

The *Small Business Jobs Grant Fund* (SBJGF) was created by HB 943. Introduced in 2010 by Delegate Steve Landes and passed by the General Assembly, the bill provides grants to small businesses that create at least five new full-time positions within a 12-month period, provided that the business meets criteria for participation. Part of the criteria includes paying at least the prevailing average annual wage in the locality in which the business is located. The Virginia Jobs Investment Program (VJIP) at the VEDP sets aside 10% of its overall fiscal year appropriation to fund this program.

SBJGF, managed by the Virginia Department of Small Business and Supplier Diversity (SBSD) pursuant to § 2.2-1615 of the *Code of Virginia*, has been helping small businesses by providing grants to help them expand or retrain.

In order to qualify, a company must make a capital investment of at least \$100,000 and create a minimum of 5 net new full time positions.

Fiscal Year Results:

	Total
Total Projects	68
Central	8
Northern	34
Southside	0
Southwest	2
Hampton Roads	15
Valley	9
Total Jobs Created or Retained	528
Central	53
Northern	357
Southside	0
Southwest	0
Hampton Roads	83
Valley	35

Total jobs funded by SBJGF paid an average wage of \$31.78 per hour or \$66,102.40 annually, which generated approximately \$3,956 in annual state income tax revenues per job.

The program’s goal is to recover the Commonwealth’s investment within one year, through income and sales taxes paid by each new job created. With an average reimbursement rate of \$820.61, the program’s payback period for the investment was 2.5 months.

This incentive program is performance-based, which means that the company will not receive the grant until they create the job or retrain their employees and make the \$100,000 capital investment.

To be eligible for assistance for SBJGF, a company must:

- Be for-profit
- Create basic employment for the Commonwealth in one of the following business sectors: Manufacturing; Distribution Centers; Corporate Headquarters for a company with multiple facilities; Research and Development; Information Technology Services exclusively for businesses; and Inbound Call Centers.
- Pay a minimum entry-level wage rate of \$10.00 per hour. In areas that have unemployment of two times or more the state level, this wage minimum may be waived. Only full-time jobs filled by Virginia residents that qualify for benefits are eligible for funding.
- Be a small business.
- Create a minimum of five (5) net new jobs and make a new capital investment of at least \$100,000.

Challenges

The program is designed for small businesses to receive funding to offset training and recruitment costs. However, due to staffing levels, we were not able to reach areas like Southside Virginia.

SWaM Business Outreach

The Virginia Jobs Investment Program extends assistance not only to major economic development projects, but also to small-, woman-, and minority-owned (SWaM) businesses creating jobs in their communities. In FY15, SBJGF assisted 64 certified SWaM companies, which created or retrained 460 jobs.