

Department of Planning and Budget 2022 Fiscal Impact Statement

1. Bill Number: HB186

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Campbell, J.L.

3. Committee: Passed both Houses.

4. Title: Nitrile Glove Manufacturing Training Grant Program; established.

5. Summary: Establishes a grant program of up to \$4.6 million, for the Virginia Economic Development Partnership, through the Virginia Talent Accelerator Program, to support the recruitment and training needs of nitrile glove manufacturing companies located in the Mount Rogers Planning District. The bill specifies that companies shall be eligible for services funded only if they enter into a memorandum of understanding with the Virginia Economic Development Partnership Authority to create at least 2,464 new jobs that are for full-time employees and that pay an annual wage of at least \$37,321, make a capital investment of at least \$714.1 million in the Commonwealth, and meet the performance targets in subdivisions 1 and 2 on or before January 1, 2027.

6. Budget Amendment Necessary: See item 8.

7. Fiscal Impact Estimates: Final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2022	\$1,427,000	n/a	GF
2023	\$560,000	n/a	GF
2024	\$735,000	n/a	GF
2025	\$852,000	n/a	GF
2026	\$1,027,000	n/a	GF

8. Fiscal Implications: This bill establishes the Nitrile Glove Manufacturing Training Grant Program. The bill stipulates that the Commonwealth will provide an aggregate of \$4.6 million, payable in five annual installments of \$1.4 million in FY 2022, \$560,000 in FY 2023, \$735,000 in FY 2024, \$852,000 in FY 2025, and \$1.03 million in FY 2026 to an eligible company, should the company meet its performance metrics. Grants to an eligible company are to be paid by the Virginia Economic Development Partnership Authority through the Virginia Talent Accelerator Program.

HB29/SB29, as introduced, includes \$7.4 million from the general fund in FY 2022 for the Virginia Talent Accelerator Program. HB30/SB30, as introduced, includes additional funding

in the amount of \$2.33 million from the general fund in FY 2023 and FY 2024, increasing funding to \$9.7 million from the general fund in FY 2023 and FY 2024 for the Virginia Talent Accelerator Program. According to VEDP, this funding is not sufficient to absorb the costs of the incentive provided in this bill and to continue provide additional services to other eligible companies

9. Specific Agency or Political Subdivisions Affected: Virginia Economic Development Partnership.

10. Technical Amendment Necessary: No.

11. Other Comments: SB595 is the companion to this bill.

The General Assembly's Major Employment and Investment (MEI) Project Approval Commission approved an additional investment of \$8.5 million to support this project. Item 112 of HB29/SB29, as introduced, includes \$8.5 million from the general fund in FY 2022 to be provided to the County of Wythe for expenses related to the installation of a water tank in Progress Park, wastewater treatment plant improvements, and wastewater line extensions in the County. The improvements are meant to enhance infrastructure for businesses in Progress Park and properties in the surrounding area, including a nitrile butadiene rubber production plant and a medical-grade glove manufacturing facility.

The budgets adopted by the Senate and the budget adopted by the House both provide \$1.43 million in FY 2022, \$560,000 in FY 2023, and \$735,000 in FY 2024, from the general fund, to the Virginia Economic Development Partnership Authority as supplemental funding to support training and recruitment services associated with this bill. Additionally, the House's budget moves funding included in the HB29/SB29, as Introduced, to support upgrades at Progress Park to the Virginia Business Ready Sites program and directs \$8.5 million of the Ready Sites funding be used to support the site upgrades.