

CONTROLLER'S REPORT TO THE FINANCE AND AUDIT COMMITTEE

January 27, 2021

FY2021: OPERATIONS BUDGET TO ACTUAL FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

<u>Division</u>	<u>Budget</u>	<u>YTD Actual</u>	<u>50%</u>
Talent Solutions (Note)	7,967,294	2,408,316	30%
International Trade	6,924,772	2,085,201	30%
Business Investment	6,078,553	2,346,416	39%
Research	2,874,932	1,249,584	43%
Marketing and Communications	4,483,864	1,311,639	29%
Economic Competitiveness	999,039	451,566	45%
Information Technology	1,401,537	547,762	39%
Incentives	637,906	287,557	45%
Administration	4,307,640	1,909,238	44%
Total VEDP Operations	35,675,537	12,597,279	35%
Projects, Pass Thru's, and Grants	5,562,500	443,404	8%
Total VEDP	41,238,037	13,040,683	32%

Note: Talent Solutions includes both the Virginia Talent Accelerator Program and VJIP Program operations spending. New recurring costs for the Virginia Talent Accelerator Program were avoided earlier in the fiscal year with the anticipation of potential funding reductions. Program expenditures are now ramping up quickly to meet project demand and support economic recovery.

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- **All divisions are below budget through the first six months of the fiscal year, largely due to the previous hiring freeze and other efforts to reduce expenditures during state budget uncertainty.**
- The market-facing divisions (International Trade, Business Investment, and Marketing and Communications) are under budget (33% combined). This trend will continue through the third quarter with accelerated spending expected in the fourth quarter of FY21.
- Projects, Pass Thru's and Grants are under budget (8%) through the first six months of the fiscal year. The FY21 budget includes \$3.1 million for the Virginia Business Ready Sites Development and Characterization programs, and \$2.3 million for the Brownfields Restoration and Redevelopment Fund. Spending for these programs is expected to increase in the fourth quarter of FY21.