

Report on the Expenditures of the *Small Business Jobs Grant Fund*

Fiscal Year ending June 30, 2019

The *Small Business Jobs Grant Fund* (SBJGF), enacted in 2010 and amended in 2017, provides grants to small businesses creating new jobs by reimbursing a portion of the costs of hiring new employees. Eligible businesses are required to create 5 net new full-time positions and make a minimum capital investment of at least \$50,000 within a 24-month period. A small business is defined as an independently owned and operated business that has been organized in Virginia, has 50 or fewer employees in its base year, and an average annual gross receipts of \$3 million or less averaged over the previous 24-month period.

SBJGF is managed by the Virginia Department of Small Business and Supplier Diversity (SBSD) pursuant to §2.2-1615 of the *Code of Virginia*. Grants range from \$500 to \$2000 per each new full-time position created. To be eligible for the grant, a company must:

- Be for-profit and meet the small business definition.
- Create jobs in 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 equal to 1.35 times the federal minimum wage. In areas that have unemployment of two or more times the state level, this wage minimum requirement may be waived.
- Provide full-time jobs with benefits for Virginia residents.

In 2020, the Virginia General Assembly passed HB1505 that repeals this grant fund and transfers any cash balances to the *Small Business Investment Grant*. During the last several years, deployment of the SBJGF has been impaired due to the difficulty in small businesses meeting the grant requirements.

One remaining SBJGF commitment to an approved business is active until June 2020 and is expected to receive grant funding during FY2020.

The following statistical results represent Fiscal Year Ending 2019:

FY 19 Total Jobs Created: 5

Virginia Region:	Total Jobs Created by Region:
Central	3
Northern	1
Southwest	1

FY19 Total Active Projects: 3

Virginia Region:	Total Active Projects by Region:
Central	1
Northern	1
Southwest	1

FY19 Total Grant Reimbursements: \$5,802.21

Virginia Region	Total Grant Reimbursement by Region
Central	\$1,350.00
Northern	\$3,663.27
Southwest	\$ 788.94