

Department of Planning and Budget 2020 Fiscal Impact Statement

1. Bill Number: HB472

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: Runion

3. Committee: General Laws

4. Title: Department of Small Business and Supplier Diversity; Virginia Small Business Financing Authority.

5. Summary: This bill provides that the Virginia Small Business Financing Authority shall develop and utilize a scoring system based on project characteristics and other criteria as determined by the Authority to (i) award grants under the Small Business Investment Grant Fund and (ii) set the reimbursement rate for each grant award. This bill is a recommendation of the Joint Legislative Audit and Review Commission.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary, see item 8.

8. Fiscal Implications: It is anticipated that this bill will result in an increase in workload for the Virginia Small Business Financing Authority (VSBFA) that can be absorbed using existing resources. This bill is expected to increase staff time to process grant applications from investors and small businesses, make grant disbursements, and fulfill the annual statutory requirements for post-grant tracking. Currently, the program requires six full weeks of staff time for grant processing and tracking; the Department of Small Business and Supplier Diversity anticipates that the implementation of a scoring system, which requires separate reimbursement rates for each business, would necessitate an additional four to six weeks of staff time. *This revised impact statement reflects the number of weeks currently required for grant processing and tracking.*

9. Specific Agency or Political Subdivisions Affected: Virginia Small Business Financing Authority, Department of Small Business and Supplier Diversity.

10. Technical Amendment Necessary: The provisions proposed by the bill provide that the VSBFA shall develop and utilize a scoring system based on project characteristics and other criteria to set the reimbursement rate for each grant award. However, lines 51 and 52 of the bill reference a reimbursement rate of 50 percent of the qualified investment or \$50,000.

11. Other Comments: None.