2026 Special Session I

Budget Bill - HB30 (Introduced)

Virginia Economic Development Partnership

Item 113	First Year - FY2027	Second Year - FY2028
Economic Development Services (53400)	**$60,413,402**	**$60,413,402**
Economic Development Services (53412)	$60,413,402	$60,413,402
Fund Sources:		
General	$60,413,402	$60,413,402

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, 2028, 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. 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.

K. Out of the amounts in this Item, $1,562,500 the first year and $1,562,500 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 § 2.2-2240.2:1, Code of Virginia, § 2.2-2240.2:2, Code of Virginia, § 2.2-2761, Code of Virginia, 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, $2,233,600 the first year and $2,233,600 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.

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. 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.

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 and $200,000 the second year from the general fund is provided for the authority to enhance cyber security initiatives.

Q. Out of this appropriation, $300,000 the first year and $300,000 the second year from the general fund is provided to support the opening of the Virginia-Taiwan Trade Office.

R. Out of this appropriation, $1,250,000 the first year and $1,250,000 the second year from the general fund is provided to support reorganizing economic development services at the authority.

S.1. Out of this appropriation, $6,000,000 the first year and $6,000,000 the second year from the general fund is provided to support employer-focused activities that further the goal of providing all postsecondary students in Virginia with one or more paid internships during their undergraduate course of study. These activities include: (i) arranging for administration of the matching grant program for certain employers of higher education related student interns as provided in this paragraph; (ii) coordinating regional collaboratives to serve as intermediaries for employers seeking to initiate or expand employment of higher education related student interns in a region; and (iii) measuring and reporting program participation and progress toward identified goals through the Virginia Office of Education and Workforce Alignment. VEDP shall convene a stakeholder group from business, industry, education, economic and workforce development, and government, including the following primary partners for employer engagement: Virginia Chamber of Commerce; Virginia Business Higher Education Council; and other statewide local government and non-profit education partners to design these activities. At the recommendation of the stakeholder group, VEDP may enter into a Memorandum of Understanding (MOU) with Virginia Works to carry out the activities listed in this paragraph; however, VEDP shall remain the fiscal agent for these activities. The MOU shall provide for ongoing collaboration by and with SCHEV and institutions of higher education to integrate the employer-focused activities authorized in this paragraph with campus internship centers and other activities related to postsecondary paid and credit-bearing internships that are implemented pursuant to Item 133 I. Such amounts to be authorized and the MOU will be subject to annual approval by the Board of VEDP.

2. VEDP shall provide for implementation of a program of matching grants for small and midsize Virginia-based employers that hire undergraduate student interns and shall establish criteria for the grants in consultation with the partners identified in paragraph S.1. of this Item. Such criteria shall include: (i) a limitation of eligibility to for-profit business and nonprofit organizations, excluding institutions of higher education, with physical operations and facilities in Virginia and 150 or fewer Virginia-based employees; (ii) certification of employer eligibility by the authority following a training program of reasonable duration and agreement by the employer to reasonable mentoring and reporting obligations; (iii) a limitation of grant awards to reimbursement, not to exceed $7,500 per higher education related internship, for a maximum of one-half of wages, including FICA, and workplace subsidies, including transportation, housing, and other internship-related expenses, paid to or for the benefit of a student participating in a qualifying internship; (iv) the minimum and maximum number of hours required to ensure the student gains valuable work experience; (v) a limitation of the qualifying number of higher education related internships per employer; and (vi) the maximum timeframe for employers to be eligible to receive the grants. Prioritization of grant awards may consider employers of 50 or fewer employees. The authority may provide other

services to employers, including arranging for one or more staffing agencies to provide services related to higher education related intern recruitment and placement, but eligibility for matching grants shall not be conditioned on an employer's engagement with or use of such staffing agency or other services.

3. VEDP may employ a program administrator, contract for professional services related to marketing and communications, and take such other actions within its existing authority as it deems appropriate to accomplish the purposes of this paragraph and facilitate the partnerships and collaboration described herein. All activities and amounts are subject to annual approval by the Board of VEDP.