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# VIRGINIA STATE BUDGET

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2023 Special Session I

## Budget Bill - HB6001 (Chapter 1)

Bill Order » Office of Commerce and Trade » Item 125

Virginia Economic Development Partnership

Item 125	First Year - FY2023	Second Year - FY2024
<b>Economic Development Services (53400)</b>	<b>\$48,504,192</b>	<b>\$50,579,192</b> <b>\$50,812,792</b>
Economic Development Services (53412)	\$48,504,192	\$50,579,192 \$50,812,792
Fund Sources:		
General	\$48,504,192	\$50,579,192 \$50,812,792

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Authority: Title 2.2, Chapter 22, Article 4 and Chapter 51; and § [15.2-941](#), Code of Virginia.

A. Upon authorization of the Governor, the Virginia Economic Development Partnership may transfer funds appropriated to it by this act to a nonstock corporation.

B. Prior to July 1 of each fiscal year, the Virginia Economic Development Partnership shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget a report of its operational plan. Prior to November 1 of each fiscal year, the Partnership shall provide to the Chairs of the House Appropriations and Senate Finance and Appropriations Committees and the Director, Department of Planning and Budget a detailed expenditure report and a listing of the salaries and bonuses for all partnership employees for the prior fiscal year. All three reports shall be prepared in the formats as previously approved by the Department of Planning and Budget.

C. In developing the criteria for any pay for performance plan, the board shall include, but not be limited to, these variables: 1) the number of economic development prospects committed to move to or expand operations in Virginia; 2) dollar investment made in Virginia for land acquisition, construction, buildings, and equipment; 3) number of full-time jobs directly related to an economic development project; and 4) location of the project. To that end, the pay for performance plan shall be weighted to recognize and reward employees who successfully recruit new economic development prospects or cause existing prospects to expand operations in localities with fiscal stress greater than the statewide average. Fiscal Stress shall be based on the Index published by the Commission on Local Government. If a prospect is physically located in more than one contiguous locality, the highest Fiscal Stress Index of the participating localities will be used.

D. The State Comptroller shall disburse the first and second year appropriations in twelve equal monthly installments. The Director, Department of Planning and Budget may authorize an increase in disbursements for any month, not to exceed the total appropriation for the fiscal year, if such an advance is necessary to meet payment obligations.

E. The Virginia Economic Development Partnership shall provide administrative and support services for the Virginia Tourism Authority as prescribed in the Memorandum of Agreement until July 1, 2024, or until the authority is able to provide such services.

F. The Virginia Economic Development Partnership shall report one month after the close of each quarter to the

Chairs of the Senate Finance and Appropriations and House Appropriations Committees on the Commonwealth's Development Opportunity Fund. The report shall include, but not be limited to, total appropriations made or transferred to the fund, total grants awarded, cash balances, and balances available for future commitments.

G. Prior to purchasing airline and hotel accommodations related to overseas trade shows, the Virginia Economic Development Partnership shall provide an itemized list of projected costs for review by the Secretary of Commerce and Trade.

H.1. Out of the amounts in this Item, \$2,250,000 in the first year and \$2,250,000 in the second year from the general fund shall be deposited in the Virginia Brownfields Restoration and Economic Redevelopment Assistance Fund established pursuant to § 10.1-1237, Code of Virginia.

2. Guidelines developed by the Virginia Economic Development Partnership, in consultation with the Department of Environmental Quality, governing the use of the Fund shall provide for grants of up to \$500,000 for site remediation and include a requirement that sites with potential for redevelopment and economic benefits to the surrounding community be prioritized for consideration of such grants.

I. Any requests for administrative or staff support for the Committee on Business Development and Marketing or the Committee on International Trade established to advise the Virginia Economic Development Partnership shall be directed to, and are subject to the approval of, the Chair or the Chief Executive Officer of the Virginia Economic Development Partnership.

J.1. Out of the amounts in this Item, \$9,000,000 the first year and \$9,000,000 the second year from the general fund is provided to support the development of a workforce program to provide training and recruitment services to select companies locating or expanding in the Commonwealth.

2. Out of this appropriation, \$560,000 the first year and \$735,000 the second year from the general fund is provided to effectuate the provisions of Chapters 731 and 746 of the 2022 Acts of Assembly. This funding is supplemental to the funds provided in Paragraph J.1. and shall not be included in any base budget for the Virginia Talent Accelerator Program.

K. Out of the amounts in this item, \$1,062,500 the first year and \$1,062,500 the second year from the general fund is provided for the Virginia Economic Development Partnership Authority to administer a comprehensive Virginia Business Ready Sites program. The funds in this paragraph may be used to administer the program established by Chapter 83 of the 2022 Acts of Assembly, *Chapter 779 of the 2023 Acts of Assembly*, and characterize, inventory, develop, market and deploy economic sites in the Commonwealth, which includes business investment activities.

L.1. Out of the amounts in this Item, \$500,000 the first year and ~~\$500,000~~ \$733,600 the second year from the general fund is provided to support the Office of Education and Labor Market Alignment in accordance with § 2.2-2238, Code of Virginia.

~~2. Notwithstanding any provision of law, the Office of Labor Market Alignment (the Office) shall serve as a resource for education and workforce programs administered by state government to better inform programmatic decisions on workforce education and training. Additionally, the Office shall serve as a guide and resource for the Governor and the General Assembly in determining strategic education and workforce investments in current and future education and workforce training programs with a particular focus on those programs supported with state general fund dollars. The Office shall communicate relevant information in a clear and concise manner to better enable policy makers and decision makers to navigate the complex, often confusing connections between education and the labor market.~~

*2. Notwithstanding any provision of law, the Office of Labor Market Alignment (the Office) shall serve as a resource for education and workforce programs administered by state government to better inform programmatic decisions*

*on workforce education and training. Additionally, the Office shall serve as a guide and resource for the Governor and the General Assembly in determining strategic education and workforce investments in current and future education and workforce training programs with a particular focus on those programs supported with state general fund dollars.*

~~3. The Virginia Economic Development Partnership shall include in its annual report, due on November 1st of each year, an update on the activities of the Office of Labor Market and Alignment.~~

*3. The Office shall develop and report an annual research agenda to the Governor and General Assembly on or before June 30th of each year in collaboration with the Secretaries of Education, Labor, and Commerce and Trade, the State Council of Higher Education for Virginia, institutions of higher education, the Virginia Department of Education, the Virginia Employment Commission, the Virginia Initiative for Growth and Opportunity Board, and the Department of Workforce Development and Advancement, members of or staff to the House Committee on Education, Senate Committee on Education and Health, House Committee on Appropriations, and the Senate Committee on Finance and Appropriations.*

*4. The Virginia Economic Development Partnership Authority shall include in its annual report, due on November 1st of each year, an update on the activities of the Office of Labor Market Alignment.*

M.1. Out of the amounts in this Item, \$4,600,000 the first year and \$4,600,000 the second year from the general fund is provided to fully implement Virginia's International Trade Plan. The authority shall include an update to the International Trade Plan in its annual operating plan due November 1, 2022, as required by § 2.2-2237.1, Code of Virginia.

2. By January 31, 2023, the initiatives funded through the proposed increase for the authority's International Trade programs will support an additional 55 small to mid-size existing Virginia businesses. No later than January 31, 2023, the authority will report to the Chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee the number of additional small to mid-size existing Virginia businesses supported by VEDP's International Trade programs and services.

N. Out of this appropriation, \$1,158,969 the first year and \$1,158,969 the second year from the general fund is provided to establish the Division of Incentives consistent with the provisions of § 2.2-2237.3, Code of Virginia.

O. Out of this appropriation, \$200,000 the first year and \$200,000 the second year from the general fund is provided to establish an internal audit function for the authority, consistent with the provisions of § 2.2-2236.1, Code of Virginia.

P. Out of this appropriation, \$200,000 the first year from the general fund is provided for the authority to complete an economic impact study of expanding a natural gas pipeline to Accomac in Accomack County, Virginia. This analysis shall include a return on investment analysis on the materials used to construct the pipeline (metal or plastic) and its capacity to support business development in terms of capital investment and job creation along the eastern shore. Any-investor owned public service company engaged in the business of furnishing natural gas shall provide information as needed to the authority, at their request, to aid in the completion of this study. The authority shall submit the results of this economic impact study to the Governor and General Assembly on or before December 1, 2022.

Q. Out of the amounts in this item, \$200,000 the first year from the general fund is provided for an inland port feasibility assessment. The Virginia Economic Development Partnership Authority and the Virginia Port Authority, in consultation with the Virginia Tobacco Region Revitalization Commission, the Central Virginia Planning District Commission, and the Mount Rogers Planning District Commission, shall assess the feasibility of establishing an inland port in Region 2000, the Mount Rogers Planning District Commission, or the City of Bristol and submit its findings to the General Assembly no later than November 1, 2022. In conducting this assessment,

the Secretary of Transportation, the Department of Rail and Public Transportation, and the Office of Intermodal Planning and Investment shall provide any technical assistance that may be required.

R. Out of the amounts in this item, \$200,000 the first year from the general fund is provided for the authority to undertake a workforce study for the offshore wind and maritime industries. The authority shall evaluate strategies to attract skilled out-of-state talent to fill maritime jobs in Hampton Roads in support of the shipbuilding, ship repair, and offshore wind industries. In conducting the study, the authority shall assess talent attraction programs operated in other states and review their recruiting strategies, incentives offered for relocation, and the overall programmatic effectiveness. The report shall contain both legislative and funding recommendations with respect to implementation strategies focused on specifically targeted out-of-state populations, including transitioning military personnel, trade-school graduates, and other wind-industry related skillsets, specific incentives that would attract such talent, and potential costs to effectively administer such a program. The report shall be submitted to the General Assembly, Virginia Community College System, and the officials listed in Paragraph A. of Item 487.5 of this act no later than November 1, 2022.

S. Out of the amounts in this item, \$2,500,000 the second year from the general fund is provided to create a supply chain for the offshore wind industry in Virginia through direct business investment in equipment. In developing this new investment program, the authority shall focus on smaller companies and how investment from the state for equipment can incentivize their participation in this new industry. Individual investments from this program may range from \$20,000 to \$250,000 per company. The authority in collaboration with the Office of Offshore Wind, and other relevant stakeholders shall develop criteria and guidelines for this offshore wind supply chain development program in Virginia on or before June 1, 2023.

T. Out of this appropriation, \$1,500,000 the first year and \$1,500,000 the second year from the general fund is provided to support the administration of new and expanding programs. This funding shall remain unallotted until authorized for allotment by the Secretary of Finance.