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**HOUSE BILL NO. 2490****AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on Finance  
on February 13, 2019)

(Patron Prior to Substitute—Delegate Rush)

A *BILL* to amend the Code of Virginia by adding in Subtitle III of Title 23.1 a chapter numbered 12.1, consisting of sections numbered 23.1-1239 through 23.1-1243, relating to creation of the Tech Talent Investment Program.

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Subtitle III of Title 23.1 a chapter numbered 12.1, consisting of sections numbered 23.1-1239 through 23.1-1243, as follows:**

**CHAPTER 12.1.****TECH TALENT INVESTMENT PROGRAM.****§ 23.1-1239. Definitions.**

*As used in this chapter, unless the context requires a different meaning:*

"Designated reviewers" means the Secretaries of Education and Finance, the director of the Department of Planning and Budget, the director of the Council, the president of the Virginia Economic Development Partnership, and the staff directors of the House Committee on Appropriations and the Senate Committee on Finance, or their designees.

"Eligible degree" means a new bachelor's or master's degree in the field of computer science, computer engineering, or other closely related fields of study.

"Fund" means the Tech Talent Investment Fund.

"Grant" means a grant paid from the Tech Talent Investment Fund.

"Memorandum of understanding" means the negotiated instrument entered into by a qualified institution and the Commonwealth. A memorandum of understanding shall contain criteria for eligible degrees, eligible expenses, and degree production goals for a period ending in 2039.

"New bachelor's and master's degrees" means the level of eligible degrees produced by a qualified institution to meet the degree production goals set forth in a qualified institution's memorandum of understanding.

"Qualified institution" means (i) any associate-degree-granting public institution of higher education that has a transfer plan that culminates in an eligible degree and (ii) any baccalaureate public institution of higher education.

**§ 23.1-1240. Tech Talent Investment Fund.**

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Tech Talent Investment Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for the Fund shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely to fund grants approved pursuant to the provisions of this chapter. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Secretary of Education pursuant to § 23.1-1242.

B. Moneys in the Fund shall be used to support the efforts of qualified institutions to increase by fiscal year 2039 the number of new eligible degrees by at least 25,000 more degrees than the number of such degrees awarded in 2018 and to improve the readiness of graduates to be employed in technology-related fields. Funds from the Fund may be used to support academic programs and to fund facility construction, renovation, and enhancement and equipment purchases related to the initiative to increase the number of eligible degrees awarded.

**§ 23.1-1241. Approval and update of memorandum of understanding.**

A. In order to support the goal of the creation of at least 25,000 new eligible degrees by 2039, the amount of grants available under this chapter shall be calculated in accordance with a memorandum of understanding negotiated with each qualified institution. Each memorandum of understanding shall contain criteria for eligible degrees, eligible expenses, and degree production goals for the institution to reach by 2039.

B. Each memorandum of understanding shall be structured in accordance with and be consistent with the objectives and purposes of this chapter and the criteria developed by, and in the form and manner prescribed by, the Secretary of Education in consultation with the other designated reviewers.

C. The designated reviewers shall review each qualified institution's proposed memorandum of understanding, or amendments thereto, and provide comments or affirmation to the qualified institution

60 by September 1 of the applicable year.

61 D. A qualified institution shall be eligible to receive grants pursuant to this chapter upon signature  
62 of the memorandum of understanding by the Governor.

63 E. A qualified institution with an approved memorandum of understanding may request an update to  
64 its memorandum of understanding no more than once annually and no later than July 1 of each year.  
65 The designated reviewers shall review the request and determine if an update is warranted. The  
66 Secretary of Education, in consultation with the other designated reviewers, may request that a qualified  
67 institution update its agreement at any point during the year. No amendment to a memorandum of  
68 understanding shall be final until signed by the Governor.

69 F. A new or amended memorandum of understanding shall be approved and signed pursuant to  
70 subsection D no later than November 1 in order for a qualified institution to apply for a grant in the  
71 next fiscal year.

72 **§ 23.1-1242. Eligibility for grant payments.**

73 A. A qualified institution with a memorandum of understanding approved and signed in accordance  
74 with the provisions of § 23.1-1241 shall be eligible to apply for a grant each fiscal year beginning with  
75 the Commonwealth's fiscal year beginning July 1, 2020, and each year through the Commonwealth's  
76 fiscal year starting on July 1, 2038. Grants available under this chapter shall be paid to the qualified  
77 institution from the Fund, subject to appropriation by the General Assembly, during each such fiscal  
78 year, contingent upon the qualified institution's meeting the requirements set forth in its memorandum of  
79 understanding. If the total amount of moneys appropriated to the Fund in a fiscal year is less than  
80 anticipated, grants to all qualified institutions under this chapter may be prorated to reflect the actual  
81 amount appropriated.

82 B. To apply for a grant each year, a qualified institution shall report to the Secretary of Education  
83 regarding the qualified institution's progress on increasing the number of eligible degrees and meeting  
84 the requirements pursuant to its memorandum of understanding. Such report shall include, at a  
85 minimum: (i) progress on increasing the number of eligible degrees, as set forth in the memorandum of  
86 understanding; (ii) the aggregate number of new eligible degrees created and maintained as of the last  
87 day of the calendar year that immediately precedes the date of the application; and (iii) the average  
88 annual cost incurred in the production of the new eligible degrees described in clause (ii). The report  
89 shall be filed with the Secretary no later than May 1 of the year following the calendar year upon  
90 which the report is based, as an application for a grant in the fiscal year beginning on the immediately  
91 following July 1. Failure to meet the reporting deadline shall result in a deferral of a payment in the  
92 upcoming fiscal year.

93 C. A report received pursuant to subsection B shall be reviewed by the designated reviewers. Within  
94 60 days of receipt of the report, the Secretary of Education, in consultation with the other designated  
95 reviewers, shall certify to the Comptroller and the qualified institution the amount of the grant payment  
96 to be paid to the qualified institution, subject to appropriation. Payment of such grant shall be made by  
97 check issued by the State Treasurer on warrant of the Comptroller in the fiscal year immediately  
98 following the submission of such application, as provided in the memorandum of understanding. The  
99 Comptroller shall not draw any warrants to issue checks for the grant installments under this section  
100 without a specific appropriation for the same.

101 D. As a condition of receipt of a grant installment, a qualified institution shall make available for  
102 inspection to the Secretary of Education, or his designee, all documents relevant and applicable to  
103 determining whether the qualified institution has met the requirements for the receipt of a grant as set  
104 forth in this chapter and subject to the memorandum of understanding.

105 **§ 23.1-1243. Report of the Secretary of Commerce and Trade.**

106 On or before July 1 of each year, the Secretary of Commerce and Trade shall file a report with the  
107 designated reviewers regarding the ongoing job creation and investment of a company that between  
108 November 1, 2018, and December 31, 2038, and pursuant to a memorandum of understanding entered  
109 into on or about November 12, 2018, among the company, the Commonwealth, and the Virginia  
110 Economic Development Partnership, is expected to (i) make or cause to be made a capital investment at  
111 a facility of at least \$2 billion, (ii) create at least 25,000 new full-time jobs, and (iii) potentially create  
112 an additional 12,850 jobs. Such report shall provide details regarding the number of full-time jobs  
113 created as of the date of the report, the fields of study to which the new jobs relate, and information  
114 related to the number of new employees hired by the company from qualified institutions in eligible  
115 fields.

116 **2. That the provisions of this act shall not become effective unless an appropriation effectuating**  
117 **the purposes of this act is included in a general appropriation act passed in 2019 by the General**  
118 **Assembly that becomes law.**