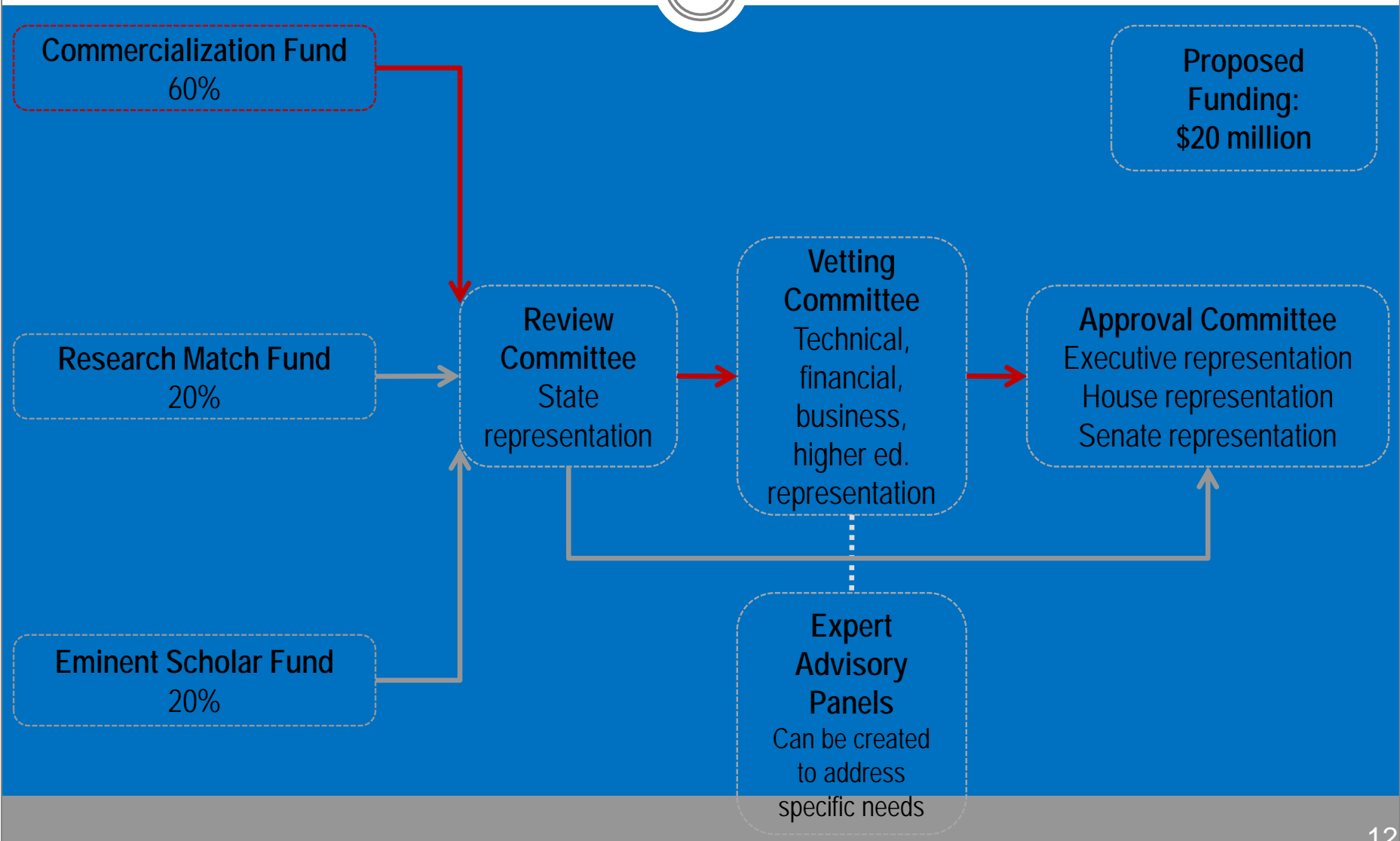
Commonwealth Research
Commercialization Fund ~ 80%
\$20 million

Commercialization Fund (60%)

Research Match Fund (20%)

Eminent Scholar Fund (20%)

Overview: Commonwealth Research Commercialization Fund



Recommendations of the Job Creation Commission



Refundable Research and Development Tax Credit - \$5 million: To create a Refundable Research and Development Tax Credit for start ups and early stage firms in targeted industries - including additional incentives to companies accessing research and development services through Virginia colleges and universities - strengthening our business competitiveness.

SUPPORTING SMALL BUSINESS

- **Funding for Virginia Small Business Financing Authority (VSBFA) - \$5 million:** To provide additional funding to the successful VSBFA loan programs – providing needed access to capital for Virginia small businesses.

Recommendations of the Job Creation Commission



EXPANDING VIRGINIA'S TOURISM ECONOMY

- **Tourism Development Micro Loan Fund (DBA/VTA) - \$2 million:** Creates a fund to provide micro loans or loan guarantees to qualified tourism projects.
- **Expand Tourism Partnership Marketing Grant Program - \$1 million (VTA):** Expands the Virginia Tourism Corporation's current Partnership Marketing Program to provide direct matching grant support to tourism projects on a local level.
- **Funding for Governor's Motion Picture Opportunity Fund (GMPOF) - \$2 million:** To provide funding to secure additional projects based on the positive results of the investment in the film industry last Session of the General Assembly.

Recommendations of the Job Creation Commission



REVITALIZATION, REDEVELOPMENT AND REGIONAL COOPERATION

- **Virginia Main Street Program (DHCD) - \$500,000:** To provide additional funding for the Virginia Main Street Program - promoting economic and physical revitalization of historic downtowns and neighborhood commercial districts.
- **Industrial Site Revitalization (DHCD) - \$4 million:** To provide resources for distressed localities to revitalize vacated structures into assets to market for the recruitment of new businesses.
- **Funding for Enterprise Zone Program (DHCD) - \$1 million:** To take additional steps toward fulfilling Virginia's commitment in the Enterprise Zone program – an effective incentive for job creation and real property investments in distressed communities.
- **Regional Collaboration (VEDP) - \$400,000:** To provide funding to encourage additional regional collaboration – resulting in the eliminating duplication of services, shared cost for services, and providing localities a larger voice, greater impact and higher chances of securing projects and creating jobs.