

2024 GENERAL ASSEMBLY SESSION

WEEK #6 SESSION REPORT

February 17, 2024

Prepared for:

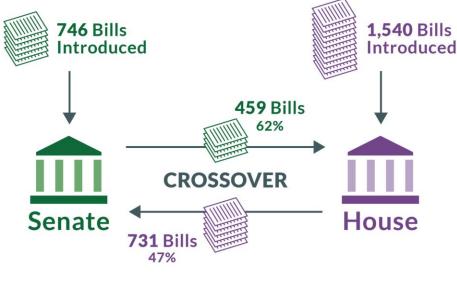


GENERAL ASSEMBLY CONCLUDES WEEK #6

To date, of the 2,815 bills and resolutions introduced, 1,011 have been passed in the House and 725 have been passed in the Senate. The legislature has chosen not to advance 814 bills and continued 333 bills to the 2025 session. As the session proceeds, we will continue to update our bill tracker with the most up-to-date information. Click below for the latest updates.



This past Tuesday was crossover, the General Assembly's deadline for bills to pass out of their body of origin to be considered by the other body. As of last Tuesday, the House will only be considering bills that passed from the Senate and the Senate will only be considering bills that passed from the House.



Source: VPAP

Of the 1,540 bills introduced in the House and the 746 bills introduced in the Senate before Tuesday, just over half of them survived through crossover. 47% of the bills in the House advanced to the Senate and 62% of the bills in the Senate advanced to the House.

February 18, 2024, marks "Budget Sunday," when the House Appropriations and Senate Finance and Appropriations committees will adopt their respective budget bills. The complete text of budget amendments is scheduled to be released on Tuesday, February 20, 2024. All budget-related decisions must be finalized by Thursday, February 22, 2024.

Please see below for some legislative updates from the past week.

LEGISLATION RELATED TO STUDENT LITERACY MEASURES ADVANCES IN THE HOUSE AND SENATE

As mentioned in previous reports, members of the General Assembly have proposed legislation to improve literacy rates for students in Virginia, a key priority of the Greater Williamsburg Chamber.

<u>HB 624</u> (Rasoul) seeks to place parameters on the Standards of Quality funding calculations performed by the Department of Education, including:

- Requiring the Department of Education (DOE) to include facilities staff and transportation staff salaries in the calculation of any cost of competing adjustment to salaries for instructional and support positions that is provided as part of the state share of basic aid;
- Requiring DOE to include an estimate of the cost of such a compensation supplement for facilities staff;
- Prohibiting DOE from applying any cap on inflation rate adjustments to non-personal cost categories during the biennial process of rebenchmarking the direct aid to public education budget; and
- Requiring DOE to utilize a three-year average of the most recently available data to calculate the composite index of local ability-to-pay for each school division.

The bill also proposes the following changes:

- Includes in the definition of "support services position" any central office clerical position that is not otherwise set forth in such definition.
- Requires a per-pupil Standards of Quality funding add-on to be provided for English language learner and special education students.
- Requires state funding to be provided to cover the actual average school division cost to educate children with disabilities.
- Establishes the At-Risk Program, defined as any state funding for programs of prevention, intervention, or remediation or pursuant to the at-risk add-on for the purpose of supporting programs for students who are educationally at risk.

HB 624 was passed in the House by a <u>85-14</u> vote this past Tuesday and is awaiting a committee assignment in the Senate.

As noted in previous reports, <u>HB 647</u> (Coyner) and <u>SB 624</u> (Lucas) seek to clarify several provisions of the Virginia Literacy Act, which was enacted during the 2022 General Assembly session.

This legislation also seeks to:

- Clarify that the term "evidence-based literacy instruction" does not include practices that instruct students to gain meaning from print with three-cueing, which includes semantic, syntactic, and graphophonic cues; meaning, structure, and visual cues; or (visual memory for word recognition);
- Removes the option to use a literacy screener approved by DOE;
- Requires DOE to develop a list of core literacy curricula for students in kindergarten through grade five and supplemental instruction practices and programs and intervention programs for students in kindergarten through grade eight that consist of evidence-based literacy instruction aligned with science-based reading research; and

• Requires each division literacy plan to address how the local school board will align core reading and literacy curriculum for students in kindergarten through grade five and screening, supplemental instruction, and interventions for students in kindergarten through grade eight with evidence-based literacy instruction practices aligned with science-based reading research.

This past Thursday, the House version of the bill was unanimously passed in the Senate Education and Health Committee. The Senate version of the bill was passed in the House Education Committee by a vote of <u>20-1</u>.

As this legislation continues to move through the process, further updates will be provided.

LEGISLATION TO ENCOURAGE K-12 STUDENTS TO OBTAIN CAREER AND TECHNICAL EDUCATION CREDENTIALS ADVANCES

The Greater Williamsburg Chamber joined a number of other organizations in supporting <u>SB 563</u> (Hackworth), which seeks to eliminate the need to take a virtual course in order to graduate and specifies that the classes offered relating to earning career and technical education credentials for high school graduation are required to be high-demand career and technical education credentials. This bill was passed in the Senate with a unanimous vote earlier this week and has been referred to the House Rules Committee.

<u>HB 1345</u> (Anthony) seeks to require the Board of Education, in collaboration with Virginia's Community College System, to develop and maintain a list of industry-recognized workforce credentials eligible to meet high school graduation requirements. This bill was passed in the House by a unanimous vote this past Tuesday and is awaiting a committee assignment in the Senate.

<u>SB 27</u> (Stanley), which seeks to establish the Public School Trades Incentive Program and Fund for the purpose of providing grants to any school board that would like to create programs for high school and middle school students to learn skilled trades that lead to earning certifications or credentials, has been assigned to the House Appropriations Committee's Elementary & Secondary Education Subcommittee for consideration there.

Further updates to come as this legislation continues to move through the process.

CLASS ACTION LEGISLATION ADVANCES IN BOTH BODIES BY A SLIM MARGIN

The Greater Williamsburg Chamber has joined the Virginia Chamber of Commerce and other stakeholders in opposing legislation that would increase the cost of doing business and place greater liability on businesses across the Commonwealth. This would have a detrimental impact on businesses and the legal climate, as well as on Virginia's current business rankings.

<u>HB 418</u> (Simon) and <u>SB 259</u> (Surovell) passed in both the House and the Senate with amendments. The new language seeks to provide that one or more members of a class may, as representative parties on behalf of all members, bring a civil action or may be proceeded against in a civil action, provided that:

- The class is so numerous that joinder of all members or proceeding with on an individual basis is impracticable or contrary to judicial economy;
- There are questions of law or fact common to the class;
- The claims or defenses of the representative parties are typical of the claims or defenses of the class; and

• The representative parties shall fairly and adequately protect the interests of the class.

The bill further sets out the procedure to certify a class action, the duties of counsel appointed in a class action, the various orders a court may issue during the course of a class action, and the process by which a settlement, voluntary dismissal, or compromise may occur. The bill has a delayed effective date of July 1, 2025.

The House version of the bill was passed in the Senate Courts of Justice Committee by a vote of $\frac{7-6}{1}$ this past Wednesday. The Senate version of the bill was passed in the House Courts of Justice Committee by a vote of $\frac{11-10}{1}$ on Friday.

As this legislation continues to move through the process, further updates will be provided.

PUSH TO INCREASE THE MINIMUM WAGE PASSES IN BOTH BODIES

As mentioned in previous reports, <u>HB 1</u> (Ward) and <u>SB 1</u> (Lucas) seek to increase the minimum wage from \$12/hour to \$13.50/hour, with an effective date of January 1, 2025. These bills will also increase the minimum wage from \$13.50/hour to \$15/hour, with an effective date of January 1, 2026, for this increase.

The House version of the bill was passed in the House and is now awaiting action in the Senate Commerce and Labor Committee. The Senate version of the bill was passed in the Senate by a 21-19 party-line vote this past Tuesday and was referred to the House Labor and Commerce Committee.

Further updates to come as this legislation continues to move through the process.

EXPANSION OF VIRGINIA'S HISTORIC REHABILITATION TAX CREDIT PROGRAM PASSES IN BOTH BODIES

The Greater Williamsburg Chamber has joined other chambers, business and environmental organizations, and localities in support of expanding the Virginia Historic Rehabilitation Tax Credit Program, which has played an essential role in preserving more than 2,500 historic properties and economic sustainability of communities in the Commonwealth for 27 years.

As introduced, <u>HB 960</u> (Lopez) and <u>SB 556</u> (Williams Graves) sought to increase the maximum amount of that tax credit that may be claimed by a taxpayer from \$5 million to \$10 million beginning in 2024.

The House version of the bill, which was amended to add a cap on the program of \$75 million per fiscal year, was passed in the House with a vote of 62-37 earlier this week. The Senate version, which does not include the program cap, was passed in the Senate by a unanimous vote this past Monday and has been referred to the House Finance Committee.

We continue to urge lawmakers to remove the program cap, which would have a devastating effect on the program. While the focus is on urging support for the bill without the cap, we have been assured that if the program cap cannot be removed, the bill will not advance, leaving the program as it is today.

As this legislation continues to move through the process, further updates will be provided.

LEGISLATION TO INCREASE AFFORDABLE HOUSING OPTIONS PASSES THROUGH THE HOUSE AND SENATE

A few bills that were highlighted in previous reports have advanced over the past week.

<u>HB 477</u> (Coyner) and <u>SB 50</u> (Locke) both seek to extend the expiration of the Eviction Diversion Pilot Program to July 1, 2025. Currently, the program is set to expire on July 1, 2024. The Eviction Diversion Pilot Program's purpose is to reduce the number of evictions of low-income individuals. This legislation is also a recommendation of the Virginia Housing Commission. The House version of the bill was passed unanimously in the Senate General Laws and Technology Committee this past Wednesday. On Thursday, the Senate version of the bill was passed in the House General Laws Committee with a unanimous vote.

<u>HB 1105</u> (Carr), which seeks to create the Zoning for Housing Production Fund, a grant program through which localities can apply to receive funds to create and maintain affordable housing in mixed-income communities, was passed in the House by a vote of <u>86-13</u> this past Tuesday.

<u>HB 1398</u> (Bennett-Parker) seeks to create a framework for localities to preserve affordable housing by exercising a right of first refusal on publicly supported housing. The bill also seeks to authorize localities to implement an ordinance that requires an owner to accept a right of first refusal offer by the locality, in order to preserve affordable housing for a period of not less than 15 years. This piece of legislation was passed in the House by a vote of <u>54-46</u> this past Monday.

<u>SB 597</u> (McPike), which seeks to authorize localities to provide for an affordable housing dwelling unit program by amending the zoning ordinance, was passed in the Senate earlier this week by a <u>21-19</u> party-line vote and has been referred to the House General Laws Committee.

Further updates to come as this legislation continues to move through the process.

Other highlights from week #6 are provided below.

JANUARY GENERAL FUND REVENUES REMAIN CONSISTENT WITH FORECAST

(February 14, 2024) Governor Glenn Youngkin announced that general fund revenues for January 2024 remain in line with the consensus revenue forecast. For the month of January, Virginia experienced a 2.5 percent decline in comparison to the same period last year, despite an extra collection day relative to the prior year. Year-to-date general fund revenues are up a moderate 5.3 percent through the first seven months of Fiscal Year 2024. The slight decline was driven largely by a dip in non-withholding collections and lower-than-expected individual income tax refunds related to the elective Pass-Through Entity Tax (PTET), while other major revenue sources were generally in line with expectations.

"The Commonwealth's January revenues show that our conservative forecast remains prudent as conflicting economic signals continue to cloud definitive conclusions in the fiscal year," said Governor Glenn Youngkin. "Virginia's labor market remains tight and we continue to monitor withholding and non-withholding patterns as we start a new calendar year. This month's report confirms we budgeted appropriately when releasing our Unleashing Opportunity budget in December and as the budget process moves forward in the General Assembly this weekend, we can all be confident the topline forecast remains prudent."

"While PTET-related collections and refunds continue to distort overall revenue collections, underlying revenue growth in our major revenue sources remains on or slightly ahead of forecasts," said Secretary of Finance Stephen Cummings. "We are confident in our conservative revenue forecast and we are continuing to monitor revenue collections and economic data. Given these downside risks, we will maintain a cautious outlook going forward."

Among the major revenue sources, net individual income tax collections, corporate income tax, and interest income are all slightly elevated relative to last year, while sales and use tax collections, insurance premiums, and wills, suits and deeds are all lower year-to-date. The full January 2024 revenue report is available <u>here</u>.

COSTAR GROUP TO RELOCATE GLOBAL HEADQUARTERS TO VIRGINIA

(February 13, 2024) Governor Glenn Youngkin announced that CoStar Group, Inc. (NASDAQ: CSGP), a leading provider of online real estate marketplaces, information, and analytics for commercial and residential property markets, will invest \$20 million to relocate its global headquarters from Washington, D.C. to Arlington County. The company purchased 1201 Wilson Boulevard, a 560,000-square-foot office building in Rosslyn known as Central Place Tower and will occupy 150,000 square feet of commercial office space in late 2024. The move to the new headquarters will include 500 relocated jobs and 150 new jobs to the Commonwealth.

"Virginia's a great choice for a new corporate headquarters location, and we are excited that CoStar Group, a leading provider of online real estate marketplaces, information, and analytics in the property markets, sees the economic advantage in moving to the Commonwealth," said Governor Glenn Youngkin. "As states compete for business and jobs, the Commonwealth's diverse, world-class talent, exceptional quality of life and stable business climate continues to stand out. We are proud that CoStar has chosen Virginia as its home."

"It is an honor to welcome CoStar Group's global headquarters to Arlington County, complementing the company's major research and development operations in the City of Richmond," said Secretary of Commerce and Trade Caren Merrick. "Virginia represents a diversified ecosystem of more than 800 corporate headquarters in a broad cross-section of industries, and our overarching advantage cited is the ability to recruit top talent. We are building the workforce of the future in the Commonwealth so that industry leaders like CoStar Group continue to reinvest here."

"The financially strategic acquisition of this building will provide the perfect home for the more than 500 employees at our current headquarters. We're incredibly thankful for our 14 years calling Washington, D.C. home, and we will continue to be a part of this community even as we move across the river to Arlington County," said Andy Florance, Founder and Chief Executive Officer of CoStar Group.

"CoStar Group's strategic move to Arlington reinforces our attractiveness as a hub for innovative global businesses," said Libby Garvey, Chair, Arlington County Board. "We are thrilled to welcome Costar Group to Rosslyn, where their presence is sure to have positive economic impacts and will help to strengthen the neighborhood — especially with the faster realization of a reconstructed Gateway Park."

"I extend a warm welcome to the CoStar Group. The decision to relocate the CoStar headquarters to Arlington County reinforces the positive environment state and local leaders have created for business,"

said Senator Barbara Favola. "The well-educated workforce, world-class public schools, transit opportunities, and recreational spaces will be welcome assets for CoStar employees."

Founded in 1987, CoStar Group (NASDAQ: CSGP) is a leading global provider of online real estate marketplaces, information, and analytics in the property markets. The company is on a mission to digitize the world's real estate, empowering all people to discover properties, insights and connections that improve their businesses and lives. CoStar Group has grown to over 6,200 employees in 14 countries and is included in the S&P 500 Index, one of the premier benchmarks of the U.S. equities market, and in the NASDAQ 100, one of the world's largest preeminent large-cap indexes.

CoStar Group established its headquarters for research and data analytics in the City of Richmond in 2016 and now employs more than 1,000 team members, representing one of the top 25 largest employers in the city. In 2021, CoStar announced plans to build a corporate campus in Richmond, creating an additional 2,000 new jobs. The new campus will be approximately 750,000 square feet of new office and retail space and is expected to include a 26-story, LEED-certified office building and a six-story, multipurpose building to be used as a central location for employee amenities.

The Virginia Economic Development Partnership worked with Arlington Economic Development to secure the project for Virginia. Governor Youngkin approved a \$1.25 million grant from the Commonwealth's Opportunity Fund to assist Arlington County with this project. The Governor also approved \$3.5 million in funds from the Virginia Economic Development Incentive Grant. Funding and services to support the company's employee training activities will be provided through the Virginia Jobs Investment Program.

GOVERNOR GLENN YOUNGKIN RELEASES STATEMENT ON HOUSE PASSAGE OF SPORTS AUTHORITY LEGISLATION

(*February 13, 2024*) Governor Glenn Youngkin released the following statement after the passage of <u>HB</u> <u>1514</u>, introduced by Del. Luke Torian.

"I'm encouraged by the continued bipartisan support for the one-of-a-kind economic development opportunity in Virginia that represents 30,000 jobs and \$12 billion in new economic activity for the Commonwealth. Following the MEI Commission's unanimous approval in December, the bipartisan vote in committee and today's bipartisan support on the House floor, the more decision-makers learn about this project the more they realize that the positive impact reaches all corners of the Commonwealth," said Governor Glenn Youngkin. "From toll relief in Hampton Roads to WMATA investments in Northern Virginia, from education investments in rural and urban school divisions to critical transportation arteries like I-81, Virginians know the revenues from this project will be felt in their communities. I've appreciated the deep engagement with legislators and their staff this week and we will continue to inform these discussions as the process moves forward."

GOVERNOR YOUNGKIN AWARDS \$12 MILLION TO REDUCE HOMELESSNESS ACROSS THE COMMONWEALTH

(*February 12, 2024*) Governor Glenn Youngkin announced \$12 million in the Virginia Housing Trust Fund Homeless Reduction Grants for 55 projects across the Commonwealth. The funding will advance targeted efforts to reduce homelessness with 2,177 individuals and families.

"In the pursuit of sustainable economic growth and a thriving business landscape, it is imperative that we develop responsive housing solutions," said Governor Glenn Youngkin. "This funding not only safeguards our most vulnerable citizens, but also addresses the changing housing needs of all Virginians."

The Virginia Housing Trust Fund is funded by the Commonwealth, and the grants announced today represent 20% of this fiscal year's fund investment. The remaining funds support the production of new or rehabilitated housing units through the Affordable and Special Needs Housing Program.

"Housing stands as the cornerstone for fostering lively communities and robust local economies," said Secretary of Commerce and Trade Caren Merrick. "This funding round prioritizes innovative approaches, like rapid rehousing and permanent supportive housing, to effectively combat homelessness, ensuring that every at-risk Virginian receives the support they need to make homeless rare, brief and one-time."

The goal of the Virginia Housing Trust Fund Homeless Reduction Grant Program is to reduce homelessness throughout Virginia. The Department of Housing and Community Development (DHCD) supports Balance of State (BoS) Continuum of Care (CoC) local planning group strategies and homeless service projects that are a part of an effective emergency crisis response system in communities. The Homeless Reduction Grant program must be coordinated with other community-based activities, and grantees use a local centralized or coordinated assessment/entry system, which is the best practice for a housing-focused approach for helping households experiencing homelessness quickly regain stability in permanent housing.

"Making sure every Virginian has a place to call home is critical, and this round of grant funding will continue the Commonwealth's efforts to reduce homelessness," said Virginia Department of Housing and Community Development Director, Bryan Horn. "These projects will assist our most vulnerable residents by removing barriers and providing services to support them as they regain housing stability."

For more information, visit <u>dhcd.virginia.gov/vhtf</u>. A full list of the 2024 homeless reduction grant awarded projects can be found <u>here</u>.

IN THE NEWS

Below, you will find several news articles that may be of interest from the past week.

If the General Assembly were a sports event, here's what the halftime report would say

Source: Cardinal News, Date: February 15, 2024 It's halftime at the 2024 General Assembly. If this were the Super Bowl, we'd denote this year's session as General Assembly MMXXIV. To read more, click <u>here</u>.

Crossover roundup: What's alive and what's on shaky ground in Virginia's General Assembly

Source: Virginia Mercury, Date: February 14, 2024

At the halfway point of Virginia's 2024 General Assembly session, Democrats have used their majority power on both sides of the Capitol to pass bills to raise the minimum wage, ban newly made assault weapons, protect abortion access and allow recreational weed dispensaries. To read more, click <u>here</u>.

Dems celebrate legislative wins halfway through General Assembly session, Republicans hope Gov. Youngkin can be the last line of defense

Source: ABC 8 News, Date: February 14, 2024

At the halfway point of the 2024 General Assembly Session in Virginia, Republicans and Democrats have very different views on the session so far. To read more, click <u>here</u>.

Virginia Beach Republican Barry Knight removed from House Appropriations Committee

Source: The Virginian-Pilot, Date: February 14, 2024

Barry Knight, a delegate from Virginia Beach, was removed Wednesday from the House Appropriations Committee, a powerful panel that spearheads state budget negotiations. To read more, click <u>here</u>.

Mental health training focuses on barbers, stylists

Source: THE FREE LANCE-STAR, Date: February 13, 2024

Because barbers and hairdressers often serve as confidants to those whose hair they style, they're more likely to tackle topics like mental health and substance abuse. To read more, click <u>here</u>.

Virginia Senate passes bill to raise state minimum wage on party-line vote

Source: ABC 8 News, Date: February 13, 2024

Democrat-led bills to raise Virginia's minimum wage to \$15 per hour by 2026 passed both chambers of the General Assembly without any Republican support. To read more, click <u>here</u>.

Bills to speed broadband deployment clear House, Senate

Source: Cardinal News, Date: February 13, 2024

Bills that would provide a referee in disputes centering on broadband deployment in the commonwealth cleared Virginia's Senate and House of Delegates on Tuesday. To read more, click <u>here</u>.

General Assembly reaches midpoint, with fights ahead over arena, cannabis, guns and taxes

Source: Cardinal News, Date: February 13, 2024

As the General Assembly reached the midpoint of its 2024 session on Tuesday, lawmakers in the coming weeks will continue to spar over proposals relating to partisan issues, including gun control, cannabis and tax reform, as all legislation but the budget bills cleared their originating chambers ahead of what is known as crossover. To read more, click <u>here</u>.

Lawmakers take up 'skill games,' minimum wage, marijuana as Assembly hits midpoint deadline

Source: AP News, Date: February 13, 2024 Virginia lawmakers plowed through hundreds of bills Tuesday as they reached a key deadline for this year's legislative session. To read more, click here.

More than 100 Virginia medical professionals voice support for Prescription Drug Affordability Board Source: 13 News Now, Date: February 12, 2024

There's a big push to make prescription drugs more affordable for people in Virginia. To read more, click <u>here</u>.

Virginia bills to cap rent increases don't advance this session

Source: Virginia Mercury, Date: February 12, 2024

State lawmakers did not advance legislation this session that aimed to slow rising rent prices, although affordable housing remains a big concern for constituents. To read more, click <u>here</u>.

In Virginia, new debates over who gets the final say on solar projects

Source: Virginia Mercury, Date: February 12, 2024

As Virginia continues its efforts to decarbonize its electric grid by midcentury, lawmakers are grappling with whether the state or local governments should have the ultimate say over where — or whether — solar farms should be built. To read more, click <u>here</u>.

Virginia's Youngkin aims to bolster mental health care, part of national focus after the pandemic

Source: AP News, Date: February 12, 2024

John Clair, the police chief of a small Appalachian town in southwest Virginia, spends his days consumed by a growing problem: the frequency with which his officers are tapped to detain, transport and wait in hospitals with people in the throes of a mental health crisis. To read more, click <u>here</u>.

Virginia lawmakers limit public comment and tell folks taking the mic to 'make it quick'

Source: AP News, Date: February 9, 2024

Virginia's part-time Legislature moves at a quick clip. And its time-pressed lawmakers expect the same from members of the public who want to make their voices heard. To read more, click <u>here</u>.

Richmond roundup: Senate punts bill on state approval for energy projects until next year

Source: Cardinal News, Date: February 9, 2024

The Senate Commerce and Labor committee on Friday unanimously voted to carry over for a year a bill that would give state regulators more authority to approve large renewable energy projects over the objections of local governments. To read more, click <u>here</u>.

IMPORTANT DATES AND MILESTONES

Upcoming dates and deadlines are listed below.

- February 18th "Budget Sunday," when the House and Senate money committees will recommend their proposed budgets.
- March 9th Final day of session, otherwise known as Sine Die.
- April 17th Reconvened/Veto session, where legislature returns to act on Governor's amendments and vetoes.
- July 1st Effective date for legislation and budget unless otherwise specified.

We hope this report is helpful. Further updates to come as the session proceeds.

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