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HOUSE BILL NO. 850

Offered January 8, 2020

Prefiled January 7, 2020

A BILL to amend and reenact §§ 2.2-2240.3 and 2.2-2240.5 of the Code of Virginia, relating to the Virginia Jobs Investment Program.

Patron—Runion

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-2240.3 and 2.2-2240.5 of the Code of Virginia are amended and reenacted as follows:

§ 2.2-2240.3. Definitions; Virginia Jobs Investment Program and Fund; composition; general qualifications.

A. As used in this section and §§ 2.2-2240.4, 2.2-2240.5, and 2.2-2240.6, unless the context requires a different meaning:

"Capital investment" means an investment in real property, personal property, or both, at a manufacturing or basic nonmanufacturing facility within the Commonwealth that is or may be capitalized by the company and that establishes or increases the productivity of the manufacturing facility, results in the utilization of a more advanced technology than is in use immediately prior to such investment, or both.

"Full-time employee" means a natural person employed for indefinite duration in a position requiring a minimum of either (i) 35 hours of the employee's time per week for the entire normal year, which "normal year" shall consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary employees shall not qualify as new full-time employees under the Program.

"Fund" means the Virginia Jobs Investment Program Fund created in this section.

"Program" means the Virginia Jobs Investment Program created in this section.

B. There is hereby created the Virginia Jobs Investment Program to support private sector job creation by encouraging the expansion of existing Virginia businesses and the start-up of new business operations in Virginia. The Program shall support existing businesses and economic development prospects by offering funding to offset recruiting and training and retraining costs incurred by companies that are either creating new jobs or implementing technological upgrades and by providing assistance with workforce-related challenges and organizational development workshops.

C. The Program shall consist of the following component programs:

1. The Virginia New Jobs Program;
2. The Workforce Retraining Program; and
3. The Small Business New Jobs and Retraining Programs.

D. To be eligible for assistance under any of the component programs of the Program, a company shall:

1. Create or sustain employment for the Commonwealth in a basic sector industry or function, which would include businesses or functions that directly or indirectly derive more than 50 percent of their revenues from out-of-state sources, as determined by the Authority;

2. Pay a minimum entry-level wage rate per hour of at least 1.35 times the federal minimum wage. In areas that have an unemployment rate of one and one-half times the statewide average unemployment rate, the wage rate minimum may be waived by the Authority. Only full-time positions that qualify for benefits shall be eligible for assistance;

3. Meet such additional criteria as may be set forth by the Authority.

E. In addition to assessing compliance with the minimum requirements set forth in subsection D, the Authority shall establish a points-based system to determine eligibility for a company to receive assistance under any of the component programs of the Program. Such points-based system shall be designed to identify those opportunities that are likely to result in high economic benefit to the Commonwealth.

F. There is hereby established in the state treasury a special nonreverting fund to be known as the Virginia Jobs Investment Program Fund (the Fund). The Fund shall consist of any moneys appropriated thereto by the General Assembly from time to time and designated for the Fund. Any moneys deposited to or remaining in the Fund during or at the end of each fiscal year or biennium, including interest thereon, shall not revert to the general fund but shall remain in the Fund and be available for allocation under this article in ensuing fiscal years. Moneys in the Fund shall be used solely for grants to eligible

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59 businesses as permitted by the Program. The total amount of funds provided to eligible businesses under
60 the Program for any year, shall not exceed the amount appropriated by the General Assembly to the
61 Fund for such year, plus any carryover from previous years. Expenditures and disbursements from the
62 Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request
63 signed by the President and Chief Executive Officer or his designee. The Fund shall be administered by
64 the President and Chief Executive Officer.

65 **§ 2.2-2240.5. Workforce Retraining Program.**

66 A. The Authority shall develop as a component of the Virginia Jobs Investment Program the
67 Workforce Retraining Program to provide consulting services and funding to assist companies and
68 businesses with retraining their existing workforces to increase productivity.

69 B. In addition to the requirements of subsection D of § 2.2-2240.3 regarding company eligibility, to
70 be eligible for assistance a company shall demonstrate that (i) it is undergoing integration of new
71 technology into its production process, a change of product line in keeping with marketplace demands,
72 or substantial change to its service delivery process that would require assimilation of new skills and
73 technological capabilities by the firm's existing labor force and (ii) for each such integration of new
74 technology, change of product, or substantial change to its service delivery process, (a) no less than 10
75 full-time employees are involved and (b) a minimum capital investment of \$500,000 will be made
76 within a 12-month period.

77 The Secretary of Commerce and Trade may waive these requirements but shall promptly provide
78 written notice of any such waiver to the Chairmen of the Senate Finance and House Appropriations
79 Committees, which notice shall include a justification for any waiver of these requirements.

80 *C. As a condition of receiving funding pursuant to the Workforce Retraining Program, a recipient*
81 *company or business shall submit data to the Authority at the completion of the retraining regarding the*
82 *outcomes of the workforce retraining. Such data shall include training credentials, wage increases for*
83 *trained employees, and other data identified and requested by the Authority.*