

CONTROLLER'S REPORT TO THE FINANCE AND AUDIT COMMITTEE

October 20, 2021



Virginia
Economic
Development
Partnership
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FY2021: OPERATIONS BUDGET TO ACTUAL FOR THE TWELVE MONTHS ENDED JUNE 30, 2021

<u>Division</u>	<u>2021 Budget</u>	<u>2021 Actual</u>	<u>% Spent 100%</u>
Talent Solutions (Note)	7,967,294	5,761,028	72%
International Trade	6,945,772	6,681,388	96%
Business Investment	6,078,553	5,170,849	85%
Research	2,874,932	2,825,762	98%
Marketing and Communications	4,462,864	3,824,472	86%
Economic Competitiveness	999,039	840,139	84%
Information Technology	1,581,537	1,488,912	94%
Incentives	655,996	641,747	98%
Administration	5,108,360	5,021,329	98%
Total VEDP Operations	36,674,347	32,255,627	88%
Projects, Pass Thru's, and Grants	5,312,500	3,062,092	58%
Total VEDP	41,986,847	35,317,719	84%

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 continued to ramp up later in the fiscal year to meet project demand and support economic recovery.

FY2021: OPERATIONS BUDGET TO ACTUAL FOR THE TWELVE MONTHS ENDED JUNE 30, 2021

- All divisions are below budget for the fiscal year.
- Most divisions have some amount of underspending due to staff vacancies related to the state hiring freeze in the first six months of FY21.
- Underspending is primarily in the market-facing divisions (Talent Solutions, International Trade, Business Investment, and Marketing and Communications). Spending rate was lower in the first six months of the fiscal year due to the hiring freeze and other efforts to reduce expenditures during state budget uncertainty, with increased spending in the third and fourth quarters.
- Projects, Pass Thru's and Grants were under budget by \$2.2 million. This represents funds budgeted for the Virginia Business Ready Sites Development and Characterization programs that were carried forward and included in the FY22 budget.

FY2022: OPERATIONS BUDGET TO ACTUAL FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

<u>Division</u>	<u>2022 Budget</u>	<u>2022 YTD Actual</u>	<u>% Spent 25%</u>
Talent Solutions (Note)	12,201,385	1,367,986	11%
International Trade	8,635,586	1,454,330	17%
Business Investment	6,337,915	1,467,149	23%
Research	2,964,875	665,884	22%
Marketing and Communications	5,012,844	779,738	16%
Economic Competitiveness	1,033,198	165,459	16%
Information Technology	1,446,265	354,063	24%
Incentives	658,969	148,970	23%
Administration	4,560,844	1,050,450	23%
Total VEDP Operations	42,851,881	7,454,029	17%
Projects, Pass Thru's, and Grants	11,580,368	150,000	1%
Total VEDP	54,432,249	7,604,029	14%

Note: Talent Solutions FY22 budget includes \$10,608,841 for the Talent Accelerator Program, \$1,092,544 for VJIP Program operations, and \$500,000 for VOEE.

FY2022: OPERATIONS BUDGET TO ACTUAL FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

- All divisions are below budget through the first three months of the fiscal year.
- The market-facing divisions (Talent Solutions, International Trade, Business Investment, and Marketing and Communications) are under budget (16% combined). This spending rate is expected to increase as we move into the second and third quarters of FY22.
- Projects, Pass Thru's and Grants are under budget through the first three months of the fiscal year. The FY22 budget includes \$9.3 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 later in the fiscal year.