



REPORT OF THE SUBCOMMITTEE ON ECONOMIC DEVELOPMENT & NATURAL RESOURCES

SENATE FINANCE &
APPROPRIATIONS COMMITTEE
FEBRUARY 22, 2026





SENATE OF VIRGINIA

Senate Finance & Appropriations Committee

Report of the Economic Development and Natural Resources Subcommittee

The Honorable Barbara A. Favola, Chair

February 22, 2026

Madam Chair and Members of the Committee,

Your Subcommittee has carefully reviewed Governor Youngkin's introduced budget for the Secretariats of Agriculture and Forestry, Commerce and Trade, Labor, and Natural Resources. We have thoughtfully considered these proposals, along with those offered by our Senate colleagues. In our deliberations, we took your directive to the Committee to heart – the Senate budget would prioritize education and health care funding, and one-time resources should be invested in one-time needs that would not create ongoing obligations for the Commonwealth. Furthermore, we focused on actions that would improve communities and maintain affordability for Virginians.

Virginia families and communities thrive when housing becomes affordable. Our proposed amendments include an additional \$50.0 million for the Virginia Housing Trust Fund and \$13.0 million for eviction prevention and diversion programs to mitigate housing instability. The best community builders are local governments, so our proposals transfer the almost \$80.0 million balance from the state fund for business ready site acquisition to the fund that provides grants to local governments for their site development activities. Finally, the Senate has acted on many bills this Session that will improve the workforce and energy use in Virginia, and the Subcommittee has made sure the Departments of Labor and Energy are equipped to implement that legislation.

In the areas of Agriculture and Forestry and Natural Resources, the Subcommittee is proposing support for equine activities, PFAS monitoring,

and regional groundwater planning and research. In keeping with our desire to steward our natural resources, the Subcommittee endorses the \$426.6 million deposit to the Water Quality Improvement Fund included in the introduced budget and we propose an additional \$200.0 million for water quality improvements for wastewater treatment facilities. We also recommend \$50.0 million to support the City of Richmond's Combined Sewer Overflow project.

This completes the report of the Economic Development and Natural Resources Subcommittee. I would like to thank the Subcommittee members for their participation, and I hope it will be the pleasure of the Committee to adopt our amendments.

Respectfully Submitted,

The Honorable Barbara A. Favola, Vice-Chair

The Honorable Richard H. Stuart

The Honorable Bryce E. Reeves

The Honorable Scott A. Surovell

Report of the Subcommittee on Economic Development and Natural Resources

(Proposed Amendments to SB 30 as Introduced, 2026 Session)

SB 30, General Fund

Amendment		FY 2027	FY 2028	Biennium
1	Agriculture and Forestry			
2	Department of Agriculture and Consumer Services			
3	Cannabis Retail Market Regulation	\$ 865,365	\$ 865,365	\$ 1,730,730
4	Subtotal, Department of Agriculture and Consumer Services	\$ 865,365	\$ 865,365	\$ 1,730,730
5	Virginia Racing Commission			
6	Support Shenandoah County and Great Meadows Foundation Equine Events	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
7	Subtotal, Virginia Racing Commission	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
8	<i>Various Language Amendments</i>			
9	Total Agriculture and Forestry	\$ 1,865,365	\$ 1,865,365	\$ 3,730,730
10				
11	Commerce and Trade			
12	Economic Development Incentive Payments			
13	Update References for Economic Development Incentive Payments		Language	
14	Business Ready Sites Grant Program Transfer		Language	
15	Subtotal, Economic Development Incentive Payments	\$ -	\$ -	\$ -
16				
17	Department of Housing and Community Development			
18	Increase Virginia Housing Trust Fund (SB 490)	\$ 50,000,000	\$ -	\$ 50,000,000
19	Virginia Eviction Reduction Program	\$ 13,000,000	\$ -	\$ 13,000,000
20	Income-Qualified Energy Efficiency and Weatherization Task Force	\$ 25,000	\$ -	\$ 25,000
21	Increase Funding for Hampton Roads Planning District Commission	\$ 190,000	\$ 190,000	\$ 380,000
22	Housing Development Database (SB 666)	\$ 261,000	\$ 261,000	\$ 522,000
23	Prentis Street Transmission Water Main Improvements	\$ 7,000,000	\$ -	\$ 7,000,000
24	Main Street Program Administrative Expenses Language		Language	
25	Cont. Auth. for Pilot Demonstration of Statewide Emergency Mgmt. Mobil App.		Language	

Report of the Subcommittee on Economic Development and Natural Resources

(Proposed Amendments to SB 30 as Introduced, 2026 Session)

		SB 30, General Fund		
Amendment		FY 2027	FY 2028	Biennium
26	Broadband Make Ready Costs		Language	
27	Broadband Forced Relocation Costs		Language	
28	Subtotal, Department of Housing and Community Development	\$ 70,476,000	\$ 451,000	\$ 70,927,000
29				
30	Department of Energy			
31	Support for Energy-Related Legislation	\$ 1,025,000	\$ 425,000	\$ 1,450,000
32	Virginia Clean Energy Innovation Bank (SB 225)	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000
33	Solar Interconnected Grant Fund (SB 659)	\$ 2,000,000	\$ -	\$ 2,000,000
34	Subtotal, Department of Energy	\$ 13,025,000	\$ 10,425,000	\$ 23,450,000
35				
36	Virginia Tourism Authority			
37	Redirect a Portion of Sports Tourism Grant Program Support	\$ (2,500,000)	\$ -	\$ (2,500,000)
38	Subtotal, Virginia Tourism Authority	\$ (2,500,000)	\$ -	\$ (2,500,000)
39				
40	Virginia Innovative Partnership Authority			
41	Redirect Support for Biotechnology to Other Priorities	\$ (35,000,000)	\$ -	\$ (35,000,000)
42	Commonwealth of Virginia Science and Technology Fellowships	\$ 75,000	\$ 125,000	\$ 200,000
43	Subtotal, Virginia Innovative Partnership Authority	\$ (34,925,000)	\$ 125,000	\$ (34,800,000)
44				
45	<i>Various Language Amendments</i>		Language	
46	COMMERCE AND TRADE TOTAL	\$ 46,076,000	\$ 11,001,000	\$ 57,077,000
47				
48	LABOR			
49	Department of Labor and Industry			
50	Labor Law Support for Legislation	\$ 4,835,300	\$ 2,835,300	\$ 7,670,600
51	Subtotal, Department of Labor and Industry	\$ 4,835,300	\$ 2,835,300	\$ 7,670,600

Report of the Subcommittee on Economic Development and Natural Resources

(Proposed Amendments to SB 30 as Introduced, 2026 Session)

		SB 30, General Fund		
		FY 2027	FY 2028	Biennium
Amendment				
52				
53	Department of Workforce Development and Advancement			
54	Virginia Health Care Career and Technical Training and Education Fund	\$ 1,000,000	\$ -	\$ 1,000,000
55	Subtotal, Department of Workforce Development and Advancement	\$ 1,000,000	\$ -	\$ 1,000,000
56				
57	<i>Various Language Amendments</i>			
58	LABOR TOTAL	\$ 5,835,300	\$ 2,835,300	\$ 8,670,600
59				
60	NATURAL RESOURCES			
61	Department of Conservation and Recreation			
62	Virginia Conservation Assistance Program	\$ 8,000,000	\$ -	\$ 8,000,000
63	Lake Anna Harmful Algal Bloom (Cyanobacteria) Mitigation	\$ -	\$ 500,000	\$ 500,000
64	Lake Barcroft Dam	\$ 2,995,000	\$ -	\$ 2,995,000
65	Jones Pond Remediation at Caledon State Park	\$ 300,000	\$ -	\$ 300,000
66	Ranger Position for Breaks Interstate Park	\$ 215,240	\$ 89,640	\$ 304,880
67	Soil and Water Conservation District Dam Repair	\$ 25,000,000	\$ -	\$ 25,000,000
69	Subtotal, Department of Conservation and Recreation	\$ 36,510,240	\$ 589,640	\$ 37,099,880
70				
71	Department of Environmental Quality			
72	Regional Water Supply Planning	\$ 750,000	\$ 750,000	\$ 1,500,000
73	PFAS Monitoring and Reporting (SB 138)	\$ 1,625,000	\$ 1,125,000	\$ 2,750,000
74	Groundwater Study for Loudoun and Fauquier Counties	\$ 100,000	\$ -	\$ 100,000
75	Conduct Groundwater Research	\$ 2,300,000	\$ -	\$ 2,300,000
76	King George Wastewater Infrastructure Funding	\$ 5,000,000	\$ -	\$ 5,000,000
77	SWIFT Model for Eastern Groundwater	\$ 300,000	\$ 200,000	\$ 500,000
78	Richmond Combined Sewer Overflow Project	\$ 50,000,000	\$ -	\$ 50,000,000

Report of the Subcommittee on Economic Development and Natural Resources

(Proposed Amendments to SB 30 as Introduced, 2026 Session)

		SB 30, General Fund		
	Amendment	FY 2027	FY 2028	Biennium
79	Waste-to-Energy Study (SB 645)	\$ 200,000	\$ -	\$ 200,000
80	Supplemental Water Quality Improvement Fund (WQIF) Deposit	\$ 200,000,000	\$ -	\$ 200,000,000
81	South Central Wastewater Authority WQIF Procedures	Language		
82	Subtotal, Department of Environmental Quality	\$ 260,275,000	\$ 2,075,000	\$ 262,350,000
83				
84	Department of Historic Resources			
85	Black, Indigenous, and People of Color Historic Preservation Fund	\$ 2,000,000	\$ -	\$ 2,000,000
86	Washington and Old Dominion Trail Visitors Center	\$ 1,000,000	\$ -	\$ 1,000,000
87	Accessibility Rehabilitation at Freedom House	\$ 1,000,000	\$ -	\$ 1,000,000
88	25th Remembrance of September 11, 2001	\$ 1,000,000	\$ -	\$ 1,000,000
89	Subtotal, Department of Historic Resources	\$ 5,000,000	\$ -	\$ 5,000,000
90				
91	Marine Resources Commission			
92	Conveyance of State-Owned Bottomlands	Language		
93	Little Wicomico Dredging	\$ 2,600,000	\$ -	\$ 2,600,000
94	Subtotal, Marine Resources Commission	\$ 2,600,000	\$ -	\$ 2,600,000
95				
96	<i>Various Language Amendments</i>	Language		
97	NATURAL RESOURCES TOTAL	\$ 304,385,240	\$ 2,664,640	\$ 307,049,880
98	SUBCOMMITTEE TOTAL	\$ 358,161,905	\$ 18,366,305	\$ 376,528,210

Item 99 #1s

Agriculture and Forestry	FY26-27	FY27-28	
Virginia Racing Commission	\$1,000,000	\$1,000,000	GF

Language:

Page 96, line 31, strike "\$4,724,579" and insert "\$5,724,579".

Page 96, line 31, strike "\$4,724,579" and insert "\$5,724,579".

Page 97, after line 44, insert:

"H. Out of the amounts in this Item, \$1,000,000 the first year and \$1,000,000 the second year from the general fund shall be distributed to support racing and equine events. Of that amount, \$500,000 each year shall be provided to the Shenandoah Agricultural Foundation for harness racing at the Shenandoah County Fairgrounds and \$500,000 each year shall be provided to the Great Meadow Foundation for steeplechase and other events."

Explanation:

(This amendment provides \$1.0 million GF each year to support the Shenandoah Agricultural Foundation and the Great Meadow Foundation horse racing and equine events.)

Item 102 #2s

Commerce and Trade	FY26-27	FY27-28	
Department of Housing and Community Development	\$13,000,000	\$0	GF

Language:

Page 102, line 31, strike "\$311,162,101" and insert "\$324,162,101".

Page 104, line 20, after "Item" strike "\$3,450,000" and insert "\$16,450,000".

Explanation:

(This amendment provides an additional \$13.0 million GF the first year for the Eviction Prevention and Diversion Program.)

Item 102 #3s

Commerce and Trade	FY26-27	FY27-28	
Department of Housing and Community Development	\$25,000	\$0	GF

Language:

Page 102, line 31, strike "\$311,162,101" and insert "\$311,187,101".

Page 105, after line 7 insert:

"R. Out of the amounts in this Item, \$25,000 the first year from the general fund is provided to support the Income Qualified Energy Efficiency and Weatherization Task Force, established under the provisions of Senate Bill 5, 2026 General Assembly Session."

Explanation:

(This amendment provides \$25,000 GF the first year to coordinate the Income-Qualified Energy Efficiency and Weatherization Task Force, as outlined in Senate Bill 5, 2026 Session.)

Item 357 #1s		
Labor	FY26-27	FY27-28
Department of Workforce Development and Advancement	\$1,000,000	\$0 GF

Language:

Page 434, line 41, strike "\$47,153,983" and insert "\$48,153,983".

Page 435, after line 19, insert:

"E. Out of this appropriation, \$1,000,000 the first year from the general fund shall be deposited to the Virginia Health Care Career and Technical Training and Education Fund established in § 2.2-2040.1, Code of Virginia. The funding shall be used as matching funds for the Dental Hygienist Funding Pool. These funds shall be matched by private sector funds and administered by the Department in coordination with the Virginia Health Workforce Development Authority. The Department shall collaborate with the Virginia Community College System and private sector contributors to the Fund in the distribution of funds to dental hygiene programs in order to increase the number of graduates from such programs."

Explanation:

(This amendment provides \$1.0 million GF the first year for the Virginia Health Care Career and Technical Training and Education Fund established in § 2.2-2040.1, Code of Virginia, as matching funds for the Dental Hygienist Funding Pool.)

Item 362 #1s		
Natural and Historic Resources	FY26-27	FY27-28
Department of Conservation and Recreation	\$8,000,000	\$0 GF

Language:

Page 440, line 32, strike "\$434,875,166" and insert "\$442,875,166".

Page 444, after line 42, insert:

"W. Out of the appropriation in this Item, \$8,000,000 the first year from the general fund is provided for the Virginia Conservation Assistance Program administered by the Association of Soil and Water Conservation Districts."

Explanation:

(This amendment provides \$8.0 million GF the first year for the Virginia Conservation Assistance Program. The program is a community cost share initiative that provides financial incentives, technical assistance, and educational resources to property owners installing eligible best management practices, such as living shorelines, rainwater harvesting, and conservation landscaping.)

Item 366 #2s			
Natural and Historic Resources		FY26-27	FY27-28
Department of Environmental Quality		\$750,000	\$750,000 GF

Language:

Page 447, line 12, strike "\$60,396,062" and insert "\$61,146,062".

Page 447, line 12, strike "\$60,397,686" and insert "\$61,147,686".

Page 448, line 15, strike both instances of "\$231,000" and insert "\$981,000" and "\$981,000".

Explanation:

(This amendment provides \$750,000 GF each year of additional state support for the water supply planning activities of the 25 regional planning units, including resource mapping, risk assessment and mitigation, community engagement, and local plan approval. The Code of Virginia requires that regional water supply plans be submitted by October 2029.)

Item 368 #2s			
Natural and Historic Resources		FY26-27	FY27-28
Department of Environmental Quality		\$50,000,000	\$0 GF

Language:

Page 449, line 47, strike "\$258,956,273" and insert "\$308,956,273".

Page 451, after line 39, insert:

"M. Out of the amounts in this Item, \$50,000,000 the first year from the general fund shall be deposited to the Combined Sewer Overflow Matching Fund, established pursuant to § 62.1-241.12, Code of Virginia, to pay a portion of the costs of the combined sewer overflow project

in the City of Richmond."

Explanation:

(This amendment provides \$50.0 million GF the first year for the Combined Sewer Overflow project in the City of Richmond and deposits the general fund support to the existing Combined Sewer Overflow Matching Fund, established pursuant to § 62.1-241.12, Code of Virginia. The support will pay for a portion of capital improvement projects that fulfill required interim and final plans addressing the combined sewer overflow into the James River.)
