

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB1343

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Jones

3. Committee: Appropriations

4. Title: Commonwealth Competitiveness Board.

5. Summary: Establishes the Commonwealth Competitiveness Board to administer the Commonwealth Competitiveness Fund, which will be used to award grants for bioscience, biotechnology, commercialization of research, cybersecurity, genomics, other technological or scientific projects, regional economic development projects, and such other projects and programs specified in the general appropriation act. The Board is required to develop criteria for awarding grants, including the potential for the project or program to (i) culminate in the commercialization of research; (ii) culminate in the formation or spin-off of viable bioscience, biotechnology, cybersecurity, genomics, or similar companies; (iii) promote the build-out of centers of excellence in science or technology; (iv) promote research and development; (v) provide modern facilities or infrastructure for research and development; (vi) result in significant capital investment and job creation; (vii) foster regional economic development or diversification; or (viii) address workforce shortages in high-demand fields. In awarding grants, preference will be given to projects and programs for which matching funds are allocated by businesses or local government entities. Decisions of the Board will be final and not subject to review or appeal.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Indeterminate. See item 8, below.

8. Fiscal Implications: The fiscal impact of this legislation to the Commonwealth is indeterminate. This bill creates the Commonwealth Competitiveness Board (Board) to administer the Commonwealth Competitiveness Fund (Fund), which is also established by the legislation. The Board is charged with establishing criteria for grants awarded from the Fund.

Given the unknown size and scope of the grant program, the fiscal impact to the Commonwealth is indeterminate. Mainly, two issues are pertinent in this regard. First, the bill does not identify a source of funding for the Fund although it would appear that an appropriation of some sort would be needed to capitalize the Fund. Second, the bill also provides that agencies within the Secretariats of Commerce and Trade, Technology, and Education will provide staff support and technical assistance to the Board. At this point, it is

not known if those agencies could absorb the workload related to supporting the Board's actions within existing staff and resources.

The bill provides that members of the Board will be reimbursed for reasonable expenses incurred in attendance at meetings. Item 1, paragraph B.6.d. of Chapter 665, 2015 Acts of Assembly (2015 Appropriation Act), provides for the compensation of \$200 per day for members of the General Assembly in attendance at official meetings. Per § 2.2-2813, Code of Virginia, non-legislative members who are not full-time employees of the Commonwealth or any of its local political subdivisions would be reimbursed at a rate of \$50 per day plus expenses for each day. Full-time employees of the Commonwealth or any of its local political subdivisions are only eligible for reimbursement of expenses incurred. The current Department of Accounts per diem rate for the City of Richmond is \$64 per day for meals and incidental travel expenses. If the board meets at least twice annually, it is anticipated that \$6,240 will be required to reimburse board members for reasonable expenses. The table below details the breakdown of these costs.

	Number of members	Compensation per meeting day	Number of Meetings	Cost
Legislative members	12	\$200	2	\$4,800
Full-time Commonwealth employees	8	\$64	2	\$1,024
Citizen members	2	\$104	2	\$416
Total Cost				\$6,240

9. Specific Agency or Political Subdivisions Affected: Innovation and Entrepreneurship Investment Authority, agencies within the Secretariats of Commerce and Trade, Technology, and Education.

10. Technical Amendment Necessary: No.

11. Other Comments: None.