



# Office of Commerce & Trade

## Overview

**T**he agencies in the Commerce and Trade secretariat have the lead role in promoting Governor Gilmore's initiatives for economic development and tourism, two of his top priorities. The Gilmore administration continues to implement the economic development strategic plan: *The Virginia Strategy: Prosperity into the New Century*. In addition, through the new Virginia Tourism Authority, created in 1999, Governor Gilmore will focus on making Virginia the gateway to the nation and the tourist destination state for the 400th anniversary of the 1607 settlement at Jamestown to be observed in 2007.

The tourism initiatives focus on the rich heritage of the Commonwealth from the archaeological discoveries at Jamestown to the Blue Ridge Parkway. Tourism funds will be used to emphasize the state's African-American heritage, as well as the Revolutionary War and Civil War sites that document Virginia's history. In addition, new funding will enhance the state's film industry, establish regional visitor centers, and expand the promotion of Virginia's golf assets.

Through innovative planning, a new workforce strategy will coordinate, streamline, and finance initiatives that will invest and produce better trained and qualified workers for Virginia's businesses. Through the efforts of Commerce and Trade agencies, Virginia is now positioned to implement its strategic plans and move forward as a national leader in job growth, as an attractive location for companies to conduct their business, and as a destination for visitors from around the world.

The Governor's major recommendations for his 2000-02 budget in the commerce and trade area are to:

- ▶ **Enhance tourism marketing and establish regional visitor centers.** Advertising programs are vital to let the world know of Virginia's assets. The Governor's regional visitor centers program will enter into public-private partnerships to establish centers that will promote travel and attractions in Virginia through high technology and interactive computer systems.
- ▶ **Establish the Virginia Business Information Center.** The center will serve as an initial point of contact and a centralized clearinghouse for information needed by business, industry, and

new entrepreneurs. The center will provide efficient and effective responses to requests for business information and will provide businesses with access to an extensive clearinghouse of services from both within and outside the Department of Business Assistance to assist a variety of business interests.

- ▶ **Provide funding for the Governor’s Motion Picture Opportunity Fund.** The Opportunity Fund will provide incentives to companies that film in the Commonwealth. The motion picture industry adds additional revenue to the coffers of Virginia when it chooses to film in the Commonwealth.
- ▶ **Establish a Virginia Workforce Strategy.** The Workforce Strategy will help Virginia businesses compete in international markets by helping to provide highly trained, qualified, and educated workers. The strategy, as a key part of the Governor’s economic development plan, will refocus current funding for uses that will include establishing a Workforce Development Training fund, creating an employer-focused economic development center, setting up a workforce services retraining program, and enhancing the state’s registered apprentice program. In addition, the Strategy will use community colleges by funding workforce development coordinator positions for the colleges and implementing noncredit and industry-related courses and programs. Also, funding will help establish a satellite office in Southwest Virginia to provide increased workforce services programs. Additional funding for the higher education Virginia Microelectronics Consortium will help further prepare Virginia’s engineering community for industry changes. Finally, the Workforce Strategy will develop additional resources for financial incentives for employers and workers by creating a Growth Industries Educational Development fund and creating a marketing program to keep skilled workers in Virginia.
- ▶ **Establish an information clearinghouse of procurement opportunities and create a technology assessment program for disadvantaged businesses.** The information clearinghouse will use web-based technology for centralized information to help disadvantaged businesses bid on state contracts. The pilot technology assessment program will help disadvantaged businesses overcome the “digital divide” through computer training and access to computer technology.

## Summary of recommended funding for Commerce & Trade agencies

Agency	Fiscal year 2001			Fiscal year 2002		
	GF	NGF	All funds	GF	NGF	All funds
Secretary of Commerce and Trade	0.6	0.0	0.6	0.6	0.0	0.6
Department of Agriculture and Consumer Services	26.4	19.9	46.3	26.5	19.9	46.4
Department of Business Assistance	19.6	3.0	22.5	19.6	3.0	22.6
Department of Forestry	14.3	9.3	23.6	14.3	9.3	23.6
Department of Housing and Community Development	42.2	60.6	102.8	42.2	60.6	102.8
Department of Labor and Industry	7.6	5.2	12.8	7.6	5.2	12.8
Department of Mines, Minerals and Energy	13.4	15.8	29.2	16.1	14.7	30.8
Department of Minority Business Enterprise	0.9	1.0	2.0	1.0	1.0	2.1
Department of Professional and Occupational Regulation	0.0	10.5	10.5	0.0	10.5	10.5
Milk Commission	0.0	0.7	0.7	0.0	0.7	0.7
Virginia Agricultural Council	0.0	0.3	0.3	0.0	0.3	0.3
Virginia Economic Development Partnership	21.9	0.0	21.9	21.9	0.0	21.9
Virginia Employment Commission	<0.1	421.2	421.3	<0.1	424.6	424.7
Virginia Racing Commission	0.0	3.3	3.3	0.0	3.3	3.3
Virginia Tourism Authority	22.0	0.0	22.0	21.7	0.0	21.7
<b>Total for Office of Commerce and Trade</b>	<b>169.1</b>	<b>550.9</b>	<b>720.0</b>	<b>171.7</b>	<b>553.3</b>	<b>725.0</b>

Dollars in millions. Figures may not add due to rounding. See "How to read the summary tables" on page 8.

## Secretary of Commerce and Trade

The Secretary of Commerce and Trade is appointed by the Governor and assists the Governor in the management and direction of state government. This Secretary provides guidance to the 14 agencies in the commerce and trade secretariat. The Secretary's office does not receive any federal funds.

### Recommended changes:

- ▶ **Cover increased rent costs.** Additional funds to cover the higher costs of renting state-owned space for buildings located in the Capital Square complex. This represents the first fee increase since 1995. These funds will provide this agency sufficient resources to cover the increased rent. For 2001, \$3,343 (GF). For 2002, \$4,082 (GF).
- ▶ **Adjust general liability premium funding.** Adds funds for an increase in the agency's general fund liability premiums, which are based on its recent claims experience. For 2001, \$38 (GF). For 2002, \$33 (GF).

## Department of Agriculture and Consumer Services

Nearly one-third of the agency's budget is spent to promote Virginia's agricultural and seafood products. Another 18 percent is spent to prevent and control diseases and pests affecting crops and farm animals through research, testing, grants, technical advice, and direct services to farmers. The agency spends over a tenth of its budget to ensure food sanitation by inspecting grocery stores, food processing plants, food storage warehouses, and meat and poultry slaughtering and processing plants. The department also spends nearly a fifth of its budget regulating business practices and investigating consumer complaints about unsafe products and fraudulent services.

Nearly 43 percent of the agency's budget comes from nongeneral fund sources, such as federal grants, user fees, registration fees, and excise taxes. In 1999, 11.3 percent of the agency's spending was from federal funds.

### Recommended changes:

- ▶ **Maintain cost-share funding for coyote damage control.** A continuation of matching funds for the Virginia Cooperative Coyote Damage Control Program to help prevent and reduce coyote depredation. Combined with federal matching funds, agency contributions, and contributions from a self-imposed head-tax from the Virginia sheep industry, the funds will support two additional U.S. Department of Agriculture staff to meet increasing customer demand for assistance in Southwest Virginia and to expand services to the New River Valley, Shenandoah Valley, and Northern Piedmont areas. For each year, \$50,000 (GF).
- ▶ **Increase staffing for regulation of pesticides.** An increase in staffing to meet new federal regulations and increased inspection demands from the pest control industry and Pesticide Control Board. The funds will allow the Office of Pesticide Services to improve customer service in the certification of pesticide applicators, the licensing of pesticide businesses, the registration of pesticide products, and to increase the level of protection for citizens. The agency will use existing unfilled positions. For 2001, \$162,097 (NGF). For 2002, \$179,531 (NGF).
- ▶ **Reduce position level.** A reduction in position level to reflect the agency's actual rate of filled positions. For 2001, a reduction of four positions (GF) and four positions (NGF).
- ▶ **Cover increased rent costs.** Additional funds to cover the higher cost of renting state-owned space for buildings located in the Capitol Square complex. This represents the first fee increase since 1995. These funds will provide this agency sufficient resources to cover the increased rent. For 2001, \$82,984 (GF). For 2002, \$109,746 (GF).
- ▶ **Adjust general liability premium funding.** Reduction in funds for a decrease in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2002, a reduction of \$2,496 (GF).

## Department of Business Assistance

The department administers and implements programs for the business community to strengthen Virginia's economy. The department serves as state government's principal point of communication with Virginia businesses to provide access to resources that maximize the potential for their success. Major program responsibilities of the department are existing industry development, workforce services training and retraining, small business development, and financial services administered through the Virginia Small Business Financing Authority.

The agency leads the effort to enhance the relationship between the state and existing Virginia businesses by providing a single point of contact for state services. The business call program serves as the core information-gathering mechanism to respond to current issues affecting the existing business community. The department works closely with the entire Virginia business community to resolve problems and issues related to state government and to generally improve the overall business climate in the state. In 1999, 8.0 percent of the agency's spending was from federal funds.

**Recommended changes:**

- ▶ **Establish the Virginia Business Information Center.** An increase in funds to create a Virginia Business Information Center, which would provide an initial point of contact for businesses seeking information or assistance from state government. The center would provide businesses with access to an extensive clearinghouse of resources and services as well as a variety of basic business information and research. The center could be contacted by using a toll-free telephone number, accessing an Internet website or by visiting on-site counselors. Businesses also could take advantage of pre-printed research and publications. It will be a tool that businesses can use to grow and expand their operations within the Commonwealth. For 2001, \$494,823 (GF) and five positions. For 2002, \$523,380 (GF) and two additional positions.
- ▶ **Provide appropriation and positions for VSBFA staff.** An additional nongeneral fund appropriation to convert the Virginia Small Business Financing Authority's five nonstate positions to state positions within the agency. The difference in employee status creates an additional administrative burden for the agency. The agency must handle administrative functions such as payroll processing, employee benefit procurement and payments, federal and state tax payments and reporting, and other human resource and fiscal functions separately for the five nonstate employees. For 2001, \$221,679 (NGF) and five positions. For 2002, \$221,679 (NGF).
- ▶ **Adjust general liability premium funding.** Adds funds for an increase in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2001, \$149 (GF). For 2002, \$71 (GF).

## Department of Forestry

The agency, located in Charlottesville, spends a quarter of its budget on preventing, detecting, and fighting forest fires and on educating the public about forest fire prevention. In addition, 45 percent of the budget is spent in landowner assistance programs, including the reforestation of harvested forestland, aerial release of herbicides on pine forests, and forest health activities. Another 10 percent is spent assisting private landowners to improve water quality practices associated with logging and sawmill operations. The agency is also responsible for the management of 15 individual state forests located across the Commonwealth. The funding for the state land system is all from nongeneral fund sources, and comprises 10 percent of the budget. Around 35 percent of the agency's budget is from nongeneral fund sources such as the forest products tax and sales of tree seedlings. In 1999, 8.0 percent of the agency's spending was from federal funds.

**Recommended change:**

- ▶ **Adjust general liability premium funding.** Reduction in funds for a decrease in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2002, a reduction of \$774 (GF).

## Department of Housing and Community Development

The agency is responsible for programs to improve housing and encourage community development. Major areas of responsibility include community development, community revitalization, affordable housing, homeless assistance, building and fire safety, and rural development. The agency spends just over half of its budget to provide technical assistance and money to local governments, planning district commissions, nonprofit organizations, and businesses to help communities improve infrastructure through the Community Development Block Grant Program. This portion of the agency's budget also helps to revitalize downtown areas through the Main Street Program, to help communities attract new businesses through the Enterprise Zone Program, and to increase the leadership capacity and organizational effectiveness of community based organizations through the Center on Rural Development. This portion of the agency's budget also supports regional partnerships through the Regional Competitiveness Program, and for industrial infrastructure development through the Industrial Site Development Fund.

The agency spends about 36 percent of its budget in the following housing programs: low-interest home loans, grants to shelters for the homeless, grants and loans to low-income families at risk of homelessness, grants to low-income families for emergency home repair projects, grants to nonprofit organizations to develop or rehabilitate low-income housing, and grants to provide indoor plumbing to low and moderate income persons.

The agency also provides technical assistance and enforces building and fire regulations through the State Fire Marshal's Office, inspects manufactured housing construction, and trains local building officials. Nearly two-thirds of the agency's budget comes from nongeneral funds, primarily federal grants. In 1999, 47.4 percent of the agency's spending was from federal funds.

**No recommended changes for this agency**

## Department of Labor and Industry

The agency administers the Commonwealth's occupational safety and health programs. It also ensures the proper payment of wages to workers and the enforcement of general labor and child labor laws through various labor and employment law boards, councils, and other programs. The agency manages the Commonwealth's apprenticeship program, which currently includes about 2,500 sponsor businesses and over 14,000 apprentices. To prevent workplace injuries and accidents, the agency places emphasis on proactive, collaborative programs, such as voluntary protection, consultation, mediation, and training. The agency has five regional offices, which administer all of the agency's programs.

Almost 50 percent of the agency's budget is devoted to the Commonwealth's occupational safety and health programs, including investigating on-the-job accidents and conducting workplace safety inspections. In 1999, 31.4 percent of the agency's spending was from federal funds.

### **Recommended changes:**

- ▶ **Reduce state workforce injury and illness rates.** Additional nongeneral funds and staff to develop and implement safety and health programs within state agencies. The initiative will enable the department to assist state agencies develop programs to reduce their injury and illness rates. State employees currently report more than 9,000 work-related injuries and illnesses each year. These employees will benefit by having safe and healthful workplaces with reduced hazards. The reduction in hazards will reduce the Commonwealth's worker's compensation costs, improve working conditions, and help to create a productive work environment for administering state government efficiently and effectively. Funding will be provided by the U.S. Department of Labor through the Occupational Safety and Health 23G grant agreement and matched by funding from the worker's

compensation self-insurance fund. For 2001, \$103,950 (NGF) and two positions. For 2002, \$113,400 (NGF).

- ▶ **Adjust general liability premium funding.** Reduction in funds for the decrease in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2002, a reduction of \$247 (GF).
- ▶ **Cover increased rent costs.** Additional funds to cover the higher cost of renting state-owned space for buildings located in the Capitol Square complex. This represents the first fee increase since 1995. These funds will provide this agency sufficient resources to cover the increased rent. For 2001, \$5,866 (GF). For 2002, \$7,162 (GF).

## Department of Mines, Minerals and Energy

About 50 percent of the agency's budget is devoted to regulating more than 735 underground and surface mines, over 2,300 gas and oil wells, and over 1,300 miles of gas pipelines. The agency permits and licenses sites, conducts regular inspections, and investigates accidents. Over one-third of the budget helps restore abandoned mined land to its natural state. The agency educates the public about the state's geology, energy, and mineral resources. It also manages an incentive grant program for the manufacture of solar photovoltaic panels.

Sixty percent of the agency's total budget is from nongeneral funds, including federal grants. In 1999, 40.8 percent of the agency's spending was from federal funds.

### Recommended changes:

- ▶ **Cover increased rent costs.** Additional funds to cover the higher cost of renting state-owned space for buildings located in the Capitol Square complex. This represents the first fee increase since 1995. These funds will provide this agency sufficient resources to cover the increased rent. For 2001, \$5,342 (GF). For 2002, \$6,523 (GF).
- ▶ **Adjust general liability premium funding.** Reduction in funds for the decrease in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2002, a reduction of \$564 (GF).

## Department of Minority Business Enterprise

Half of the agency's budget is spent identifying and certifying minority-owned businesses in Virginia, and promoting these businesses through marketing outreach and procurement assistance. The other half is spent providing management and technical assistance to disadvantaged business enterprises and women-owned business enterprises engaged in or desiring to do work on construction projects for prisons, racing facilities, airports, highways, and other transportation facilities. The agency also manages the Capital Access Fund for Disadvantaged Businesses, which provides loan guarantees, loan loss reserves, and interest rate write downs for disadvantaged businesses. About 60 percent of the agency's current total budget is nongeneral funds from the Virginia Department of Transportation. The agency does not receive any federal funds.

### Recommended changes:

- ▶ **Provide funding to further capitalize the Capital Access Fund for Disadvantaged Businesses.** Adds general fund support to the capital access fund. This fund is part of the Governor's strategic plan to create and expand access to capital for disadvantaged businesses. The additional funding

will increase the availability of capital to a larger number of disadvantaged businesses. For 2001, \$300,000 (GF). For 2002, \$400,000 (GF).

- ▶ **Establish information clearinghouse and technology assessment program for disadvantaged businesses.** Additional general fund support to create an electronic one-stop information source about procurement opportunities for disadvantaged businesses. This funding also supports a program to assess the technology needs of disadvantaged businesses and provide help in acquiring technology. The program will help increase participation of disadvantaged businesses in the state procurement process. For 2001, \$250,000 (GF). For 2002, \$250,000 (GF) and one position.
- ▶ **Cover increased rent costs.** Additional funds to cover the higher cost of renting state-owned space for buildings located in the Capitol Square complex. This represents the first fee increase since 1995. These funds will provide this agency sufficient resources to cover the increased rent. For 2001, \$1,541 (GF). For 2002, \$1,881 (GF).

## Department of Professional and Occupational Regulation

The department certifies, licenses, or registers professionals in over 25 occupations. These regulated professions include barbers, cosmetologists, contractors, architects, professional engineers, landscape architects, asbestos workers, hearing aid specialists, polygraph examiners, accountants, and real estate professionals. The department also investigates complaints about regulated professions, suggests disciplinary actions to the regulatory boards that oversee the professions, and enforces state and federal fair housing laws that make housing available to people without regard to race, sex, disability, or national origin. The agency's entire budget comes from nongeneral fund sources. Licensing, certification, and registration fees generate over 97 percent of the agency's revenues. The agency uses these revenues to conduct and support licensing activities for more than 240,000 regulated professionals, and to enforce the applicable laws and regulations. In 1999, 2.7 percent of the agency's spending was from federal funds.

### Recommended changes:

- ▶ **Increase staff to implement more stringent CPA requirements.** An increase in staffing to meet increased administrative and regulatory responsibilities related to the Board of Accountancy. The positions will help implement the provisions of Chapter 950 of the 1999 Acts of Assembly, which increases the requirements for an individual to become a certified public accountant (CPA). For 2001, \$129,647 (NGF) and three positions. For 2002, \$124,787 (NGF).
- ▶ **Establish a system for renewal of contractor licenses.** Additional funds to establish and manage a monitoring program for the Board of Contractors to ensure that licenses and certificates are renewed only after adequate evidence has been provided. The funds will pay for a wage assistant board administrator and one-half of a classified program support technician. The positions will help implement the provisions of Chapter 817 of the 1999 Acts of Assembly, which requires continuing education for contractors and tradesmen. For 2001, \$56,413 (NGF) and 0.5 positions. For 2002, \$56,413 (NGF).
- ▶ **Implement a fair housing testing program.** Additional funds to develop a testing program in the Fair Housing Office. The funds will allow wage personnel to implement recommendations of a study by the Joint Legislative Audit and Review Commission to develop and use audit-testing and self-testing activities. Test results from this program will be presented to the Real Estate Board and the Fair Housing Office as a basis for developing and filing complaints to enforce the provisions of the Fair Housing Law. For each year, \$51,662 (NGF).



## Milk Commission

The agency regulates the wholesale price, supply, and sale of milk. It also licenses producers and distributors, and administers programs that foster market stability in Virginia. The agency's budget is totally nongeneral funds from fees paid by milk distributors and producers. The agency does not receive any federal funds.

**No recommended changes for this agency**

## Virginia Agricultural Council

The council promotes the agricultural interests of the Commonwealth. It provides money for agricultural research, education, and services projects. The council is funded entirely with nongeneral funds through fees imposed on the sale of certain agricultural supplies used by farmers and agribusiness. The council does not receive any federal funds.

**No recommended changes for this agency**

## Virginia Economic Development Partnership

The Virginia Economic Development Partnership is an independent authority created by the 1995 General Assembly. The authority has primary responsibility for the Commonwealth's economic development marketing efforts. These marketing efforts include business development to attract domestic and international companies to locate or expand in Virginia and international trade to promote Virginia's products and services throughout the world. These marketing efforts are supported by media advertising and events marketing programs, as well as by industry research, environmental services, and geographical-referenced presentations.

In addition to its Richmond headquarters and several statewide trade offices, the authority maintains business development and trade offices in Frankfurt, Germany and Tokyo, Japan, and has marketing or trade representation in the United Kingdom, Korea, Brazil, Hong Kong, and Mexico.

**Recommended changes:**

- ▶ **Increase trade development and promotion efforts.** Additional funds to provide further assistance to Virginia companies to enable them to participate in trade shows and trade missions, and for additional efforts to bring foreign buyers to Virginia. The additional funding includes \$150,000 in each year for trade show assistance, which would double the funding added for the program in 2000. This action also includes \$90,000 in each year to bring foreign buyers to Virginia to purchase goods and services from Virginia businesses. This funding would enable the Partnership to host three "buying missions" each year from the state's major markets: Asia, Europe, and Mexico. For each year, \$240,000 (GF).
- ▶ **Develop a certified community cooperative advertising program.** An increase in funds to establish a cooperative advertising grant program. The program will provide advertising funds to communities with an emphasis on multi-jurisdictional efforts. It will be an incentive for communities to cooperate on a regional level on economic development efforts. It also will encourage the presentation of more unified graphic and thematic elements in Virginia's community marketing efforts. The program will increase the synergy between the Commonwealth's overall advertising efforts

and those of Virginia's communities, resulting in greater lead production, an enhanced image, and a stronger market position. For each year, \$500,000 (GF).

- ▶ **Provide funding to host Southeast U.S.-Japan international conference.** An increase in funds to host the 25th joint meeting between the Southeast U.S.-Japan and Japan-Southeast U.S. Associations in September 2000 in Norfolk. The conference is held in the U.S. in even-numbered years and in Japan in odd-numbered years. The Commonwealth first hosted the conference in 1986 at the Homestead, and will host the conference again in 2000 in Norfolk. The purpose of the conference is to foster the development of industry and trade and to promote friendly relations between the seven Southeastern states and Japan in the areas of international trade, culture, industry, technology, and commerce. The seven U.S. member states include Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, and Virginia. For 2001, \$750,000 (GF).
- ▶ **Provide operating funds for Advanced Shipbuilding and Carrier Integration Center.** An increase in funds for operations of the Advanced Shipbuilding and Carrier Integration Center, which was created by the 1998 General Assembly. The center will be a shipbuilding facility used to perform testing and integration projects, including research and development, and other projects relating to the design and integration of navigation, communication, weapon, and other ship systems for aircraft carriers, and to provide education, training, and retraining of workers in the shipbuilding industry. For 2002, \$750,000 (GF).
- ▶ **Provide funding for Virginia Commercial Space Flight Authority.** An increase in funds to support the Virginia Commercial Space Flight Authority. The authority will help to attract new aerospace businesses that will bring high-technology jobs to the Commonwealth. The authority also will enhance Virginia's domestic and global competitiveness by providing safe, timely, and low-cost access to space, making Virginia the best location for space-based enterprise. For each year, \$430,000 (GF).
- ▶ **Provide funding for heavy equipment operator training program.** An increase in funds for the Southside Virginia Business and Education Commission for a heavy equipment operator training program at Fort Pickett. For each year, \$50,000 (GF).

## Virginia Employment Commission

The commission collects payroll taxes from employers and pays unemployment benefits to eligible unemployed workers. About three-quarters of the agency's budget covers unemployment compensation checks. In 1999, the agency paid over \$196 million to unemployed workers. The agency interviews, refers, and places people in jobs. It provides population, economic, and labor force data to interested citizens and employers. Effective July 1, 2000, the agency is also responsible for administering and coordinating statewide workforce training programs funded through the federal Workforce Investment Act.

The agency has a central office in Richmond, but it provides most of its services through local and regional offices statewide. The agency's budget comes from nongeneral funds, including the employer payroll tax, federal unemployment and job training payments, and penalty and interest assessments. In 1999, 99.3 percent of the agency's budget was from federal funds.

### Recommended changes:

- ▶ **Fund the Virginia Workforce Strategy.** Additional nongeneral fund support for the Workforce Strategy, a key part of the Governor's economic development plan. The proposed workforce strategy includes: an electronic workforce delivery system, workforce development coordinator posi-

tions at community colleges, an employer-focused economic development center, noncredit and industry related programs offered by community colleges, the Growth Industries Educational Development Fund, the Workforce Services Customized Retraining program, the Virginia Microelectronics Consortium, the state's registered Apprenticeship Program, the "Rediscover Virginia" marketing program, a Southwest office for the Department of Business Assistance, a virtual reality training center, and a new state director of workforce development. The Workforce Strategy will enhance the workforce training system in the Commonwealth to ensure that Virginia's workforce is prepared to meet the challenges of the future. For 2001, \$9.8 million (NGF). For 2002, \$14.3 million (NGF).

- ▶ **Coordinate and implement the Workforce Investment Act.** Adds nongeneral fund support for the federal Workforce Investment Act (WIA), which will be administered by the VEC. This new workforce development law replaces the Job Training Partnership Act (JTPA), which was administered by the Governor's Employment and Training Administration. This funding coincides with the phase out of the JTPA. For 2001, \$37.0 million (NGF) and 21 positions. For 2002, \$37.0 million (NGF).
- ▶ **Replace mainframe applications with client server and web-based technology.** Additional nongeneral fund support for a common web-based system to accomplish the objectives and reporting requirements of the Workforce Investment Act. The funding also supports replacement of two unemployment insurance applications to enhance service delivery and provide better customer service, and replacement of the accounting system to allow automation of routine functions. For 2001, \$3.4 million (NGF). For 2002, \$2.4 million (NGF).
- ▶ **Adjust general liability premium funding.** Reduction in funds for a decrease in the agency's general liability insurance premiums, which are based on its recent claims experience. For 2001, a reduction of \$1 (GF). For 2002, a reduction of \$4 (GF).

## Virginia Racing Commission

The commission was created in 1989 to oversee legal betting on horse racing in Virginia. It licenses racing facilities, racetrack owners and operators, jockeys, horse trainers, off-track betting facilities, and horse owners. It also promotes horse racing and the horse industry. The agency awarded a license to Colonial Downs to open a track in New Kent County. The track opened for live racing in September 1997.

The agency's budget is fully supported by license and permit fees. The agency operated on treasury loans from the state, which it repaid in 1999 from license fees and revenues from the operation of the racetrack and off-track betting facilities. The agency does not receive any federal funds.

**No recommended changes for this agency**

## Virginia Tourism Authority

The Virginia Tourism Authority was created by the 1999 General Assembly. The authority, operating as the Virginia Tourism Corporation, is responsible for encouraging, stimulating, and supporting tourism in the Commonwealth by promoting, marketing, and advertising the Commonwealth's many tourist attractions and locations, and for encouraging, stimulating, and supporting the film industry in the Commonwealth. The authority also is responsible for administering and managing the cooperative tourism advertising program, as well as the Governor's Motion Picture Opportunity Fund.

### Recommended changes:

- ▶ **Enhance tourism marketing.** An increase in funds to enhance the agency's tourism marketing program. The additional funds will be used for marketing and promotion of Revolutionary War, Civil War, and colonial historical sites in the state, marketing and promotion of African-American heritage sites, marketing and promotion of golf in Virginia, and administering the golf program. This additional marketing will increase both visitation to Virginia and traveler spending, helping to push Virginia forward as a top travel destination. For each year, \$3.3 million (GF).
- ▶ **Provide funding for cooperative marketing of African-American heritage sites.** An increase in funds to enable the agency to leverage an existing theme (African-American heritage sites) of its core advertising program by encouraging participants in the cooperative advertising program to use this theme in their local and regional advertising. For each year, \$250,000 (GF).
- ▶ **Support a Blue Ridge Parkway marketing initiative.** An increase in funds for a "challenge" appropriation to be matched by North Carolina, Tennessee, or the Blue Ridge Parkway Association to expand marketing of the Blue Ridge Parkway. Funding would support marketing and promotion of existing and new or expanded attractions along the parkway. Virginia now has a "critical mass" of attractions along the portion of the Blue Ridge Parkway within the state's borders, which will lead to increased economic benefits. The parkway is part of the National Park System. For 2001, \$300,000 (GF).
- ▶ **Develop the "African-American Heritage Trails in Virginia" program.** An increase in funds for the Virginia Foundation for the Humanities and Public Policy to develop the "African-American Heritage Trails in Virginia" program. Funds will be used for research and to develop a database of African-American sites, as well as to promote and market the sites. For each year, \$200,000 (GF).
- ▶ **Re-establish state visitor information center at the Bell Tower in Capitol Square.** An increase in funds to re-establish a state visitor information center at the Bell Tower in Capitol Square in Richmond. Funds will be used for two positions to staff the visitor information center, as well as for rent, supplies, and materials. The visitor center will serve the needs of walk-in visitors, officials, and consumers calling for statewide Virginia travel information. For each year, \$100,000 (GF).
- ▶ **Provide funding for national comprehensive museum and education center.** An increase in funds for operating costs of a national comprehensive museum and education center in Richmond focused on the Civil War period of American history. For each year, \$250,000 (GF).



# Commerce & Trade

## Detail Tables

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>SECRETARY OF COMMERCE AND TRADE</b>						
<b>FY 2000 appropriation</b>	559,425	0	559,425	559,425	0	559,425
Technical adjustments to base	55,245	0	55,245	55,728	0	55,728
Adjusted base budget	614,670	0	614,670	615,153	0	615,153
<b>Recommended funding changes:</b>						
▶ Adjust general liability premium funding	38	0	38	33	0	33
▶ Cover increased rent costs	3,343	0	3,343	4,082	0	4,082
<b>Total recommended funding changes</b>	<b>3,381</b>	<b>0</b>	<b>3,381</b>	<b>4,115</b>	<b>0</b>	<b>4,115</b>
<b>Total recommended funding</b>	<b>618,051</b>	<b>0</b>	<b>618,051</b>	<b>619,268</b>	<b>0</b>	<b>619,268</b>
Percent change	10.48%	0%	10.48%	10.70%	0%	10.70%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	7.00	0	7.00	7.00	0	7.00
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	<b>7.00</b>	<b>0</b>	<b>7.00</b>	<b>7.00</b>	<b>0</b>	<b>7.00</b>
<b>DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</b>						
<b>FY 2000 appropriation</b>	24,266,922	18,158,268	42,425,190	24,266,922	18,158,268	42,425,190
Technical adjustments to base	2,027,202	1,598,053	3,625,255	2,044,195	1,603,368	3,647,563
Adjusted base budget	26,294,124	19,756,321	46,050,445	26,311,117	19,761,636	46,072,753
<b>Recommended funding changes:</b>						
▶ Maintain cost-share funding for coyote damage control	50,000	0	50,000	50,000	0	50,000
▶ Adjust general liability premium funding	0	0	0	(2,496)	0	(2,496)
▶ Cover increased rent costs	82,984	0	82,984	109,746	0	109,746
▶ Increase staffing for regulation of pesticides	0	162,097	162,097	0	179,531	179,531
<b>Total recommended funding changes</b>	<b>132,984</b>	<b>162,097</b>	<b>295,081</b>	<b>157,250</b>	<b>179,531</b>	<b>336,781</b>
<b>Total recommended funding</b>	<b>26,427,108</b>	<b>19,918,418</b>	<b>46,345,526</b>	<b>26,468,367</b>	<b>19,941,167</b>	<b>46,409,534</b>
Percent change	8.90%	9.69%	9.24%	9.07%	9.82%	9.39%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	406.00	127.00	533.00	406.00	127.00	533.00
Recommended position level changes	(3.00)	(5.00)	(8.00)	(3.00)	(5.00)	(8.00)
<b>Total recommended positions</b>	<b>403.00</b>	<b>122.00</b>	<b>525.00</b>	<b>403.00</b>	<b>122.00</b>	<b>525.00</b>

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>DEPARTMENT OF BUSINESS ASSISTANCE</b>						
<b>FY 2000 appropriation</b>	19,841,898	2,126,821	21,968,719	19,841,898	2,126,821	21,968,719
Technical adjustments to base	(785,568)	619,158	(166,410)	(783,050)	619,216	(163,834)
Adjusted base budget	19,056,330	2,745,979	21,802,309	19,058,848	2,746,037	21,804,885
<b>Recommended funding changes:</b>						
▶ Adjust general liability premium funding	149	0	149	71	0	71
▶ Provide appropriation and positions for VSBFA staff	0	221,679	221,679	0	221,679	221,679
▶ Establish the Virginia Business Information Center	494,823	0	494,823	523,380	0	523,380
<b>Total recommended funding changes</b>	494,972	221,679	716,651	523,451	221,679	745,130
<b>Total recommended funding</b>	19,551,302	2,967,658	22,518,960	19,582,299	2,967,716	22,550,015
Percent change	(1.46%)	39.53%	2.50%	(1.31%)	39.54%	2.65%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	43.00	1.00	44.00	43.00	1.00	44.00
Recommended position level changes	5.00	5.00	10.00	7.00	5.00	12.00
<b>Total recommended positions</b>	48.00	6.00	54.00	50.00	6.00	56.00
<b>DEPARTMENT OF FORESTRY</b>						
<b>FY 2000 appropriation</b>	13,535,996	8,650,116	22,186,112	13,535,996	8,650,116	22,186,112
Technical adjustments to base	739,983	680,783	1,420,766	747,837	684,562	1,432,399
Adjusted base budget	14,275,979	9,330,899	23,606,878	14,283,833	9,334,678	23,618,511
<b>Recommended funding changes:</b>						
▶ Adjust general liability premium funding	0	0	0	(774)	0	(774)
<b>Total recommended funding changes</b>	0	0	0	(774)	0	(774)
<b>Total recommended funding</b>	14,275,979	9,330,899	23,606,878	14,283,059	9,334,678	23,617,737
Percent change	5.47%	7.87%	6.40%	5.52%	7.91%	6.45%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	216.07	103.93	320.00	216.07	103.93	320.00
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	216.07	103.93	320.00	216.07	103.93	320.00
<b>DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT</b>						
<b>FY 2000 appropriation</b>	42,147,132	71,650,440	113,797,572	42,147,132	71,650,440	113,797,572
Technical adjustments to base	89,711	(11,070,383)	(10,980,672)	94,525	(11,069,824)	(10,975,299)
Adjusted base budget	42,236,843	60,580,057	102,816,900	42,241,657	60,580,616	102,822,273
<b>Total recommended funding</b>	42,236,843	60,580,057	102,816,900	42,241,657	60,580,616	102,822,273
Percent change	0.21%	(15.45%)	(9.65%)	0.22%	(15.45%)	(9.64%)

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	112.00	13.00	125.00	112.00	13.00	125.00
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	112.00	13.00	125.00	112.00	13.00	125.00
<b>DEPARTMENT OF LABOR AND INDUSTRY</b>						
<b>FY 2000 appropriation</b>	6,972,285	4,776,132	11,748,417	6,972,285	4,776,132	11,748,417
Technical adjustments to base	621,123	342,865	963,988	626,322	345,588	971,910
Adjusted base budget	7,593,408	5,118,997	12,712,405	7,598,607	5,121,720	12,720,327
<b>Recommended funding changes:</b>						
▶ Adjust general liability premium funding	0	0	0	(247)	0	(247)
▶ Cover increased rent costs	5,866	0	5,866	7,162	0	7,162
▶ Reduce state workforce injury and illness rates	0	103,950	103,950	0	113,400	113,400
<b>Total recommended funding changes</b>	5,866	103,950	109,816	6,915	113,400	120,315
<b>Total recommended funding</b>	7,599,274	5,222,947	12,822,221	7,605,522	5,235,120	12,840,642
Percent change	8.99%	9.36%	9.14%	9.08%	9.61%	9.30%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	126.64	66.36	193.00	126.64	66.36	193.00
Recommended position level changes	0	2.00	2.00	0	2.00	2.00
<b>Total recommended positions</b>	126.64	68.36	195.00	126.64	68.36	195.00
<b>DEPARTMENT OF MINES, MINERALS AND ENERGY</b>						
<b>FY 2000 appropriation</b>	10,510,639	15,693,772	26,204,411	10,510,639	15,693,772	26,204,411
Technical adjustments to base	2,859,834	82,819	2,942,653	5,569,056	(1,013,341)	4,555,715
Adjusted base budget	13,370,473	15,776,591	29,147,064	16,079,695	14,680,431	30,760,126
<b>Recommended funding changes:</b>						
▶ Adjust general liability premium funding	0	0	0	(564)	0	(564)
▶ Cover increased rent costs	5,342	0	5,342	6,523	0	6,523
<b>Total recommended funding changes</b>	5,342	0	5,342	5,959	0	5,959
<b>Total recommended funding</b>	13,375,815	15,776,591	29,152,406	16,085,654	14,680,431	30,766,085
Percent change	27.26%	0.53%	11.25%	53.04%	(6.46%)	17.41%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	176.50	73.50	250.00	176.50	73.50	250.00
Recommended position level changes	1.62	(1.62)	0	1.62	(1.62)	0
<b>Total recommended positions</b>	178.12	71.88	250.00	178.12	71.88	250.00

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>DEPARTMENT OF MINORITY BUSINESS ENTERPRISE</b>						
<b>FY 2000 appropriation</b>	669,070	967,454	1,636,524	669,070	967,454	1,636,524
Technical adjustments to base	(272,613)	58,661	(213,952)	(272,323)	59,184	(213,139)
Adjusted base budget	396,457	1,026,115	1,422,572	396,747	1,026,638	1,423,385
<b>Recommended funding changes:</b>						
▶ Establish information clearinghouse and technology assessment program for disadvantaged businesses	250,000	0	250,000	250,000	0	250,000
▶ Cover increased rent costs	1,541	0	1,541	1,881	0	1,881
▶ Provide funding to further capitalize the Capital Access Fund for Disadvantaged Businesses	300,000	0	300,000	400,000	0	400,000
<b>Total recommended funding changes</b>	551,541	0	551,541	651,881	0	651,881
<b>Total recommended funding</b>	947,998	1,026,115	1,974,113	1,048,628	1,026,638	2,075,266
Percent change	41.69%	6.06%	20.63%	56.73%	6.12%	26.81%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	7.50	13.50	21.00	7.50	13.50	21.00
Recommended position level changes	0	0	0	1.00	0	1.00
<b>Total recommended positions</b>	7.50	13.50	21.00	8.50	13.50	22.00
<b>DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION</b>						
<b>FY 2000 appropriation</b>	0	9,485,943	9,485,943	0	9,485,943	9,485,943
Technical adjustments to base	0	758,955	758,955	0	763,813	763,813
Adjusted base budget	0	10,244,898	10,244,898	0	10,249,756	10,249,756
<b>Recommended funding changes:</b>						
▶ Increase staff to implement more stringent CPA requirements	0	129,647	129,647	0	124,787	124,787
▶ Establish a system for renewal of contractor licenses	0	56,413	56,413	0	56,413	56,413
▶ Implement a fair housing testing program	0	51,662	51,662	0	51,662	51,662
<b>Total recommended funding changes</b>	0	237,722	237,722	0	232,862	232,862
<b>Total recommended funding</b>	0	10,482,620	10,482,620	0	10,482,618	10,482,618
Percent change	0%	10.51%	10.51%	0%	10.51%	10.51%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	0	130.00	130.00	0	130.00	130.00
Recommended position level changes	0	3.50	3.50	0	3.50	3.50
<b>Total recommended positions</b>	0	133.50	133.50	0	133.50	133.50
<b>MILK COMMISSION</b>						
<b>FY 2000 appropriation</b>	0	681,677	681,677	0	681,677	681,677
Technical adjustments to base	0	58,048	58,048	0	58,523	58,523
Adjusted base budget	0	739,725	739,725	0	740,200	740,200



	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>Total recommended funding</b>	0	739,725	739,725	0	740,200	740,200
Percent change	0%	8.52%	8.52%	0%	8.59%	8.59%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	0	10.00	10.00	0	10.00	10.00
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	0	10.00	10.00	0	10.00	10.00
<b>VIRGINIA AGRICULTURAL COUNCIL</b>						
<b>FY 2000 appropriation</b>	0	340,334	340,334	0	340,334	340,334
Technical adjustments to base	0	0	0	0	0	0
Adjusted base budget	0	340,334	340,334	0	340,334	340,334
<b>Total recommended funding</b>	0	340,334	340,334	0	340,334	340,334
Percent change	0%	0%	0%	0%	0%	0%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	0	0	0	0	0	0
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	0	0	0	0	0	0
<b>VIRGINIA ECONOMIC DEVELOPMENT PARTNERSHIP</b>						
<b>FY 2000 appropriation</b>	21,262,235	0	21,262,235	21,262,235	0	21,262,235
Technical adjustments to base	(1,292,204)	0	(1,292,204)	(1,286,006)	0	(1,286,006)
Adjusted base budget	19,970,031	0	19,970,031	19,976,229	0	19,976,229
<b>Recommended funding changes:</b>						
▶ Provide operating funds for Advanced Shipbuilding and Carrier Integration Center	0	0	0	750,000	0	750,000
▶ Increase trade development and promotion efforts	240,000	0	240,000	240,000	0	240,000
▶ Develop a certified community cooperative advertising program	500,000	0	500,000	500,000	0	500,000
▶ Provide funding for Virginia Commercial Space Flight Authority	430,000	0	430,000	430,000	0	430,000
▶ Provide funding to host Southeast U.S.-Japan international conference	750,000	0	750,000	0	0	0
▶ Provide funding for heavy equipment operator training program	50,000	0	50,000	50,000	0	50,000
<b>Total recommended funding changes</b>	1,970,000	0	1,970,000	1,970,000	0	1,970,000
<b>Total recommended funding</b>	21,940,031	0	21,940,031	21,946,229	0	21,946,229
Percent change	3.19%	0%	3.19%	3.22%	0%	3.22%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	0	0	0	0	0	0
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	0	0	0	0	0	0

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
<b>VIRGINIA EMPLOYMENT COMMISSION</b>						
<b>FY 2000 appropriation</b>	175,000	372,236,237	372,411,237	175,000	372,236,237	372,411,237
Technical adjustments to base	(75,000)	(1,266,910)	(1,341,910)	(75,000)	(1,280,399)	(1,355,399)
Adjusted base budget	100,000	370,969,327	371,069,327	100,000	370,955,838	371,055,838
<b>Recommended funding changes:</b>						
▶ Adjust general liability premium funding	(1)	0	(1)	(4)	0	(4)
▶ Coordinate and implement the Workforce Investment Act	0	37,000,000	37,000,000	0	37,000,000	37,000,000
▶ Replace mainframe applications with client server and web-based technology	0	3,406,197	3,406,197	0	2,390,000	2,390,000
▶ Fund the Virginia Workforce Strategy	0	9,800,000	9,800,000	0	14,300,000	14,300,000
<b>Total recommended funding changes</b>	(1)	50,206,197	50,206,196	(4)	53,690,000	53,689,996
<b>Total recommended funding</b>	99,999	421,175,524	421,275,523	99,996	424,645,838	424,745,834
Percent change	(42.86%)	13.15%	13.12%	(42.86%)	14.08%	14.05%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	0	950.00	950.00	0	950.00	950.00
Recommended position level changes	0	21.00	21.00	0	21.00	21.00
<b>Total recommended positions</b>	0	971.00	971.00	0	971.00	971.00
<b>VIRGINIA RACING COMMISSION</b>						
<b>FY 2000 appropriation</b>	0	4,944,865	4,944,865	0	4,944,865	4,944,865
Technical adjustments to base	0	(1,600,483)	(1,600,483)	0	(1,599,993)	(1,599,993)
Adjusted base budget	0	3,344,382	3,344,382	0	3,344,872	3,344,872
<b>Total recommended funding</b>	0	3,344,382	3,344,382	0	3,344,872	3,344,872
Percent change	0%	(32.37%)	(32.37%)	0%	(32.36%)	(32.36%)
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	0	10.00	10.00	0	10.00	10.00
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	0	10.00	10.00	0	10.00	10.00
<b>VIRGINIA TOURISM AUTHORITY</b>						
<b>FY 2000 appropriation</b>	18,096,929	0	18,096,929	18,096,929	0	18,096,929
Technical adjustments to base	(463,788)	0	(463,788)	(460,573)	0	(460,573)
Adjusted base budget	17,633,141	0	17,633,141	17,636,356	0	17,636,356
<b>Recommended funding changes:</b>						
▶ Develop the "African-American Heritage Trails in Virginia" program	200,000	0	200,000	200,000	0	200,000
▶ Support a Blue Ridge Parkway marketing initiative	300,000	0	300,000	0	0	0
▶ Provide funding for cooperative marketing of African-American heritage sites	250,000	0	250,000	250,000	0	250,000

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
▶ Re-establish state visitor information center at the Bell Tower in Capitol Square	100,000	0	100,000	100,000	0	100,000
▶ Enhance tourism marketing	3,250,000	0	3,250,000	3,250,000	0	3,250,000
▶ Provide funding for national comprehensive museum and education center	250,000	0	250,000	250,000	0	250,000
<b>Total recommended funding changes</b>	<b>4,350,000</b>	<b>0</b>	<b>4,350,000</b>	<b>4,050,000</b>	<b>0</b>	<b>4,050,000</b>
<b>Total recommended funding</b>	<b>21,983,141</b>	<b>0</b>	<b>21,983,141</b>	<b>21,686,356</b>	<b>0</b>	<b>21,686,356</b>
Percent change	21.47%	0%	21.47%	19.83%	0%	19.83%
<b>Position level:</b>						
<b>FY 2000 appropriation</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Recommended position level changes	0	0	0	0	0	0
<b>Total recommended positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FOR OFFICE OF COMMERCE AND TRADE</b>						
Grand total recommended funds	169,055,541	550,905,270	719,960,811	171,667,035	553,320,228	724,987,263
Grand total recommended positions	1,098.33	1,523.17	2,621.50	1,101.33	1,523.17	2,624.50