

# **2024 GENERAL ASSEMBLY SESSION**

# **WEEK #7 SESSION REPORT**

February 25, 2024

Prepared for:



# **GENERAL ASSEMBLY CONCLUDES WEEK #7**

To date, 2,896 bills and resolutions have been introduced. As of today, 1,237 bills and resolutions have been passed in the House and 919 have been passed in the Senate. The legislature has chosen not to advance 826 bills and continued 341 bills to the 2025 session. To view the status of the bills the Chamber is tracking, click on the link below.



# HOUSE AND SENATE BUDGETS PASS WITH COMPETING PRIORITIES

Last Sunday, the House Appropriations and Senate Finance and Appropriations committees adopted their respective budget bills. The complete text of budget amendments was released on Tuesday, February 20, 2024, and each version of the budget was considered on the floor of each body on Thursday, February 22, 2024. Over the next week, budget conferees will be announced, Budget conferees will then be tasked with negotiating the differences between the two budgets to ensure both are aligned. The deadline to place the budget and any other revenue bills into a committee of conference is February 28, 2024. Like the budget, when a bill is placed into a committee of conference, a smaller group of legislators are selected to negotiate the differences between the two versions of the bill.

Please see below for highlights on budget items of potential interest to the Greater Williamsburg Chamber. The items shown in blue have been adopted in the House budget and the items in green have been adopted in the Senate budget.

# ECONOMIC DEVELOPMENT AND TOURISM

## **Tourism Items Specific to Hampton Roads**

Item 30.5 #1s: Establish American Revolution 250 as an Agency

Transfers the American Revolution 250 Commission funding from Central Appropriations and sets the Commission out as an agency in the legislative branch.

#### Item 114 #1h: Hampton Roads African American Heritage Travel Guide

Provides \$100,000 in fiscal year 2025 for the city of Virginia Beach to develop a Hampton Roads African American Heritage travel guide.

<u>Item 3-1.02 #2h: Revert Funds from an Inactive Economic Development Project (language only)</u> Transfers \$7.5 million from Economic Development Incentive Payments, which were previously appropriated by the General Assembly for the extension of a cruise ship port-of-call location in Yorktown. These funds were provided to incentivize and support the docking of Princess Cruises Lines in Yorktown, VA. The company has decided to dock in Norfolk, Virginia for the 2024 season.

### **Renovate Susan Constant**

Item C-22.30 #1s: Jamestown-Yorktown Foundation – Renovate Susan Constant

Provides \$4.7 million GF the first year to the Jamestown-Yorktown Foundation to dry-dock and renovate the Susan Constant, a reconstruction of the 17th century vessel.

#### **Business Ready Sites**

<u>Item 101 #1h: Virginia Business Ready Sites Funding</u> Provides a \$20 million base budget for the Virginia Business Ready Sites Program.

Item 101 #1s: Redirect Additional Appropriation for Business Ready Sites Redirects \$95.5 million GF recommended in the introduced budget bill and provides a \$50.0 million GF base budget for the Business Ready Sites Program.

Item 101 #2h: Economic Development Sites Program (HB 233) Updates language in the budget for the Virginia Business Ready Sites Program to conform with the provisions of HB 223.

<u>Item 113 #3s: Reduce Business Ready Sites Administration Support Increase</u> Reduces by \$250,000 GF each year the additional support provided in the introduced budget for business ready sites administration.

<u>Item 101 #2s: Redirect New Funding for Business Ready Site Acquisition Fund</u> Redirects \$24.0 million from the general fund proposed for the Business Ready Sites Acquisition Fund to other priorities.

<u>Item 101 #10h: Revise Virginia Business Ready Site Eligibility Requirements (language only)</u> Permits the participation of sites that may be bisected by a roadway or other utility related infrastructure in the Virginia Business Ready Sites Program.

Item 101 #3s: Revise Virginia Business Ready Site Eligibility Requirements (language only) Clarifies site eligibility for the Virginia Business Ready Program.

Item 113 #6h: Business Ready Site Permitting Program (HB 1125)

Provides \$150,000 in each year to expand the administrative capacity of the real estate team at the Virginia Economic Development Partnership Authority to effectuate the provisions of HB 1125 of the 2024 General Assembly related to permitting for site development.

#### **GO** Virginia

<u>Item 103 #4h: Update GO Virginia Reporting Information (language only)</u> Requires GO Virginia to develop a public facing dashboard to report on the outcomes achieved by individual projects receiving funds from this grant program.

# Virginia Economic Development Partnership

Item 113 #1h: Innovative Framework Funding

Provides \$1.8 million over the biennium to support the Virginia Economic Development Partnership Authority's launch of the Virginia Innovative Framework.

#### Item 113 #1s: Redirect Funding Provided for Innovative Framework

Redirects \$1.0 million GF each year for other priorities from the additional funding provided in Senate Bill 30 as introduced to launch the innovative framework for economic growth.

## Item 471 #4h: Redirect Funding for Proposed Workforce Recruitment Campaign

Redirects \$15.0 million proposed for the creation of a workforce recruitment and retention marketing campaign at the Virginia Economic Development Partnership Authority to other committee priorities.

## **Tourism Promotion**

# Item 114 #5h: Tourism Promotion Partnerships (language only)

Restores two public private partnerships operated by the Virginia Association of Broadcasters in affiliation with the Virginia Tourism Authority to advertise Virginia. The funding is contingent on the Association contributing advertising to promote tourism in Virginia that is at least three times the value of the general funds appropriated. These funds would be used to promote tourism throughout Virginia as well as the Washington, D.C., Virginia and Baltimore media markets. The funds supporting these two public private partnerships were not reduced in the House Bill 30, as introduced.

#### **Artificial Intelligence**

# <u>Item 44 #1h: Artificial Intelligence Pilot Funding</u> Reduces general fund by \$600,000 in the first year for five unnamed artificial intelligence pilot programs.

#### Item 1 #3s: Commission on Artificial Intelligence

Provides \$22,048 each year from the general fund for the costs of the Commission on Artificial Intelligence.

#### Item 44 #2s: Redirect Funds for Artificial Intelligence Pilots

Redirects \$600,000 the first year from the general fund included in the introduced budget for five Artificial Intelligence Pilots.

## Item 79 #1s: VITA - Artificial Intelligence Policies (SB 487)

Provides \$200,000 each year from nongeneral funds and one position for the impact of SB 487, which directs the Chief Information Officer of the Commonwealth to develop, publish, and maintain policies and procedures concerning systems that employ artificial intelligence and are used by public bodies.

# **Sports Team Recruitment**

## Item 471 #5h: Redirect Proposed Funding for Consultants

Redirects \$500,000 provided in the first year from the general fund for the Secretary of Finance to study economic development incentives to recruit sports teams and their facilities to the state to other budget initiatives. The language authorizes the Governor to use up to \$500,000 from the Commonwealth Development Opportunity Fund for this purpose.

#### Item 471 #4s: Redirect Sports Team Funds

Redirects \$500,000 GF the first year included in the introduced budget provide for the Secretary of Finance to develop relevant capabilities, conduct planning, and evaluate potential economic incentives to attract sports teams to the state.

## **Historic Preservation Tax Credit**

#### Item 3-5.17 #1h: Historic Preservation Tax Credit (language only)

Conforms budget language to the provisions of HB 960, which proposes to increase the individual taxpayer cap for the Historic Preservation Tax Credit program from \$5.0 million to \$10.0 million, and adds a total aggregate cap to the program of \$75 million.

# HOUSING

Item 102 #1h: Increase Support for the Virginia Housing Trust Fund Provides an additional \$37.5 million over the biennium for the Virginia Housing Trust Fund.

# Item 102 #3h: Zoning for Housing Production Act (HB 1105) (language only)

Provides \$5.0 million from the unobligated balances of the Regional Greenhouse Gas Initiative to fund a pilot program to incentivize localities to adopt favorable zoning practices.

#### Item 102 #4h: Down-Payment Assistance Program (language only)

Provides \$5.0 million from the unobligated balances of the Regional Greenhouse Gas Initiative for the Department of Housing and Community Development to create a new grant program to provide second forgivable mortgages to home buyers.

#### Item 102 #5h: Increase Support for Virginia Eviction Reduction Program

Provides an additional \$700,000 in each year for the Virginia Eviction Reduction Program, which provides funding to local and regional eviction prevention programs through a competitive grant process administered by Department of Housing and Community Development. Grantees use these funds to prevent evictions in their communities and can be used to pay any cost or debt putting a household at risk of eviction, including and especially past due rent.

# BROADBAND

#### Virginia Telecommunications Initiative (VATI)

<u>Item 103 #8h: Provide Base Support for VATI</u> Provides a \$10.0 million second year base for the Virginia Telecommunications Initiative.

### **Broadband Construction**

<u>Item 103 #5h: Updated Performance Reporting Language for Broadband Projects (language only)</u> Updates reporting language for Virginia Telecommunications Initiative funded projects, which requires the Department of Housing and Community Development to report to the General Assembly any projects at risk for incompletion or underperformance. The new sentence requires the department to provide a reason for the project's delay.

#### Item 103 #9h: Virginia Make Ready Initiative

Provides \$30.0 million in each year from the general fund to the Virginia Make Ready Initiative to supplement costs for make ready work related to projects funded under the fiscal year 2022 Virginia Telecommunications Initiative.

#### **Broadband Availability**

<u>Item 103 #3h: Adding Rural and Farmland Layers the State Broadband Availability Map</u> Directs the Department of Housing and Community Development to add layers to the state's broadband map to reflect broadband availability on Virginia prime farmland and in rural areas.

# EDUCATION AND WORKFORCE DEVELOPMENT

## Hampton Roads-Specific Items

Item 124 #3s: Career and Technical Education Initiatives

Provides \$8.0 million GF the first year to support public school trades and to provide support for career and technical education programs in Portsmouth, Chesapeake, and Stafford.

#### Item 124 #5s: Reck League

Provides \$150,000 GF in each year to Reck League to support students in the Hampton Roads area.

## Item 239 #1s: Jefferson Lab – Redirect Funding

Redirects \$500,000 GF each year to support other education initiatives.

## Item 354 #3h: Workforce Salary Review for HR Strong (language only)

Directs the Virginia Board of Workforce Development to review noncredit workforce training instructor salaries that are funded through the Hampton Roads Skilled Trades Rapid On-ramp Network for Growth (STRONG) initiative and offer recommendations on how to improve the salaries of these instructor positions.

# Early Childhood Education/Care

# Item 124 #6h: Recognize B5

Increases funding for RecognizeB5 early childhood educator grants by \$10.0 million in the first year from the general fund and eliminates funding in the second year. This program has provided payments to early childhood educators to assist with retention and recruitment challenges following the pandemic.

#### Item 103 #7h: Child Care Center Development Grant Program

Provides \$10.0 million to incentivize the development of child care centers with a priority for using under utilized space at Virginia's community colleges.

## Item 103 #6s: Redirect Funding for Early Learning Capital Incentives

Redirects \$25.0 million GF of funding provided in the first year in the introduced budget for an early learning capital incentives grant program. Early learning resource needs are addressed elsewhere in the budget.

## **K-12** Compensation

# Item 125 #10h: Direct Aid: Teacher Compensation - Virginia Average At or Above National Average (HB 187)

Provides \$207.1 million the first year and \$417.8 million the second year from the general fund to provide the state's share of two 3 %% salary increases provided on July 1, 2024 and July 1, 2025. This implements the provisions of HB 187 for the 2024-26 biennium, which establishes a methodology for funding the state's share of compensation adjustments as needed to increase Virginia's average teacher salary to at least the National average teacher salary, by the end of FY28. The projected national average salary is based on NEA's estimated national average salary in FY23, then adjusted for inflation in subsequent years. The projected Virginia average salary is based on NEA's calculated Virginia average salary in fiscal year 2022, then adjusted for state funded compensation increases in FY23 and FY24.

# Item 125 #3h: 1% Bonus Payment

Saves \$53.0 million in the first year by removing the proposed one percent bonus payment for staterecognized instructional and support positions included in the introduced budget. In lieu of this bonus, a corresponding amendment provides a 3 3/8 percent compensation increase each year.

Item 125 #21s: Direct Aid - Redirect One Percent Bonus

Eliminates the proposed bonus and instead provides the state share of a 3% increase, effective October 1, 2024, as well as the state share of an additional 3% increase, effective July 1, 2025. The state share will be pro-rated for school divisions providing smaller increases; however, a school division must provide at least an average salary increase of 1.5% in order to access the funds. (\$142.7 M in FY25 and \$259.2 M in FY26.

<u>Item 125 #2s: Direct Aid - Provide a 3% Salary Increase Oct. 1, 2024 and July 1, 2025</u> Provides \$142.7 M GF the first year and \$259.2 M GF the second year for a 3% salary increase each year for teachers and instructional positions.

#### Item 116 #1s: Secretary of Education - Study of Teacher Pay

Modifies proposed language in the introduced budget regarding a workgroup on teacher compensation to direct a review of a 2023 report and the development of implementation options that include best practices of teacher compensation models, strategies used in other states, and funding methods to improve teacher compensation.

#### Literacy

# Item 117 #4h: Virginia Language and Literacy Screening System for Grades PK-8

Provides \$6.9 million the first year and \$4.9 million the second year to develop and maintain the Virginia Language and Literacy Screening System (VALLS), \$3.4 million each year to continue support for literacy coaching, technical assistance and professional development as required by the Virginia Literacy Act (VLA), authorizes the Virginia Literacy Partnership to collect fees from publishers to offset costs to review reading curriculum materials for alignment with the VLA, and redirects existing funding related to the implementation of the VLA to the University of Virginia's Literacy Partnership. This represents a net increase of \$5.7 million in FY25 and \$3.7 million in FY26 from the amounts proposed in the introduced budget for implementation of the VLA.

## Internships

#### Item 132 #7h: SCHEV - Restore Internships

Corrects funding imbalance proposed in the introduced budget and restores previous funding for the Innovative Internship Fund and Program with modified to reflect the goals of the next phase of this initiative.

#### Item 132 #1s: SCHEV - Innovative Internship Fund

Level funds the program at \$12.0 million GF per year, eliminates language related to \$1.0 million being one-time, and makes other technical clarifying changes.

## Laboratory Schools

# Item 125 #1h: College Partnership Lab Schools

Eliminates \$60.0 million proposed to be transferred from the general fund to the College Partnership Laboratory School Fund. Also maintains language from the existing Appropriation Act that limits the use of the Fund to public four-year institutions. An amendment to Item 137 in the Caboose Bill maintains \$20.0 million in the fund for use throughout the biennium.

#### Item 125 #20s: Direct Aid - Redirect College Partnership Lab Schools

Redirects \$30.0 million GF in each year included in the introduced budget for college partnership laboratory schools to support other education initiatives.

#### **Diploma Plus Program**

<u>Item 125 #6h: Diploma Plus</u> Captures \$20.0 million in GF savings each year by eliminating the Diploma Plus program.

#### Item 125 #11s: Direct Aid - Redirect Funds for Diploma Plus

Redirects \$20.0 million GF in each year included in the introduced budget related to a new diploma plus program.

## Other K-12 Education Programs

<u>Item 124 #14h: Increase Funding for CTE Resource Center</u> Provides an additional \$400,000 each year for Virginia's Career and Technical Education Resource Center.

#### Item 124 #7s: Increase EduTutorVA Funding

Increases funding to EduTutorVA by \$150,000 GF the first year.

#### Item 124 #13s: STEM C Competition Team Grants (language only)

Provides language for STEM+C Competition Team Grants. At least half of this appropriation should be provided to public elementary and secondary schools in the Commonwealth at which at least 60% of students qualify for free or reduced lunch.

#### **Financial Aid**

## Item 130 #3h: SCHEV - Financial Aid and Waiver Programs

Makes changes to financial aid programs managed by the State Council of Higher Education. Funding is provided to increase the Virginia Tuition Assistance Grant (VTAG) award for undergraduate students from \$5,000 to \$5,250, for financial aid for students eligible for state need-based financial aid pursuant to § 23.1-505.1 of the Code of Virginia, and for financial aid to offset costs of waiver programs under § 23.1, Chapter 6, Code of Virginia, and for increased funding for the 21st Century Workforce Credential Grant program to increase credentials in high-demand program in six industry sectors (Energy, Healthcare, Information Technology, Manufacturing, Skilled Trades and Transportation) across the nine GO Virginia regions. Also transfers previously authorized financial aid funding directly to Norfolk State University and Virginia State University and makes a technical adjustment to repurpose one-time funding.

# Item 201 #2h: VCCS - Financial Aid for Credential Programs

Companion amendment to Item 200 which transfers funding for a proposed new initiative for creation of nine career placement offices to this Item for need-based student financial assistance for industry-based certifications or related programs that do not qualify for other sources of student financial assistance.

#### Item 130 #3s: SCHEV - TAG Various Adjustments (language only)

Permits private institutions authorized to receive the tuition assistance grant to develop and distribute an online application and removes language included in the introduced budget that authorized the SCHEV to develop an online application using up to \$2.0 million in appropriated balances. Also restores the amount of the online education award to 50% of the campus-based award and extends the application deadline from July 31 to September 15.

#### Item 130 #1s: SCHEV - Restore Pell Grant Initiative Funding

Restores \$37.5 million GF the second year related to a Pell initiative to support access, retention, and completion of low-income students that was removed in the second year in the introduced budget and

reinserts language that was legislatively approved in Chapter 1, 2023 Special Session I that states that funds shall be ongoing.

#### Higher Education: College of William and Mary

<u>Item 140 #5h: College of William and Mary – O & M for Highland Property</u> Provides funding to support operations and maintenance of the 466 acre Highland property.

## Items 140 #2h: College of William and Mary – Repurpose Proposed New Initiative

Eliminates proposed one-time funding for undefined security initiative and repurposed the funding to previously identified higher education priorities.

#### Item 140 #3h: College of William and Mary – Troops to Teachers

Provides funding for the Troops to Teachers Virginia Center to help military service members who want to become teachers.

# Virginia Community College System

#### Item 200 #10h: VCCS - Repurpose Proposed New Initiative

Repurposes funding for a proposed new initiative for the creation of nine career placement offices. A companion amendment in Item 201 transfers these funds to the financial aid program for need-based student financial assistance for industry-based certifications or related programs that do not qualify for other sources of student financial assistance.

# Item 200 #11h: VCCS - Workforce Talent Expansion

Provides funding for the VCCS to increase the number of degrees and credentials by 19,500 in highdemand industry sectors of energy, healthcare, information technology, manufacturing, skilled trades and transportation across the nine GO Virginia regions.

### Item 201 #1h: VCCS - G3 Eligibility (language only)

Adds eligibility for five programs in high-demand fields for the G3 program – cooking and related culinary arts, elementary education and teaching, secondary education and teaching, engineering, hospitality administration/ management.

#### Item C-16 #1h: VCCS: Space Reprogramming for Workforce Usage (language only)

Authorizes the Virginia Community College System to utilize \$24.0 million in bond proceeds for the revitalization of existing space at its statewide campus facilities for workforce development programs.

#### Item 130 #4s: SCHEV - Restore Partial Funding College Transfer Grant

Provides \$200,000 GF in the second year to partially restore funds for the two-year college transfer grant that were reduced in the introduced budget.

# **ENERGY AND ENVIRONMENT**

#### Virginia Power Innovation Fund

Item 110 #1h: Redirect Resources for the Virginia Power Innovation Fund

Redirects \$6.0 million provided in House Bill 30 for the Virginia Power Innovation Fund to other initiatives. The General Assembly capitalized this Fund with \$4.0 million in Chapter 1, Acts of Assembly, 2023 Special Session I.

Item 110 #1s: Redirect Virginia Power Innovation Fund Deposit

Redirects \$6.0 million from the general fund provided for a deposit to the Virginia Power Innovation Fund in Senate Bill 30 as introduced to other initiatives. The Virginia Power Innovation Fund was capitalized with a deposit of \$4.0 million in Chapter 1, 2023 General Assembly, Special Session I.

## Recycling

Item 362 #2h: Virginia Recycling Development Center (HB 316)

Provides \$2.5 million each year to establish Virginia Recycling Development Center and to capitalize the Recycling Market Development Fund, pursuant to HB 316.

## **Regional Greenhouse Gas Initiative**

<u>Item 4-5.12 #1h: Regional Greenhouse Gas Initiative Participation (language only)</u> Requires the Commonwealth to rejoin the Regional Greenhouse Gas Initiative (RGGI) and directs the appropriate agencies to take the necessary actions to rejoin RGGI.

#### Land Preservation Tax Credit

Item 3-5.22 #1h: Restore Limit on Annual Claim of Land Preservation Tax Credit (language only) Restores language removed in House Bill 30 as introduced that limits that the amount of Land Preservation Tax Credit that may be claimed by an individual in a taxable year to \$20,000.

#### Item 3-5.22 #1s: Land Preservation Tax Credit Claimed (language only)

Restores the Land Preservation Tax credit cap per taxpayer at \$20,000 as it exists in Chapter 1, 2023 Special Session I.

#### LABOR AND EMPLOYMENT

## Minimum Wage Increase

<u>Item 60 #3h: Increasing the State Minimum Wage (HB 1)</u> Provides \$373,397 over the biennium from the general fund to support increasing the state's minimum wage.

<u>Item 469 #4h: State Employee Costs for Minimum Wage (HB 1)</u> Provides \$14.4 million over the biennium to cover costs for state employees as a result of an increase in the state's minimum wage proposed in HB 1.

<u>Item 469 #3s: State Minimum Wage Costs (SB 1)</u> Provides funding for the impact of the minimum wage increase pursuant to SB 1.

## **Paid Family and Medical Leave**

Item 356 #4h: Update Paid Family and Medical Leave Review (language only)

Directs the Virginia Employment Commission to update the 2021 Virginia Paid Family and Medical Leave Study to include the budgetary impacts of the program for state employees, state-supported local employees, and local school divisions.

## Item 356 #2s: Paid Family and Medical Leave (SB 373) (language only)

Authorizes a treasury loan for the implementation of Senate Bill 373 of the 2024 General Assembly that requires the Virginia Employment Commission to establish and administer a paid family and medical leave program with benefits beginning January 1, 2027. Funding for the program is provided through premiums assessed to employers and employees beginning in 2026.

#### State Employee Compensation

Item 469 #2h: 3% Salary Increase Each Year For State & State Supported Local Employees

Adds \$125.3 million from the general fund in fiscal year 2025 and \$253.1 million from the general fund in fiscal year 2026 for employee compensation actions for state employees and state supported local employees. The amendment uses this funding and funding included in the introduced budget to support a 3% salary increase in each year of the biennium. Total funding for these actions, including the funding in the introduced budget is \$179.5 million in FY25 and \$367.5 million in FY26.

#### Item 469 #1s: Redirect State Employee and State-Supported Local Bonsues

Redirects \$54.2 million GF the first year and \$54.8 million GF the second year included in the introduced budget for a one percent bonus in each year for state employees and state-supported local employees to a salary increase included in another amendment.

#### Item 469 #2s: State Employee and State-supported Locals Salary Increase

Funds a 2.5% salary increase in each year for state employees, state-supported local, adjunct faculty and graduate teaching assistants.

# **TAX AND FINANCE**

<u>Item 4-14 #1h: (Effective Date) Strike Additional Enactments Included in Introduced Budget</u> Retains proposal in introduced budget to impose sales and use taxes on digital personal property and certain taxable services but strikes language earmarking the additional sales tax revenue that would be generated for transportation purposes from this base-broadening action for the Transportation Partnership Opportunity Fund and the I-81 Corridor Improvement Fund.

#### Item 4-14 #1s: Tax Policy Actions (language only)

Removes the proposed tax policy actions in the introduced budget. It also expands the application of sales tax to include digital personal property and certain taxable services in addition to tangible personal property. Taxable services include software application services, computer-related services, website hosting and design, data storage, and streaming services.

## **Dealer Discount**

Item 3-5.06 #1h: Strike Proposed Change to Dealer Discount (language only) Eliminates the proposal in the introduced budget to double the dealer discount.

#### Item 3-5.06 #1s: Dealer Discount (language only)

Eliminates the proposal in the introduced budget to double the dealer discount.

### HEALTHCARE

#### Item 279 #6s: Healthier757 Health Literacy Initiative

Provides \$500,000 each year from the general fund for Healthier757, which is a multi-stakeholder, integrated, community-based program that bridges the work site, home, and community, connecting citizens in the 757 area code through an interactive digital health platform that provides a vehicle for increasing awareness, communication, engagement, and behavior change. The language directs the grant funding to focus on Medicaid or lower-income members of the community.

#### Item 354 #2h: Redirect Funds for New Healthcare Workforce Training System

Redirects proposed funding for a regional Healthcare Workforce Training System to other health care workforce initiatives funded through amendments in the Virginia Department of Health.

## 345 #1s: Redirect Funding for Healthcare Workforce Training System

Redirects to other priorities \$1.0 million GF that was recommended for a new healthcare workforce training initiative in the introduced budget bill.

# TRANSPORTATION

# **Transportation Partnership Opportunity Fund**

Item 438 #3h: (VDOT) Strike GF Deposit into the TPOF

Eliminates the \$20 million from the general fund deposit into the Transportation Partnership Opportunity Fund which was proposed in the introduced budget for FY25.

## Item 438 #4h: (VDOT) Amend Language Related Transportation Deposits into the TPOF

Amends language included in the introduced budget related to the CTB's authority to deposit Commonwealth Transportation Funds into the Transportation Partnership Opportunity Fund over the next six years.

# Item 438 #2s: (VDOT) Transportation Partnership Opportunity Fund

Eliminates \$20.0 million the first year from the general fund recommended for deposit to the Transportation Partnership Opportunity Fund in Senate Bill 30, as introduced. In addition, the amendment removes recommended language which would require the Commonwealth Transportation Board to provide at least \$200.0 million to the fund annually from Commonwealth Transportation Fund revenue.

# Hampton Roads Toll Relief

# Item 441 #1s: Toll Relief

Provides \$77.0 million the first year and \$15.0 million the second year from the general fund to provide additional toll relief to eligible drivers who earn less than \$50,000 per year. When combined with the existing Toll Relief program, this program will provide a 100% toll rebate on up to 14 trips per week on the Elizabeth River Tunnels through 2036.

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

# **BUSINESS READY SITES LEGISLATION CONTINUES TO ADVANCE**

<u>HB 1125</u> (Carr) and <u>SB 217</u> (Locke), seek to establish the Virginia Business Ready Expedited Permitting Program and direct the Virginia Economic Development Partnership Authority to designate up to two sites and six projects for participation in this program.

Sites and projects eligible for this program must be:

- Eligible for a site development grant under the Virginia Business Ready Sites Program; or
- A project with significant local, regional, or statewide economic impact that the governing body of the locality in which the project is located has either been approved following a public meeting or hearing or submitted for consideration to be included in the program.

This legislation also states that no more than two sites may be designated within one locality per year. If this legislation is passed, the deadline to submit an application would be on December 31, 2027.

The House version of the bill was passed by members of the Senate General Laws Committee unanimously this past Wednesday and was re-referred to the Senate Finance and Appropriations Committee. The

Senate version was passed by members of the House General Laws Committee this past Tuesday and was then passed in the House by a vote of <u>93-5</u> on Friday.

# LEGISLATION TO ENCOURAGE K-12 STUDENTS TO OBTAIN CAREER AND TECHNICAL EDUCATION CREDENTIALS FAILED TO ADVANCE

The Greater Williamsburg Chamber joined a number of other organizations in supporting legislation to help high school students earn career and technical education credentials.

<u>HB 1051</u> (Batten) and <u>SB 563</u> (Hackworth) proposed several changes related to high school graduation requirements in Virginia, including:

- Eliminating the need to take a virtual course in order to graduate.
- Specifying 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

As mentioned in previous reports, HB 1051 was continued to the 2025 session in the Higher Education Subcommittee right before crossover. SB 563 was passed in the Senate with a unanimous vote, but unfortunately, was continued to 2025 in the House Rules Committee on Friday.

# LEGISLATION RELATED TO STUDENT LITERACY MEASURES CONTINUES TO ADVANCE

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

<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 Monday, the House version of the bill was unanimously passed in the Senate. The Senate version of the bill was also passed in the House by a vote of 99-1 this past Monday.

# LEGISLATION TO PROMOTE VIRGINIA-MADE GOODS CONTINUES TO ADVANCE

As mentioned in previous reports, the Greater Williamsburg Chamber supports legislation to help prioritize Virginia-produced goods in cases of a tie bid.

<u>HB 1361</u> (Feggans) seeks to provide preference as it relates to procurement for a bidder who is a resident of Virginia and then a bidder whose goods are produced in the United States. The bill also seeks to give the next lowest responsive and responsible bidder who is a resident of Virginia the option to match the price of the lowest responsive and responsible bidder who is a resident of another state.

The bill passed in the Senate General Laws and Technology Committee with a unanimous vote this past Wednesday and has been rereferred to the Senate Finance and Appropriations Committee.

Further updates to come as this legislation moves through the process.

# EXPANSION OF VIRGINIA'S HISTORIC REHABILITATION TAX CREDIT PROGRAM CONTINUES TO ADVANCE

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, has been referred to the Senate Finance and Appropriations Committee for consideration there.

The Senate version, which does not include the program cap, was passed by members of the House Finance Committee by a <u>16-6</u> vote this past Monday, and has been referred to the House Appropriations 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.

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

# PUSH TO INCREASE THE MINIMUM WAGE PASSED BY THE GENERAL ASSEMBLY

<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 by members of the Senate Finance and Appropriations Committee this past Wednesday by a <u>10-4</u> party-line vote and was then passed on the Senate floor on Friday with a <u>21-18</u> party-line vote.

The Senate version of the bill was passed by members of the House Labor and Commerce Committee by a <u>12-10</u> party-line vote this past Tuesday. This bill was also passed on the House floor by a <u>51-47</u> party-line vote on Friday.

Both pieces of legislation now await action from the Governor.

# LEGISLATION TO INCREASE AFFORDABLE HOUSING OPTIONS CONTINUES TO ADVANCE IN THE HOUSE AND SENATE

A few housing-related bills that the Greater Williamsburg Chamber has been monitoring 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 passed the Senate with a unanimous vote this past Monday and the Senate version of the bill passed the House with a unanimous vote this past Tuesday.

<u>HB 878</u> (Bulova) seeks to allow any local government to either purchase or accept donations for development rights to preserve and provide affordable housing. This bill was passed by the Senate Local Government Committee on Monday by a vote of <u>9-6</u> and was rereferred to the Senate General Laws and Technology Committee.

<u>SB 597</u> (McPike) seeks to authorize any locality in Virginia to provide for an affordable housing dwelling unit program by amending its zoning ordinance. Current law restricts this program to counties with an urban county executive form of government, or county manager plan of government. This bill also has a delayed effective date of July 1, 2025. SB 597 was passed by the House General Laws Subcommittee on Housing and Consumer Protection this past Thursday by a vote of <u>6-2</u>.

Other highlights from week #7 are provided below.

# ATTORNEY GENERAL MIYARES LAUNCHES NEW PUBLIC AWARENESS TOOLS FOR "ONE PILL CAN KILL" CAMPAIGN

(*February 21, 2024*) Attorney General Jason Miyares launched a <u>new website</u> and advertising campaign for the public awareness initiative "One Pill Can Kill." The One Pill Can Kill campaign will include a website with resources for Virginians, statewide billboards expected to launch in February 2024, and cable, broadcast, and digital/social media efforts in March 2024. The campaign is expected to run through October 2024.

The initiative, modeled after the <u>Drug Enforcement Administration's national campaign</u>, was initially launched in 2022 as a series of Public Service Announcements aired statewide.

"The opioid epidemic has impacted every corner of the Commonwealth. It's through education, prevention, and accessible resources that Virginians can fight back against the threat opioids and fake prescription pills present to us and to our loved ones," said Attorney General Miyares. "One Pill Can Kill is the product of federal and state programs working together to combat the fentanyl and opioid crisis facing

our country. It will encourage open, honest conversations amongst families to ensure the health, safety, and prosperity of all Virginians."

The One Pill Can Kill campaign will be disseminated alongside the <u>It Only Takes One</u> campaign, which focuses on the opioid crisis in Roanoke, Virginia, led by First Lady of Virginia Suzanne S. Youngkin, with the support of Attorney General Miyares.

Fake prescription pills containing lethal substances like fentanyl pose a significant threat to public health in Virginia. Officials from the Drug Enforcement Agency report a dramatic rise in the number of fake pills containing at least 2 mg of fentanyl, which is considered a potentially lethal dose. Criminal drug networks are flooding the Commonwealth with these pills, masquerading them as legitimate prescription drugs and deceiving the public.

Laboratory testing indicates 7 out of every 10 pills seized by the DEA contain a lethal dose of fentanyl. In 2023, the DEA seized a record 74.5 million fentanyl pills, which exceeds 2022's total of 58 million pills.

In 2022, an estimated 1,967 people died from overdoses of fentanyl or other synthetic opioids in Virginia. Fentanyl, the synthetic opioid most commonly found in fake pills, is the primary driver in this alarming increase in poisoning deaths.

Visit <u>onepillcankillva.org</u> to learn more about the campaign.

# GOVERNOR GLENN YOUNGKIN REAFFIRMS HIS COMMITMENT TO BRINGING THE SPORTS AND ENTERTAINMENT DISTRICT TO VIRGINIA

(*February 20, 2024*) Governor Glenn Youngkin released the following statement on the recent development with union labor discussions on the Sports and Entertainment District:

"My administration and the partners in this project have worked in good faith over the last few months to give union workers a substantial role in this project. Today, labor leadership backtracked on that progress and announced their opposition to a project that creates 30,000 jobs, including 12,000 construction-trade jobs," said Governor Glenn Youngkin. "Virginia is a right-to-work state and unreasonable demands from union leaders will not derail this project. I will continue to work with the General Assembly to complete this opportunity and bring \$12 billion in economic contributions that will fund shared priorities in Virginia."

# ATTORNEY GENERAL MIYARES JOINS BIPARTISAN COALITION URGING CONGRESSIONAL ACTION ON PHARMACY BENEFIT MANAGER REFORM

(February 20, 2024) Attorney General Jason Miyares joined a bipartisan coalition of 38 other attorneys general in urging Congress to take decisive action to reform the way pharmacy benefit managers (PBMs) conduct business and bring more transparency to their work.

A PBM is a third-party company that functions as an intermediary between insurance providers and pharmaceutical manufacturers, ostensibly to reduce the cost of prescription medication for its clients. It typically negotiates discounts and rebates with drug manufacturers, contracts with pharmacies, and develops and maintains drug formularies, or lists of covered drugs. Because a PBM ultimately decides which drugs it covers, it can bargain for rebates from drug manufacturers who want to get their products

on its "formularies," or lists of covered drugs. As a result of this leverage, PBMs essentially force drug manufacturers to raise list prices in order to provide ever-growing rebates.

"In the absence of meaningful federal regulations, Virginia enacted laws to protect consumers from exploitative PBM practices – legislation I supported while serving in the General Assembly. It's time for Congress to step up and take legislative action against PBMs' unjustifiable increases in drug prices and establish structured systems to increase the transparency of their practices," said Attorney General Miyares.

Specifically, the coalition highlights three bills as crucial pieces of legislation that offer necessary reforms:

- The DRUG Act (S1542/HR6283)
- Protecting Patients Against PBM Abuses Act (HR2880)
- The Lower Costs, More Transparency Act (HR5378)

Passing such legislation would encompass the obligation for PBMs to furnish pricing data to health plans and federal and state regulators in a standardized format. Such measures will empower health plans to negotiate more advantageous agreements with PBMs and enable regulators to more effectively hold PBMs accountable for their actions.

Attorney General Miyares was joined by the attorneys general of Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Hawaii, Illinois, Kansas, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, New Hampshire, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virgin Islands, Wisconsin, and Wyoming.

Click <u>here</u> to read the letter.

# **COLD STORAGE WAREHOUSING PROVIDER TO EXPAND IN VIRGINIA**

(February 20, 2024) Governor Glenn Youngkin announced that WCS Logistics, a Winchester Cold Storage company, will invest \$27 million to expand in Frederick County. The company will build a new 83,000-square-foot cold storage facility with the capacity for over 13,000 pallets to meet increasing demand. Winchester Cold Storage offers a wide range of storage options, including freezer, cooler, controlled atmosphere, tempering, climate control, dry storage, office space, lease, and build to suit. The project will create more than 15 new jobs.

"A true Virginia success story, WCS Logistics has facilitated smooth and efficient movement of perishable goods on the East Coast for more than a century to keep the supply chain moving," said Governor Glenn Youngkin. "We are proud that the company is choosing to reinvest in the Commonwealth and strengthen Virginia's logistics industry, which is a high-growth sector and a core focus of our economic development strategy."

"WCS Logistics' continued growth demonstrates the advantages of a Virginia location, and I am thrilled the company is doubling down on the Commonwealth for its next cold storage facility," said Secretary of Commerce and Trade Caren Merrick. "WCS has provided jobs for hard-working Virginians for more than 100 years, and we look forward to its next chapter of success in Frederick County." "WCS Logistics is proud to announce this investment in our newest facility," said Peter Yates, Chief Operating Officer of WCS Logistics. "This is our second expansion in the cold storage market in the last five years, and we are excited to be able to better serve our existing customers and to offer our services to others we have not had the capacity to assist with their third-party logistics needs."

"Increased cold storage capacity created through this expansion has the potential to positively impact existing food industries within the region," said Josh Ludwig, Chairman, Frederick County Board of Supervisors. "We appreciate the continued investment of WCS Logistics in Frederick County."

"It is great to see and support the success of local businesses, especially Winchester Cold Storage," said Senator Timmy French. "They play an important role in increasing the storage capacity in our area and I am grateful they are able to expand their operation."

"Winchester Cold Storage has successfully been in operation for over a century, growing to be one of the largest cold storage operators in the county," said Delegate Bill Wiley. "I am so excited about this news. It is always nice to hear that local industries are expanding in our area, which is a testament to why Winchester is a preferred destination to work, live, and raise a family."

Winchester Cold Storage Company was organized in 1917 to provide cold storage for the growing apple industry in the Winchester area. WCS Logistics combines the advantages of a strategic mid-Atlantic location and East Coast distribution with particularly competitive rates for storage and handling to offer one of the best values in the market. The company opened its most recent cold storage facility in Frederick County in 2019.

# GOVERNOR GLENN YOUNGKIN'S STATEMENT ON THE HOUSE AND SENATE APPROPRIATIONS COMMITTEES' BUDGET PROPOSALS

*(February 18, 2024)* Governor Glenn Youngkin released the following statement on the House Appropriations Committee and Senate Finance and Appropriations Committee budget proposals.

"When I presented our budget in December, it was a bold, necessary plan forward with the goal of 'Unleashing Opportunity' for all Virginians," said Governor Glenn Youngkin. "As I begin my review of today's proposals from the House and Senate it will be through the lens that structural balance matters, that Virginians can't afford another tax increase and, in fact, need additional tax relief, and that we need to build on the work we've done investing in education, law enforcement, economic and workforce development, and behavioral health in the Commonwealth. Today is just the start, and I am confident that working together with the General Assembly we can continue the progress we've made in our first two years and move the Commonwealth forward together."

# **GLOBAL TECH SOLUTIONS MANUFACTURER TO EXPAND IN VIRGINIA**

(February 16, 2024) Governor Glenn Youngkin announced that TTM Technologies, Inc., a global technology solutions manufacturer, will invest \$13.4 million to expand in Loudoun County. The company is consolidating and modernizing its U.S. facilities to maximize current and future growth and will expand its workforce at its bare printed circuit board manufacturing facility in Sterling. The project will create 43 new jobs.

"TTM Technologies' expansion demonstrates Virginia's thriving tech and manufacturing ecosystems can support the growth of our corporate partners with competitive global industries," said Governor Glenn Youngkin. "Reshoring the production of complex printed circuit boards in Virginia is another boost for our manufacturing sector, and we are proud that TTM has found the right location, business climate, and workforce to grow its capacity and capabilities here in the Commonwealth."

"The expansion of TTM's business sends a strong message that Virginia can compete and grow in global electronics manufacturing markets," said Secretary of Commerce and Trade Caren Merrick. "I congratulate TTM Technologies on its success in Loudoun County and thank all the partners involved in securing this project that will create 43 high-tech new jobs for local citizens."

"TTM Technologies is pleased to bring this expansion of capability and opportunity for workforce growth to Sterling, Va.," said Phil Titterton, COO of TTM Technologies. "The engagement by Governor Glenn Youngkin, the Virginia Economic Development Partnership, and Loudoun County's Department of Economic Development were invaluable in our decision to expand TTM's Sterling, Virginia facility. This successful process has allowed all involved to develop a better understanding of the importance and criticality of U.S.-made printed circuit boards. We appreciate these partnerships and the community as TTM continues to grow our diverse and dedicated workforce in Sterling."

"We are thrilled that TTM Technologies chose to expand its operations in Loudoun, underscoring the County's appeal as a strategic location for cutting-edge technology and manufacturing," said Buddy Rizer, Executive Director of Loudoun County's Department of Economic Development. "This expansion not only strengthens our economic foundation but also opens incredible new #LoudounPossible job opportunities for our skilled workforce. Loudoun County remains committed to fostering an environment where innovative companies like TTM Technologies can Start, Scale, and Soar, contributing to the continued growth of our community."

"It's always exciting when we can welcome business growth to Loudoun County and Virginia," said Delegate David Reid. "TTM's decision to expand their presence in Loudoun County helps diversify our local economy and provides high-paying, quality jobs for Loudoun residents. Loudoun County and Virginia have become synonymous with the global high-tech industry, and investments by companies, like TTM, highlight that we continue to play a significant role in the world economy."

The Virginia Economic Development Partnership worked with Loudoun County to secure the project for Virginia and will support TTM Technologies' job creation through the Virginia Jobs Investment Program (VJIP), which provides consultative services and funding to companies creating new jobs in order to support employee recruitment and training activities. As a business incentive supporting economic development, VJIP reduces the human resource costs of new and expanding companies. VJIP is statefunded, demonstrating Virginia's commitment to enhancing job opportunities for citizens.

# **IN THE NEWS**

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

# <u>Cocktails to-go in Virginia may become permanent, headed to Youngkin for approval</u> Source: Richmond Times-Dispatch, Date: February 22, 2024

Virginia restaurants may soon be able to serve cocktails to-go permanently. To read more, click here.

# <u>'This invisible war': Virginia attorney general talks about the dangers of fentanyl</u>

Source: The Winchester Star, Date: February 21, 2024

During an event to raise awareness about the dangers of fentanyl, Virginia Attorney General Jason Miyares told an audience in Frederick County that drug cartels are "committing chemical warfare" on the United States as the nation continues to grapple with overdose deaths. To read more, click <u>here</u>.

# United Way of Southwest Virginia to spin off workforce and education programs into new nonprofit

Source: Cardinal News, Date: February 21, 2024

United Way of Southwest Virginia said Tuesday it will establish a new nonprofit to manage its \$10 million portfolio of grant-funded education and workforce programs, allowing the Abingdon-based organization to renew its focus on fundraising and other efforts. To read more, click <u>here</u>.

# As chronic homelessness rises in the Charlottesville area, one type of housing that can help has been delayed because of rising construction costs

# Source: Charlottesville Tomorrow, Date: February 20, 2024

Despite receiving funding from both the City of Charlottesville and Albemarle County, the next phase of the Premier Circle low-cost housing project is delayed once more. To read more, click <u>here</u>.

# Lawmakers consider funding for travel guide to Hampton Roads' African American heritage

Source: WHRO, Date: February 20, 2024

Hampton Roads boasts notable Black neighborhoods, historically Black universities, Green Book locations and even the site where the first Africans set foot on U.S. soil in 1619. To read more, click <u>here</u>.

# Youngkin signals proposed arena could fund Portsmouth toll relief

*Source: 3 WTKR, Date: February 20, 2024* Gov. Youngkin signaled toll relief in Hampton Roads could be paid for through money generated from the proposed Monumental Arena. To read more, click here.

# <u>General Assembly budget committees ditch Youngkin's tax plan, increase spending for schools and</u> <u>mental health</u>

# Source: Cardinal News, Date: February 18, 2024

The Democratic-led money committees in the General Assembly on Sunday denied Gov. Glenn Youngkin the \$1 billion in additional tax relief and the proposed sales tax hike that he had asked for in his first two-year state budget. To read more, click <u>here</u>.

# Lawmakers advance bill to teach high school students how to reverse opioid overdose

*Source: Henry County Enterprise, Date: February 16, 2024* Bills to help educate juveniles and prevent fatal overdoses amid the opioid epidemic have advanced in the General Assembly. To read more, click <u>here</u>.

# Hampton Roads Transit unveils two new ferries for regular service on its only water route

Source: WHRO, Date: February 16, 2024

Commuters and Tides game attendees will have two new ferries to ride in 2024. Elizabeth River Ferries VI and VII were unveiled Friday, several months after Hampton Roads Transit auctioned off the 38-year-old Ferry III. To read more, click <u>here</u>.

Virginia nets \$41 million for terminal improvements at Dulles, Norfolk International

Source: Virginia Mercury, Date: February 15, 2024

The Biden administration will send close to \$1 billion to airports across the country to upgrade terminal facilities, including \$41 million to Dulles International Airport and Norfolk International Airport in Virginia, Transportation Secretary Pete Buttigieg announced Thursday. To read more, click <u>here</u>.

# **IMPORTANT DATES AND MILESTONES**

Upcoming dates and deadlines are listed below.

- March 9<sup>th</sup> Final day of session, otherwise known as Sine Die.
- April 17<sup>th</sup> Reconvened/Veto session, where legislature returns to act on Governor's amendments and vetoes.
- July 1<sup>st</sup> 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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