

OFFICE OF COMMERCE AND TRADE

THE HONORABLE PATRICK O. GOTTSCHALK, SECRETARY OF COMMERCE & TRADE

The agencies in the Commerce and Trade secretariat promote statewide economic growth. They provide programs that attract and retain business, foster tourism, promote the state's film industry, address the needs for moderate-and-low income housing, assist small and disadvantaged businesses, regulate professions, ensure safe workplaces, and pursue international markets for Virginia products.



COMMERCE & TRADE AGENCIES INCLUDE:

- Board of Accountancy
- Department of Business Assistance
- Department of Housing and Community Development
- Department of Labor and Industry
- Department of Mines, Minerals and Energy
- Department of Professional and Occupational Regulation
- Virginia Economic Development Partnership
- Virginia Employment Commission
- Virginia Housing Development Authority
- Virginia Racing Commission
- Virginia Resources Authority
- Virginia Tobacco Indemnification and Community Revitalization Commission
- Virginia Tourism Authority



Accomplishments:

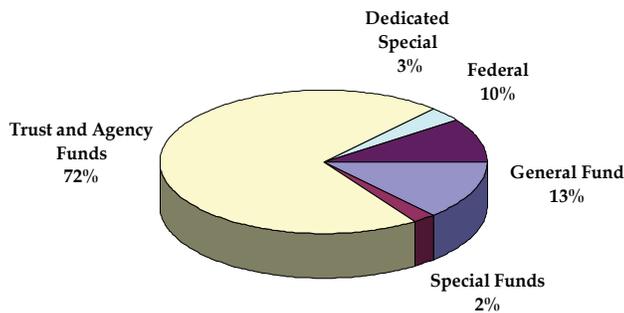
Strengthening the Commonwealth's economy: The Virginia Economic Development Partnership had a series of significant announcements in 2007, including Swedwood in Danville/Pittsylvania; SRI, International in Rockingham County; and Merck & Co., also in Rockingham County.

For the fiscal year, the Partnership worked with companies creating almost 19,000 jobs and investing more than \$2.6 billion. The Virginia Tobacco Indemnification and Community Revitalization Commission committed \$6.1 million in incentives to help create more than 2,000 new jobs and generate more than \$800 million in capital investments in the tobacco region. Virginia was ranked the "Best State For Business" for the second year in a row by Forbes.com and also was ranked the "Top State For Business" by CNBC. There were successful international trade missions to Europe and to Japan, Hong Kong, and India. Celebrations of the 400th anniversary of Jamestown and the Queen of England's visit to Virginia also were successful and generated significant tourism spending.



Financing of Commerce and Trade Agencies*

(Based on 2008 -2010 Proposed Operating Budget)



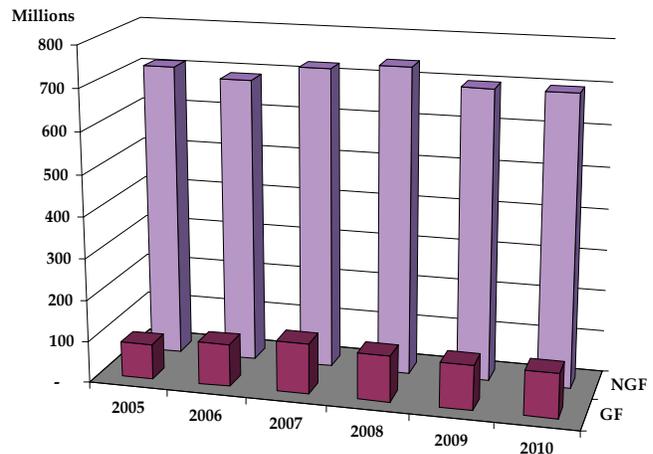
*Funds with totals less than 1% have not been included.

Providing financial assistance to Virginia's communities and citizens: The Department of Housing and Community Development provided \$11.6 million in Community Development Block Grants and \$2.3 million in Appalachian Regional Commission funding. The Virginia Resources Authority approved over \$377.5 million in investments in 51 Virginia communities for projects that will improve water quality in the Chesapeake Bay, provide drinking water, enhance public transit, support public safety, expand airports, and improve solid waste facilities. The Virginia Housing Development Authority provided \$1.6 billion in affordable mortgage capital to 22,000 Virginians during a severe credit crunch.

Supporting small and disadvantaged businesses: The Department of Business Assistance participated in 100 procurement events and helped to connect state agencies to small, women and minority-owned vendors. Commonwealth spending on contracts with such businesses increased from 13 percent to 38 percent, nearing the Governor's 40 percent goal.

Keeping current commitments: The state made incentive grant payments under the semiconductor manufacturing performance grant programs and the Virginia Investment Partnership Act and from the Governor's Development Opportunity Fund, the Governor's Motion Picture Opportunity Fund, and the Commonwealth Technology Research Fund. In addition, the state made payments to higher education institutions to meet past commitments to semiconductor manufacturers related to major expansion projects.

Office of Commerce and Trade Operating Budget History



Secretary of Commerce And Trade

<http://www.commerce.virginia.gov/>

Through delegated authority, using specific management and measuring tools, the Secretary of Commerce and Trade provides guidance to agencies within its secretariat. The office oversees agencies responsible for promoting statewide economic growth and community development, attracting and retaining business, promoting the state's tourism, racing, and film industries, addressing the need for moderate and low income housing, assisting disadvantaged businesses, regulating occupations and professions, ensuring safe workplaces, pursuing international markets for Virginia products, developing and conserving energy and mineral resources, administering the unemployment compensation program, and financing infrastructure projects for localities.

Operating Budget History

	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>Positions</u>
2005 Appropriation	\$658,171	\$0	8.00
2006 Appropriation	\$797,149	\$0	8.00
2007 Appropriation	\$836,869	\$0	8.00
2008 Appropriation	\$837,069	\$0	8.00

New Operating Budget Summary

	<u>General Fund</u>	<u>Nongeneral Fund</u>	<u>Positions</u>
2009 Base Budget	\$837,069	\$0	8.00
2009 Addenda	\$37,453,252	\$0	0.00
2009 TOTAL	\$38,290,321	\$0	8.00
2010 Base Budget	\$837,069	\$0	8.00
2010 Addenda	\$19,603,252	\$0	0.00
2010 TOTAL	\$20,440,321	\$0	8.00

Recommended Operating Budget Addenda

► **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$85,686 (GF).

► **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$88,400 (GF).

► **Increase funding for the Governor's Motion Picture Opportunity Fund**

Increases funding for the Governor's Motion Picture Opportunity Fund. The fund is used to provide performance-based incentives to recruit film production to the state. The grants are paid after a company has completed filming in the Commonwealth and met performance criteria for the grant award. In prior biennia funding for this program was budgeted in Central Appropriations in the Appropriation Act. For each year, \$200,000 (GF).

► **Transfer the Governor's Development Opportunity Fund**

from Central Appropriations

Transfers existing appropriation for the Governor's Development Opportunity Fund from Central Appropriations to the Secretary of Commerce and Trade. This funding was included in Central Appropriations in 2009 as a base adjustment. The fund provides either grants or loans to localities to assist in the creation of new jobs and investment in accordance with criteria established by legislation. For 2009, \$15.1 million (GF).

► **Increase funding for the Virginia Investment Partnership grants**

Increases funding for investment partnership grants under the Virginia Investment Partnership Act. The payments are based on negotiated grants awarded to select projects that invest in Virginia and promote stable or growing employment opportunities. The selected companies have met the investment and job creation criteria required by the performance agreements and payments to them are now due. In prior biennia funding for this purpose was included in the Appropriation Act in Central Appropriations. For 2009, \$1.3 million (GF). For 2010, \$2.3 million (GF).

► **Provide funding for semiconductor manufacturing performance grants**

Provides funding for semiconductor manufacturing performance grant payments under the Semiconductor Memory or Logic Wafer Manufacturing Grant Program (\$3.7 million in 2009) and Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II (\$11.8 million in 2009 and \$8.8 million in 2010). The grant payments are based on the volume of manufacturing and sales of memory logic wafers, the amount of the new investment, and the number of new jobs created. Companies affected have met the investment and job creation criteria required by the performance agreements and payments to them are due now. In prior biennia funding for this purpose was included in the Appropriation Act in Central Appropriations. For 2009, \$15.5 million (GF). For 2010, \$8.8 million (GF).

► **Accelerate semiconductor manufacturing performance grant payments to Qimonda**

Provides funding to accelerate the two final payments, due in 2011 and 2012, to 2009 and 2010 under the Semiconductor Memory or Logic Wafer Manufacturing Performance Grant Program II. The grant payments are based on the volume of manufacturing and sales of memory logic wafers, the amount of the new investment, and the number of new jobs created. The company has met the investment and job creation criteria required by the performance agreements and has requested the acceleration of the final two grant payments. For 2009, \$5.4 million (GF). For 2010, \$8.4 million (GF).

Board of Accountancy

<http://www.boa.state.va.us/>

The Board of Accountancy (BOA), as mandated by the Virginia General Assembly, protects the citizens of the Commonwealth, through a regulatory program of licensure and compliance of Certified Public Accountants (CPA) and CPA firms.

Key Objectives and Performance Measures

Board of Accountancy (Continued)

- **Provide each Board of Accountancy regulant with immediate and efficient access to all information (individual Certified Public Accountants and Certified Public Accountant firms) in the Board files.**
Design an online portfolio for each regulant that will permit immediate access to Board files.
- **To maximize the efficiencies available through the use of information systems technology.**
Reduce completion time for investigation of complaints.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$586,000	4.00
2006 Appropriation	\$0	\$586,000	4.00
2007 Appropriation	\$0	\$803,215	8.00
2008 Appropriation	\$0	\$865,626	8.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$865,626	8.00
2009 Addenda	\$0	\$52,510	0.00
2009 TOTAL	\$0	\$918,136	8.00
2010 Base Budget	\$0	\$865,626	8.00
2010 Addenda	\$0	\$53,828	0.00
2010 TOTAL	\$0	\$919,454	8.00

Recommended Operating Budget Addenda

- ▶ **Distribute Central Appropriations amounts to agency budgets**
Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$39,777 (NGF).
- ▶ **Increase nongeneral fund appropriation for rent**
Provides an additional nongeneral fund appropriation for a rent increase that resulted from an agency relocation in August 2007 under the Department of General Service's Commonwealth Real Estate Initiative, which consolidated numerous state agencies in one location to create efficiencies in shared services. For 2009, \$12,733 (NGF). For 2010, \$14,051 (NGF).

Department of Business Assistance

<http://www.dba.virginia.gov/>

The Virginia Department of Business Assistance promotes economic growth by helping Virginia businesses prosper.

Key Objectives and Performance Measures

- **We will assist businesses in the Commonwealth to create and retain jobs through the economic development incentive offered through the Virginia Jobs Investment Program.**
Number of companies assisted by the Virginia Jobs Investment Program

Number of jobs created and retrained through the Virginia Jobs Investment Program.

- **We will increase financing to small businesses for fixed asset and working capital needs to support their growth when the private lending sector cannot fully assist.**
Public and private capital investment by businesses receiving loans from the Virginia Small Business Financing Authority.
- **We will help Virginia businesses grow their revenues.**
Percent of state contract dollars awarded by all state agencies to small, women and minority (SWaM) businesses.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$10,865,726	\$2,331,045	62.50
2006 Appropriation	\$11,066,542	\$2,331,045	62.50
2007 Appropriation	\$14,823,366	\$1,191,362	47.00
2008 Appropriation	\$11,503,798	\$1,191,362	50.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$11,503,798	\$1,191,362	50.00
2009 Addenda	(\$280,277)	\$54,241	-2.00
2009 TOTAL	\$11,223,521	\$1,245,603	48.00
2010 Base Budget	\$11,503,798	\$1,191,362	50.00
2010 Addenda	\$1,719,723	\$54,241	-2.00
2010 TOTAL	\$13,223,521	\$1,245,603	48.00

Recommended Operating Budget Addenda

- ▶ **Distribute Central Appropriations amounts to agency budgets**
Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$364,913 (GF) and \$54,241 (NGF).
- ▶ **Continue 2008 budget reductions**
Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For 2009, a decrease of \$645,190 (GF) and two positions. For 2010, a decrease of \$645,190 (GF).
- ▶ **Increase funding for the Virginia Jobs Investment Program**

Provides funding for the Virginia Jobs Investment Program. The program is an integral component of the state's overall economic development effort, resulting in thousands of new jobs per year and billions of dollars in new capital investment. For 2010, \$2.0 million (GF).

Department Of Housing And Community Development

<http://www.dhcd.virginia.gov/>

The Department of Housing and Community Development works in partnership to make Virginia's communities safe, affordable, and prosperous places in which to live, work and do business.

Key Objectives and Performance Measures

➤ **We will increase the affordability of housing for Virginia's lower-income citizens**

The percentage of Virginia households spending more than 30 percent of their income for housing

➤ **We will reduce the number of Virginians living in substandard housing**

The estimated number of homes lacking "complete indoor plumbing facilities" including a bathroom and connection to an approved water and wastewater system

➤ **We will reduce economic disparity between Virginia's communities**

The percentage of Virginia localities that have unemployment rates greater than 150 percent of the state average

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$28,718,516	\$71,323,791	127.00
2006 Appropriation	\$43,599,134	\$71,318,291	136.00
2007 Appropriation	\$50,535,545	\$64,572,537	136.00
2008 Appropriation	\$46,529,781	\$64,542,537	137.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$46,529,781	\$64,542,537	137.00
2009 Addenda	(\$1,688,643)	\$6,970,527	-31.00
2009 TOTAL	\$44,841,138	\$71,513,064	106.00
2010 Base Budget	\$46,529,781	\$64,542,537	137.00
2010 Addenda	(\$3,160,296)	\$6,930,527	-31.00
2010 TOTAL	\$43,369,485	\$71,473,064	106.00

Recommended Operating Budget Addenda

▶ **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$652,099 (GF) and \$294,575 (NGF).

▶ **Remove one-time funding to expand rural access to broadband technology**

Removes one-time funding provided in 2008 for a feasibility study to determine the next best routes for rural broadband. For each year, a reduction of \$500,000 (GF).

▶ **Remove funding for community bank**

Phases out funding for the creation of a community development bank. The statewide community development bank is targeted to distressed communities and populations. It is anticipated that this institution will be fully operational in 2010 and no longer require the continuation of the initial start-up and operating funds provided by the state. For 2010, a decrease of \$200,000 (GF).

▶ **Increase nongeneral fund appropriation for information technology charges and operating expenses**

Increases the agency's indirect cost recovery appropriation to better reflect expenditures for charges assessed by the Virginia Information Technologies Agency and other operational expenses. During 2007, the appropriation for this fund was increased administratively. For each year, \$100,000 (NGF).

▶ **Transfer appropriation to the correct program**

Transfers \$8,000 provided in 2008 for the administration of the Livable Tax Credit to the appropriate program.

▶ **Appropriate Water Quality Improvement Fund balances for the Southern Rivers Watershed Enhancement Program**

A technical adjustment to appropriate existing balances for the Southern Rivers Watershed Enhancement Program, which is funded through the Virginia Water Quality Improvement Fund. This action eliminates the need to increase the appropriation for this program administratively. For each year, \$7.0 million (NGF).

▶ **Realign service area budgets within the agency**

A technical adjustment to realign the agency's operating budget by clearing convenience subobject codes and fully funding the agency's positions.

▶ **Transfer the State Fire Marshal's Office to the Virginia Department of Fire Programs**

Implements legislation enacted by the 2007 General Assembly transferring the State Fire Marshal's Office and enforcement of the Virginia Fire Prevention Code to the Virginia Department of Fire Programs. In addition, it reduces the agency's nongeneral fund appropriation to reflect the transfer of revenue from various nongeneral fund sources being transferred to the Virginia Department of Fire Programs. The department remains responsible for various building code functions. For 2009, a decrease of \$2.5 million (GF), \$464,048 (NGF), and a reduction of 31 positions. For 2010, a decrease of \$2.5 million (GF) and \$464,048 (NGF).

▶ **Fund increase in dues for the Appalachian Regional Commission**

Provides additional funding for Appalachian Regional Commission dues. The assessments have increased for 2009 and 2010. For each year, \$16,000 (GF).

▶ **Provide funding for the Fort Monroe Federal Area Development Authority**

Provides funding for the Commonwealth's share of the Fort Monroe Federal Area Development Authority's (FMFADA) operating costs. Legislation enacted by the 2007 General Assembly provides for the conveyance of Fort Monroe to the authority, which was created by the City of Hampton. FMFADA is tasked with developing a reuse plan for Fort Monroe. The Commonwealth and the City of Hampton have agreed to share FMFADA's operating costs. The state's share is 75 percent of the estimated annual operating costs. For 2009, \$921,653 (GF).

▶ **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. These include reductions in funding for pass-through entities, planning district commissions, and regional research and development centers. For each year, a reduction of \$711,938 (GF).

▶ **Reduce funding for the Southeast Rural Community Assistance Project, Inc.**

Reduces funding for the Southeast Rural Community Assistance Project, Inc. by five percent. This is a continuation of the reduction included in the Governor's 2008 reduction plan. For each year, a reduction of \$78,156 (GF).

► **Reduce funding for planning and construction costs for regional planning district commissions participating in the Southwest Virginia Water Construction Program**

Reduces funding for planning and construction costs for regional planning district commissions participating in the Southwest Virginia Water Construction Program. This is a continuation of a strategy contained in the Governor's 2008 reduction plan. For each year, a reduction of \$191,100 (GF).

► **Eliminate funding for technical assistance in the application for New Market tax credits**

Removes funding currently in the agency's budget for technical assistance to localities in the application process for federal New Market tax credits. The tax credits are a federal program designed to stimulate private investment in distressed communities. This function can be accomplished by the newly created Community Development Bank. For each year, a reduction of \$100,000 (GF).

► **Provide additional funding for rural broadband**

Provides gap financing to assist individual communities in connecting to the broadband backbone established in many rural areas of the state. In addition, language directs the department to use up to \$200,000 of the funding provided in the first year for a feasibility study and to plan for a business incubator and higher education center on Wallops Island. The center will serve as a hub for broadband communication on Virginia's Eastern Shore. For each year, \$500,000 (GF).

► **Develop a feasibility study and business plan for the Eastern Shore Higher Education Center and Business Incubator**

Provides a federal fund appropriation for the department to conduct a feasibility study and develop a business plan for the Eastern Shore Higher Education Center and Business Incubator on Wallops Island. Language also directs the use of \$200,000 from the general fund in the first year provided for rural broadband for this project since the Center will serve as a hub for rural broadband on Wallops Island. For 2009, \$40,000 (NGF).

► **Provide funding for the T. Nelson Elliott Dam Improvement Project**

Provides pass-through funding to the City of Manassas for the T. Nelson Elliott Dam Improvement Project. The dam was completed in 1971 and created Lake Manassas, which supplies drinking water to over 100,000 people in the City of Manassas, Prince William County and the City of Manassas Park. Improvements to the dam are necessary to comply with regulatory safety requirements. For 2009, \$150,000 (GF).

► **Provide mortgage counseling assistance**

Provides additional funding for foreclosure counseling services statewide. The funds may be used to provide training and assistance to counselors specializing in foreclosure prevention, loss mitigation and consumer rights under existing mortgage lending laws and regulations, or may be used for grants to nonprofit organizations to support new or expanded foreclosure prevention counseling services targeted to areas of the state and populations at greatest risk. For 2009, \$200,000 (GF).

► **Allocate funds for program administration and**

implementation

A language amendment to allow the department to use up to two percent of the general fund appropriation for certain homeless programs for costs incurred in the administration and implementation of these programs. The funding is needed in order for the department to perform adequate oversight and provide training and technical assistance to the service providers.

Department of Labor and Industry

<http://www.doli.virginia.gov/>

It is the mission of the Virginia Department of Labor and Industry to make Virginia a better place in which to work, live, and conduct business. We will achieve this goal by promoting safe, healthful workplaces, best employment practices, job training opportunities through registered apprenticeship, the protection of children from hazardous employment, and safe operation of boiler and pressure vessels.

Key Objectives and Performance Measures

► **We will increase the numbers of apprentices enrolled in Virginia's Registered Apprenticeship Programs.**

To increase the number of apprentices participating in the Registered Apprenticeship training programs.

► **We will advance the fair and efficient investigation of wage complaints.**

To complete 90 percent of the payment of wage investigations within 90 days.

► **We will work toward reducing workplace fatalities in the high-hazard construction industry.**

To reduce the rate of workplace fatalities in the high-hazard construction industry per 100,000 workers.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$6,745,668	\$5,246,020	181.00
2006 Appropriation	\$6,870,186	\$5,378,737	180.00
2007 Appropriation	\$7,422,611	\$5,963,162	183.00
2008 Appropriation	\$8,002,206	\$5,962,262	183.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$8,002,206	\$5,962,262	183.00
2009 Addenda	\$637,214	\$49,420	1.00
2009 TOTAL	\$8,639,420	\$6,011,682	184.00
2010 Base Budget	\$8,002,206	\$5,962,262	183.00
2010 Addenda	\$710,503	\$49,420	1.00
2010 TOTAL	\$8,712,709	\$6,011,682	184.00

Recommended Operating Budget Addenda

► **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency's budget to reflect the amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and

Department of Labor and Industry (Continued)

disability contribution rates and other centrally funded items. For each year, \$429,032 (GF) and \$49,420 (NGF).

► **Provide funding to correct for funding split of Central Appropriations amounts**

Provides funding for a general fund shortfall that resulted from an incorrect fund split between general and nongeneral funds for the agency's Central Appropriations distributions. For each year, \$283,142 (GF).

► **Provide funding for salary increases for safety and health workers in the Northern Virginia area**

Provides funding for competitive salary increases for compliance occupational safety and health compliance officers (CSHOs) in the Northern Virginia region. The department has experienced great difficulty in recent years hiring and retaining highly skilled CSHOs in the Northern Virginia area due to increased competition from the private and federal sectors. This funding is needed to retain safety and health workers who play a critical role in protecting Virginia's workers. For 2009, \$61,216 (GF). For 2010, \$128,560 (GF).

► **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$256,000 (GF).

► **Provide funding for Agency Risk Management and Internal Control Standards Directive**

Provides funding and staff to aid with the Agency Risk Management and Internal Control Standards (ARMICS) Directive, mandated by the Office of the Comptroller's Directive 1-07. The agency has no internal audit staff or other administrative staff available to absorb this function. The addition of this management level position will ensure compliance with requirements of ARMICS. For 2009, \$119,824 (GF) and one position. For 2010, \$125,769 (GF).

► **Modify language to include all voluntary compliance programs**

Modifies existing language to allow the department to use civil penalties retained, as authorized by the 2007 Appropriation Act, as the match for federal funding for both of its occupational safety and health voluntary compliance programs. The language as currently written implies that the retained funding may be used as a match for only one of the agency's two voluntary compliance programs.

↔ **We will eliminate adverse environmental conditions and public safety hazards resulting from mineral and fossil fuel extraction sites .**

Percentage of permitted sites with no adverse off-site environmental damage or public safety hazards.

↔ **We will reduce future state government energy costs.**

Amount of saved energy costs achieved through energy conservation and procurement strategies.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$9,545,182	\$17,845,337	237.00
2006 Appropriation	\$9,574,799	\$17,845,337	236.00
2007 Appropriation	\$12,917,049	\$18,601,968	240.00
2008 Appropriation	\$11,787,097	\$18,601,968	240.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$11,787,097	\$18,601,968	240.00
2009 Addenda	\$1,124,952	\$2,242,880	3.00
2009 TOTAL	\$12,912,049	\$20,844,848	243.00
2010 Base Budget	\$11,787,097	\$18,601,968	240.00
2010 Addenda	\$1,257,469	\$2,242,880	3.00
2010 TOTAL	\$13,044,566	\$20,844,848	243.00

Recommended Operating Budget Addenda

► **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$971,327 (GF) and \$962,334 (NGF).

► **Increase appropriation for federal grants for energy conservation projects**

Increases the agency's federal appropriation to reflect federal energy grants. Historically, the agency receives at least \$600,000 in federal grants every year. Increasing the agency's appropriation will reduce the need to adjust the nongeneral fund appropriation administratively. For each year, \$600,000 (NGF).

► **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a decrease of \$185,936 (GF) and an increase of \$77,046 (NGF).

► **Provide funding to create the Virginia Energy Management Program**

Provides funding and three positions to create the Virginia Energy Management Program (VEMP) within the department. VEMP will serve as the central coordinator for all statewide energy efficiency efforts and will work to implement best practices in operating and maintaining state-owned buildings, aggregating procurement of natural gas, and other energy-related initiatives. These efforts are projected to reduce future

Department of Mines, Minerals and Energy

<http://www.dmme.virginia.gov/>

It is the mission of the Department of Mines, Minerals and Energy (DMME) to enhance the development and conservation of energy and mineral resources in a safe and environmentally sound manner to support a more productive economy.

Key Objectives and Performance Measures

↔ **We will eliminate accidents, injuries, and fatalities at mineral and fossil fuel sites.**

Number of serious injuries and fatalities at mineral and fossil fuel extraction sites per 200,000 worker hours.

energy costs, addressing Governor Kaine's Executive Order 48, which calls for executive branch agencies and institutions to reduce their non-renewable energy purchases by at least 20 percent of 2006 expenditures by 2010. For 2009, \$339,561 (GF) and three positions. For 2010, \$472,078 (GF).

► **Fund water permitting activities with fee collection**

Provides the agency with a nongeneral fund appropriation for new fees to be used to support the administration and enforcement of ensuring water quality under the federal Environmental Protection Agency's National Pollutant Discharge Elimination System program. This appropriation is contingent upon the approval of associated legislation that authorizes the agency to collect fees for issuing surface water discharge permits for coal mine sites. For each year, \$603,500 (NGF).

Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$1.0 million (NGF).

► **Provide nongeneral fund appropriation to fully fund positions added in 2008 for enforcement**

Provides funding to annualize the salary costs for 32 positions added in 2008 for enforcement. Salary costs for 2008 were based on a plan to fill the positions throughout the year and were calculated based on the anticipated hire date for each position. For 2009 and 2010 all positions will be filled and salaries will need to be funded at the full level. For each year, \$484,634 (NGF).

► **Increase nongeneral fund appropriation for Martial Arts Advisory Board**

Increases the agency's nongeneral fund appropriation to reflect an increase in revenues and expenses for the Boxing and Wrestling Board resulting from legislation enacted by the 2007 Session of the General Assembly (Chapter 853 of the 2007 Acts of Assembly). For each year, \$56,570 (NGF).

► **Increase nongeneral fund appropriation to reflect rates charged by the Virginia Information Technologies Agency**

Increases the agency's nongeneral fund appropriation to reflect information technology rate increases. For each year, \$244,236 (NGF).

► **Increase nongeneral fund appropriation for Real Estate Board**

Increases the agency's nongeneral fund appropriation to reflect an increased workload for the Real Estate Board resulting from legislation passed by the 2007 Session of the General Assembly (Chapter 809 of the 2007 Acts of Assembly), which increased the real estate continuing education requirements. For each year, \$63,670 (NGF).

► **Add a position for Real Estate Board**

Adds a position to reflect an increased workload for the Real Estate Board resulting from legislation passed by the 2007 Session of the General Assembly (Chapter 809 of the Acts of Assembly) which increased the real estate continuing education requirements. For 2009, one position.

Department of Professional and Occupational Regulation

<http://www.state.va.us/dpor/welcome.htm>

The Department of Professional and Occupational Regulation's mission is to protect the health, safety and welfare of the public by licensing qualified individuals and businesses and enforcing standards of professional conduct for professions and occupations as designated by statute.

Key Objectives and Performance Measures

➤ **We will issue licenses, certifications, registrations, and other authorizations to individuals and businesses in an efficient manner.**

Increase the percentage of licenses issued within 15 days of receipt of completed application, payment or exam post date.

➤ **We will investigate and resolve complaints efficiently through alternatives to the formal disciplinary process.**

Reduce the proportion of complaints that are resolved through the official disciplinary process.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$11,472,485	137.00
2006 Appropriation	\$0	\$13,286,379	144.00
2007 Appropriation	\$0	\$15,909,646	149.00
2008 Appropriation	\$0	\$17,301,875	181.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$17,301,875	181.00
2009 Addenda	\$0	\$1,895,789	1.00
2009 TOTAL	\$0	\$19,197,664	182.00
2010 Base Budget	\$0	\$17,301,875	181.00
2010 Addenda	\$0	\$1,895,789	1.00
2010 TOTAL	\$0	\$19,197,664	182.00

Recommended Operating Budget Addenda

► **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from

Virginia Economic Development Partnership

<http://www.yesvirginia.org/>

To enhance the quality of life and raise the standard of living for all Virginians, in collaboration with Virginia communities through aggressive business recruitment, expansion assistance, and trade development, thereby building the tax base and creating higher income employment opportunities.

Key Objectives and Performance Measures

➤ **We will assist new and existing companies in making investments in Virginia.**

Dollars invested by new and existing companies.

➤ **We will assist new and existing companies in creating jobs in Virginia.**

Number of Jobs created by new and existing companies.

- We will assist Virginia companies in increasing international sales of their products and services. Companies counselled or engaged in a Trade event.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$15,933,880	\$0	0.00
2006 Appropriation	\$15,616,939	\$0	0.00
2007 Appropriation	\$18,562,701	\$0	0.00
2008 Appropriation	\$16,962,701	\$0	0.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$16,962,701	\$0	0.00
2009 Addenda	\$413,309	\$0	0.00
2009 TOTAL	\$17,376,010	\$0	0.00
2010 Base Budget	\$16,962,701	\$0	0.00
2010 Addenda	\$413,309	\$0	0.00
2010 TOTAL	\$17,376,010	\$0	0.00

Recommended Operating Budget Addenda

- ▶ **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$1.1 million (GF).

- ▶ **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$920,000 (GF).

- ▶ **Eliminate funding for modeling and simulation**

Removes funding currently in the agency's budget to market the Commonwealth's modeling and simulation industry. For each year, a reduction of \$125,000 (GF).

- ▶ **Market to India and China**

Provides funding for the Partnership to provide a presence in both India and China. This may include working with local and regional economic development offices, other state agencies, universities, and private sector partners. This funding will allow the Partnership to capitalize on gains achieved in both of these growing markets. For each year, \$100,000 (GF).

- ▶ **Provide matching funds for the Virginia International Trade Alliance program**

Provides funding to match funds generated from private sector participants in the Virginia International Trade Alliance program. The program is a coalition of private sector companies across the Commonwealth dedicated to the advancement of international trade and investment. It is staffed by the Partnership and the Virginia Port Authority. For each year, \$250,000 (GF).

Virginia Employment Commission

<http://www.vec.state.va.us/>

Mission Statement:

The Virginia Employment Commission's mission is to promote economic growth and stability by delivering and coordinating workforce services to include: policy development; job placement services; temporary income support; workforce information; and transition and training services. To accomplish our mission, we will: partner with our stakeholders; develop and empower staff; improve our processes; embrace innovative solutions and technologies; and continually renew our organization.

Key Objectives and Performance Measures

- **Measure and report the number of job seekers, who successfully find new employment after receiving job placement services from the VEC.**

Wagner-Peyser Entered Employment Rate

- **Meet or exceed the United States Department of Labor standard of 87 percent for first payments of unemployment insurance benefits made within 14 days of the first compensable week.**

Timely Payment of Unemployment Insurance Benefits

- **Compute and release to the public the statewide unemployment rate and the rates for all Virginia cities and counties, according to the schedule established by USDOL.**

Statewide Unemployment Rates

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$180,637	\$597,067,403	1,068.50
2006 Appropriation	\$80,637	\$571,774,099	1,042.50
2007 Appropriation	\$82,167	\$612,590,467	1,037.50
2008 Appropriation	\$82,167	\$624,722,601	1,037.50

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$82,167	\$624,722,601	1,037.50
2009 Addenda	(\$81,680)	(\$44,502,227)	-172.50
2009 TOTAL	\$487	\$580,220,374	865.00
2010 Base Budget	\$82,167	\$624,722,601	1,037.50
2010 Addenda	(\$81,680)	(\$39,502,226)	-172.50
2010 TOTAL	\$487	\$585,220,375	865.00

New Capital Outlay Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Addenda	\$0	\$3,600,000	0.00
2010 Addenda	\$0	\$0	0.00

Recommended Operating Budget Addenda

- ▶ **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance

premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$487 (GF) and \$5.8 million (NGF).

► **Decrease appropriation to reflect reduced federal grant funding**

A technical adjustment to reduce the administrative funding for the agency to reflect a decrease in federal support due to decreased workloads resulting from low unemployment and greater efficiencies anticipated as a result of opening One-Stop customer contact centers. For 2009, a decrease of \$9.6 million (NGF) and 134.5 positions. For 2010, a decrease of \$9.6 million (NGF).

► **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$82,167 (GF).

► **Capture savings associated with reduced check processing costs**

Captures the savings from check processing costs because the agency has switched to paycards for payment of unemployment benefits. For each year, a reduction of \$106,665 (NGF).

► **Realign labor market information grant**

A technical amendment to realign federal grant funding between service areas to better reflect the agency's strategic plan.

► **Transfer Workforce Investment Act funding and positions**

As part of the Commonwealth's restructuring of workforce services, the Virginia Community College System will become the grant recipient and fiscal agent for federal Workforce Investment Act funding as of July 1, 2008. This adjustment transfers the funding and positions to implement the restructuring. For 2009, a decrease of \$47.2 million (NGF) and 38 positions. For 2010, a decrease of \$47.2 million (NGF).

► **Transfer the Workforce Innovation in Regional Economic Development grant as part of workforce restructuring**

As part of the Commonwealth's restructuring of workforce services, the Virginia Community College System will become the grant recipient and fiscal agent for federal Workforce Innovation in Regional Economic Development funding as of July 1, 2008. This adjustment transfers the second and third years of the three-year performance grant for training services. For 2009, a decrease of \$1.7 million (NGF). For 2010, a decrease of \$1.7 million (NGF).

► **Allocate federal Reed Act funds for administration of employment security services**

Allows federal Reed Act funds to be used for employment services administration. The funding will allow the agency to continue to provide services for employers and workers. For each year, \$8.3 million (NGF).

► **Appropriate penalty and interest funds to support administration of employment security services**

Provides funding from the penalty and interest fund for operational support of the agency, including rent payments, facility maintenance, and information technology. For 2010, \$5.0 million (NGF).

► **Extend language for upgrading obsolete information technology system**

A language only amendment to allow Reed Act funding to be

used to continue upgrading the obsolete benefits administration computer system.

Recommended Capital Outlay Addenda

► **Institute One-Stop Centers**

Provides funds for an umbrella capital project to consolidate and relocate local offices into the One-Stop Customer Service Centers for employment security services and workforce services. The project will be funded from the penalty and interest revenue that the agency collects from unemployment taxes on businesses. For the biennium, \$3.6 million (NGF).

Virginia Racing Commission

<http://www.vrc.virginia.gov/>

To promote, sustain, grow, and control a native horse racing industry with pari-mutuel wagering by prescribing regulations and conditions that command and promote excellence and complete honesty and integrity in racing and wagering.

Key Objectives and Performance Measures

➤ **We will ensure that all participants in racing are permitted.**

Number of Permits Issued and Renewed

➤ **We will increase the number of live race days.**

Number of Live Race Days

➤ **We will Increase the tax revenue to the Commonwealth and local governments from pari-mutuel wagering.**

Amount of Pari-Mutuel Tax Revenue Received by the Commonwealth and Localities

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$0	\$3,796,130	10.00
2006 Appropriation	\$0	\$4,208,130	10.00
2007 Appropriation	\$0	\$4,932,552	10.00
2008 Appropriation	\$0	\$4,982,552	10.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$0	\$4,982,552	10.00
2009 Addenda	\$0	\$65,265	0.00
2009 TOTAL	\$0	\$5,047,817	10.00
2010 Base Budget	\$0	\$4,982,552	10.00
2010 Addenda	\$0	\$65,265	0.00
2010 TOTAL	\$0	\$5,047,817	10.00

Recommended Operating Budget Addenda

► **Distribute Central Appropriations amounts to agency budgets**

Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$65,265 (NGF).

Virginia Tourism Authority

<http://www.virginia.org/>

The Virginia Tourism Authority (VTA) is a creative and dynamic organization blazing new paths in marketing for the tourism and film industries in Virginia to bring more visitors and film producers to the Commonwealth; to get them staying longer; and to spend more money.

Key Objectives and Performance Measures

- **We will increase the number of consumer inquiries for travel and destination information.**
Number of consumer inquiries.
- **We will increase film and video production spending in Virginia.**
Spending by film and video production companies.
- **We will increase meeting and convention spending in Virginia.**
Spending by conventioners and business meeting attendees.

Operating Budget History

	General Fund	Nongeneral Fund	Positions
2005 Appropriation	\$11,744,914	\$0	0.00
2006 Appropriation	\$14,130,098	\$0	0.00
2007 Appropriation	\$16,805,049	\$0	0.00
2008 Appropriation	\$15,740,260	\$0	0.00

New Operating Budget Summary

	General Fund	Nongeneral Fund	Positions
2009 Base Budget	\$15,740,260	\$0	0.00
2009 Addenda	(\$1,645,930)	\$2,500,000	0.00
2009 TOTAL	\$14,094,330	\$2,500,000	0.00
2010 Base Budget	\$15,740,260	\$0	0.00
2010 Addenda	(\$1,645,930)	\$2,500,000	0.00
2010 TOTAL	\$14,094,330	\$2,500,000	0.00

Recommended Operating Budget Addenda

- **Distribute Central Appropriations amounts to agency budgets**
Adjusts the agency budget to reflect amounts moved from Central Appropriations to cover the cost of items such as the continuation of 2007 and 2008 salary and health insurance premium increases, as well as changes in retirement and disability contribution rates and other centrally funded items. For each year, \$476,833 (GF).
- **Remove one-time funding for marketing for Jamestown 2007 Commemoration**
Removes funding provided in 2008 for the marketing of the Jamestown 2007 Commemoration. For each year, a reduction of \$250,000 (GF).
- **Transfer funding for pass-through payments to the correct service area**
A technical adjustment to move funding for pass-through payments for governmental and non-governmental entities to the correct service area.

▶ **Continue 2008 budget reductions**

Continues the budget reductions included in the Governor's 2008 reduction plan into the 2008-10 biennium. For each year, a reduction of \$857,013 (GF).

▶ **Reduce funding for the micro-grant program**

Reduces funding currently in the agency's budget for the micro-grant program. This program provides grants of approximately \$5,000 to \$20,000 to small businesses predominately in rural areas of the state. For each year, a reduction of \$375,000 (GF).

▶ **Eliminate pass-through grants**

Eliminates the remaining funding in the agency's budget for pass-through payments to the Virginia Foundation for the Humanities, the Tredegar National Civil War Center, the Outdoor Advertising Association of Virginia, the Virginia Association of Broadcasters, and the Coalfield Regional Tourism Authority. The Governor's 2008 Reduction Plan included reductions to the Virginia Foundation for the Humanities, the Tredegar National Civil War Center, the Outdoor Advertising Association of Virginia, and the Virginia Association of Broadcasters. For each year, a reduction of \$740,750 (GF).

▶ **Provide funding for the Daniel Boone Visitor Center**

Provides pass-through funding for the Daniel Boone Visitor Center. The funds will be used to toward the Center's operating costs. For each year, \$100,000 (GF).

▶ **Appropriate monies from the Virginia Tourism Enhancement Fund**

Provides additional funding for marketing and advertising. The fund source is monies generated from the Jamestown 400th anniversary registration fee collected by the Department of Motor Vehicles (DMV). Each year, up to \$2.5 million of the revenue collected by DMV from this fee will be deposited to the Virginia Tourism Enhancement Fund and used by the authority for marketing and advertising. For each year, \$2.5 million (NGF).