Commonwealth of Virginia
September 8, 2026

Recommendations for Legislative Action

2023 to 2026

JLARC
JOINT LEGISLATIVE AUDIT AND REVIEW COMMISSION

Recommendations for Legislative Action 2023 to 2026

JLARC is the oversight agency of the Virginia General Assembly, established to evaluate the operations and performance of state agencies and programs.

When mandating a new study, the General Assembly routinely directs JLARC staff to incorporate recommendations in its reports to the Commission. Recommendations are sometimes directed to the General Assembly, when legislative action is likely to improve the efficiency or effectiveness of a program. JLARC staff also propose policy options rather than make recommendations when the action is a policy judgment best made by elected officials, evidence suggests action could potentially be beneficial, or a report finding could be addressed in multiple ways.

Before each legislative session, JLARC staff review the reports from the past four years and present a list of recommendations and policy options to Commission members, to assist them as they prepare legislation.

Recommendations from 2023 through 2026 are included only if they have not already been implemented through legislation.

Recommendations for Legislative Action

MAINTENANCE AND CONSTRUCTION OF STATE-OWNED BUILDINGS

Capital Maintenance and Construction, 2025

RECOMMENDATIONS

Requiring facility condition assessments for large and older state-owned buildings ► The General Assembly may wish to consider including language and funding in the Appropriation Act to require facility condition assessments for state agencies and public higher education institutions that do not calculate a facility condition index value for their state-owned buildings but that have large square footage or older buildings, with facility condition index results reported to the Department of General Services to improve M-R FIX's building condition data. (Recommendation 1)

Establishing a contract, guidelines, and schedule for state facility condition assessments ► The General Assembly may wish to consider including language and funding in the Appropriation Act for the Department of General Services to (1) establish a statewide contract that state agencies and public higher education institutions can use for facility condition assessment services; (2) establish guidelines describing how facility condition assessments should be conducted to ensure results are comparable across state agencies and public higher education institutions; and (3) develop a proposed long-term schedule and cost estimate for conducting facility condition assessments at state agencies and public higher education institutions on a rotating basis to be submitted to the chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee. (Recommendation 2)

Requiring agencies/higher education institutions (HEIs) with a large footprint to develop a six-year capital improvement plan ► The General Assembly may wish to consider amending § 2.2-1517 of the Code of Virginia to (i) require state agencies and public higher education institutions with a large capital footprint based on square footage and/or high maintenance needs to submit a six-year capital improvement plan to 6PAC every two years and (ii) give 6PAC authority to request that additional agencies and public higher education institutions submit their capital improvement plans. These plans should detail needed maintenance reserve and capital outlay projects, estimated project costs, project priority levels, and proposed funding timelines. (Recommendation 3)

Estimating and funding maintenance reserve projects ► The General Assembly may wish to consider amending § 2.2-1516 of the Code of Virginia to direct the Six-Year Capital Outlay Plan Advisory Committee to establish (i) a method for agencies and public higher education institutions to estimate the cost of their capital maintenance reserve project needs and (ii) a goal to fund a certain percentage of combined capital maintenance reserve project costs across state agencies and public higher education institutions through maintenance reserve appropriations each year. (Recommendation 4)

Estimating maintenance reserve project needs of agencies/HEIs ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of General Services to estimate the cost of the total combined capital maintenance reserve project needs across state agencies and public higher education institutions each year and report this to the Six-Year Capital Outlay Plan Advisory Committee and the chairs of the House Appropriations Committee and the Senate Finance and Appropriations Committee. (Recommendation 5)

Auditing accuracy of M-R FIX data ► The General Assembly may wish to consider including language and funding in the Appropriation Act for the Department of General Services to hire a qualified consultant to audit the accuracy and completeness of M-R FIX data at least every five years and update the data as needed. (Recommendation 6)

Ensuring capital project managers are qualified ► The General Assembly may wish to consider amending § 2.2-1132 of the Code of Virginia to direct the Department of General Services to (i) establish the qualifications individuals must have to manage capital outlay projects, including necessary training and demonstrated competence and (ii) develop and administer mandatory training and exams on key skills and Virginia capital outlay policies and processes for capital outlay project managers. (Recommendation 12)

Requiring DGS to manage state's most complex capital outlay projects ► The General Assembly may wish to consider amending § 2.2-1132 of the Code of Virginia to require the Department of General Services (DGS) to: (i) develop criteria to identify complex and high-risk capital outlay projects that require specialized project management qualifications, considering factors such as project cost, complexity, and other characteristics (e.g., project type and location); and (ii) require DGS's Division of Construction Management to manage projects meeting the criteria when agencies or public higher education institutions are unable to assign project management to a qualified staff member or third-party contractor. (Recommendation 13)

Standardizing reporting on timeliness of capital outlay projects ► The General Assembly may wish to consider amending the Appropriation Act to require the Department of General Services and Department of Planning and Budget to coordinate to develop a single report summarizing the status of open capital outlay projects relative to their original deadlines and the timeliness of recently completed capital outlay projects. The report should be submitted to the chair of the Senate Finance and Appropriations Committee, chair of the House Appropriations Committee, and the Six-Year Capital Outlay Plan Advisory Committee. (Recommendation 14)

Corrective action plans for significantly delayed capital outlay projects ► The General Assembly may wish to consider amending § 2.2-1516 of the Code of Virginia to direct the Six-Year Capital Outlay Plan Advisory Committee to (i) establish criteria for what constitutes a "significantly delayed" capital outlay project, (ii) identify and review projects that meet the criteria each year, and (iii) request that state agencies and public higher education institutions develop and submit corrective action plans for projects that are significantly delayed without reasonable justification, when appropriate. (Recommendation 15)

Compiling report on state buildings' condition and utilization and status of capital outlay reports ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of General Services, Department of Planning and Budget, and State Council of Higher Education for Virginia to annually (1) compile information on average building condition, average building utilization, status of all open capital outlay projects, and timeliness of previously completed capital outlay projects for each state agency and higher education entity, and (2) report this information by September each year to the chair of the Senate Finance and Appropriations Committee, chair of the House Appropriations Committee, and the Six-Year Capital Outlay Plan Advisory Committee. (Recommendation 20)

POLICY OPTION

Creating a pilot program to consider feasibility of collecting office space utilization data statewide ► The General Assembly could include language and funding in the Appropriation Act to create a pilot program, administered by the Department of General Services (DGS), in consultation with the State Council of Higher Education for Virginia, to collect office space utilization data at several state agencies and public higher education institutions by (i) requiring a subset of state agencies and public higher education institutions to report office space utilization data to DGS; (ii) directing DGS to determine how office space utilization data could be incorporated into the state's capital outlay processes; and (iii) directing DGS to consider whether it would be feasible and useful to collect office space utilization data for all state agencies and public higher education institutions on an ongoing basis. (Option 1)

CORRECTIONAL EDUCATION

Virginia's Correctional Education Programs, 2025

Funding three business developer positions to help inmates participating in CTE programs find employment after release ► The General Assembly may wish to consider including in the Appropriation Act (i) funding for three business developer positions to help inmates who participate in the Virginia Department of Corrections (DOC) career and technical education (CTE) programs prepare to obtain employment after release, and (ii) language directing DOC to report on the post-release employment outcomes of CTE students and the extent to which additional business developer positions are needed, if any. (Recommendation 10)

GUN VIOLENCE

Effects of Community Gun Violence in Virginia, 2025

RECOMMENDATIONS

Providing more flexibility to Safer Communities funding ► The General Assembly may wish to consider amending the Appropriation Act to establish Safer Communities as a biennially reverting special fund administered by the Department of Criminal Justice Services, instead of appropriating funds directly to recipients, to give recipient localities sufficient time to use the funding for effective planning and program implementation. (Recommendation 1)

Assessing allocation of Safer Communities Funding ► The General Assembly may wish to consider amending the Appropriation Act to direct the Department of Criminal Justice Services (DCJS) to periodically evaluate if changes are needed to the distribution of Safer Communities funding among Virginia localities and make any recommendations for changes in the DCJS Office of Safer Communities' annual report to the General Assembly. (Recommendation 2)

Assessing funding and program qualifications of state's additional community gun violence programs ► The General Assembly may wish to consider amending the Appropriation Act to direct the Department of Criminal Justice Services (DCJS) to periodically evaluate if changes are needed to funding or program qualifications for the Firearm Violence Intervention and Prevention Fund or the Operation Ceasefire Grant Fund and make any recommendations for changes in the DCJS Office of Safer Communities' annual report. (Recommendation 3)

VRS HYBRID PLAN

VRS Hybrid Retirement Plan Employee Contributions, 2025

RECOMMENDATIONS

Developing mandatory online training explaining hybrid retirement plan ► The General Assembly may wish to consider amending the Appropriation Act to direct the Virginia Retirement System to develop an introductory online training video that explains the hybrid retirement plan and matching structure and the Department of Human Resource Management to include the video as part of the Required Training for newly hired state employees. (Recommendation 1)

Increasing contribution limit of Hybrid 457 account ► The General Assembly may wish to consider amending the Code of Virginia § 51.1-169 (C)2 to increase the contribution limit for the Hybrid 457 account to the IRS annual contribution limit. (Recommendation 3)

BROADBAND

Broadband Deployment in Virginia, 2024

RECOMMENDATIONS

Expanding membership of Broadband Advisory Council ► The General Assembly may wish to consider amending § 2.2-2699.3 of the Code of Virginia to expand the membership of the Broadband Advisory Council to include representation from the Virginia Department of Transportation, Virginia811, and investor-owned utilities. (Recommendation 5)

POLICY OPTIONS

Better understanding low-cost broadband availability ► The General Assembly could include language in Item 103 of the Appropriation Act requiring internet service providers to include in their required annual submission of information to the Department of Housing and Community Development information on the monthly rate customers pay by locality, on average, for the base and low-cost broadband service plans and the speed of the service. (Option 1)

Pilot program to encourage broadband adoption by low-income households ► The General Assembly could direct the Department of Housing and Community Development (DHCD) Office of Broadband to seek federal approval to use Broadband Equity, Access, and Deployment program funding to create a pilot program intended to encourage adoption of new broadband service by low-income households. DHCD could (i) include a geographically diverse subset of the state's internet service providers in the program and require them to offer a standardized discounted monthly broadband subscription rate to new customers who meet income eligibility parameters established by DHCD, (ii) evaluate the program's effectiveness in encouraging low-income households to adopt broadband service after six months and one year, (iii) determine whether the program should be expanded and/or extended based on that evaluation, and, if so, (iv) propose a program design, including the estimated amount of necessary funding, in a future budget request. (Option 2)

DATA CENTERS

Data Centers in Virginia, 2024

POLICY OPTIONS

Requiring data centers to meet energy management standard to receive sales tax exemption ► The General Assembly could consider amending the Code of Virginia to require that, as a condition of receiving the sales tax exemption, data center companies meet and certify to an energy management standard, such as the International Organization for Standardization's 50001 standard for energy management. (Option 1)

Capping participation in retail choice to protect other ratepayers ► The General Assembly could consider amending the Code of Virginia to require that electric utilities establish caps on participation in retail choice that protect ratepayers from undue costs, and that such caps be approved by the State Corporation Commission through a formal case process. (Option 3)

Requiring data centers to meet environmental management standard to receive tax exemption ► The General Assembly could amend the Code of Virginia to require that, as a condition of receiving the sales and use tax exemption, data center companies meet and certify to an environmental management standard, such as the International Organization for Standardization's 14001 standard for Environmental Management Systems. (Option 5)

Extending expiration date of data center tax exemption to 2050 ► The General Assembly could amend the Code of Virginia to extend the expiration date for the state's sales and use tax exemption for data centers from 2035 to 2050. (Option 8)

Allowing data center tax exemption to expire in 2035 ► The General Assembly could allow the sales and use tax exemption for data centers to expire in 2035. (Option 9)

Extending partial data center tax exemption ► The General Assembly could amend the Code of Virginia to extend a partial sales and use tax exemption for data centers from 2035 to 2050. (Option 10)

VIRGINIA DEPARTMENT OF HEALTH

Virginia Department of Health's Financial Management, Staffing, and Accountability, 2024

Strengthening VDH's internal controls ► The General Assembly may wish to consider amending § 32.1 of the Code of Virginia to require the Virginia Department of Health (VDH) to designate a senior staff member, such as the chief financial officer, to be responsible for (i) ensuring and certifying the adequacy of the agency's internal controls over its financial processes, and (ii) taking all necessary steps to ensure the correction of any identified deficiencies in internal controls, including those identified by the VDH Office of Internal Audit, the Auditor of Public Accounts, or the Department of Accounts, in a timely manner. (Recommendation 7)

Funding HR recruiter positions to help fill critical staff vacancies ► The General Assembly may wish to consider including general funds in the Appropriation Act for at least four full-time classified recruiter positions within the Office of Human Resources at the Virginia Department of Health (VDH). These positions should be dedicated exclusively to recruiting qualified candidates into especially critical or hard-to-fill positions within the central office and health districts, and VDH should base the responsibilities and objectives of the new positions on successful examples at other executive branch agencies. (Recommendation 18)

Codifying COO position at VDH ► The General Assembly may wish to consider amending § 32.1 of the Code of Virginia to establish a chief operating officer (COO) for the Virginia Department of Health, which shall be a full-time classified position, and require that the COO have an advanced degree in, and at least five years of experience in, healthcare administration or business administration. (Recommendation 29)

Adding qualification requirements for health commissioner position ► The General Assembly may wish to consider amending § 32.1-17 of the Code of Virginia to add "organizational leadership and administration experience" to the required qualifications for the commissioner of health. (Recommendation 30)

HIGHER EDUCATION COSTS & EFFICIENCY

Spending and Efficiency at Higher Education Institutions, 2024

RECOMMENDATIONS

Assessing impact of non-instructional spending on student costs ► The General Assembly may wish to consider amending § 23.1-1303 of the Code of Virginia to expressly include in the duties of boards of visitors at public four-year higher education institutions the responsibility to fully consider the impact that policies and decisions in non-instructional areas—such as intercollegiate athletics, institution-funded research, and staffing levels for non-instructional positions—have on student costs. (Recommendation 1)

Reducing costs when institutions' enrollments decline ► The General Assembly may wish to consider amending § 23.1-306 of the Code of Virginia to require as part of the six-year planning process that institutions experiencing reductions in cost efficiency because of declining enrollment report their efforts to improve efficiency and/or better align operations with enrollment levels by (i) reducing unnecessary staffing, (ii) eliminating low enrollment academic programs, and (iii) reducing facilities' square footage. (Recommendation 2)

Limiting students' and institutions' funding of intercollegiate athletics ► The General Assembly may wish to consider amending § 23.1-1303 of the Code of Virginia to constrain the amount of student fees and institutional funds that can be allocated to intercollegiate athletics by establishing a maximum proportion of the total cost of attendance that student fees and institutional funds cannot exceed per student. (Recommendation 4)

VETERAN EDUCATION BENEFITS

Virginia Military Survivors & Dependents Education Program, 2024

POLICY OPTIONS TO CONSIDER

Policy options for funding VMSDEP without changing program

Appropriating general funds to cover VMSDEP costs ► The General Assembly could appropriate sufficient general funds to cover 100 percent of institutions' forgone revenue for the Virginia Military Survivors and Dependents Education Program (VMSDEP) or continue to appropriate general funds at FY25 levels and either (i) distribute funds to institutions in proportion to their percentage of total VMSDEP enrollment or (ii) according to institutions' relative ability to absorb the forgone revenue. (Option 1)

Creating a fund to help finance VMSDEP ► The General Assembly could create a new fund to help finance the Virginia Military Survivors and Dependents Education Program, using a combination of one-time and ongoing appropriations, and allocate a portion of the fund's balance and investment income each year to institutions. (Option 2)

Policy options for adjusting eligibility or program requirements to improve sustainability

Requiring VMSDEP participants to be in good academic standing ► The General Assembly could amend the Code of Virginia to require that students be in good academic standing at the institution they attend to continue to receive the Virginia Military Survivors and Dependents Education Program tuition and fee waiver. (Option 3)

Considering federal benefits for eligible VMSDEP participants ► The General Assembly could amend the Code of Virginia to require the Department of Veterans Services to ask prospective Virginia Military Survivors and Dependents Education Program (VMSDEP) participants to report on eligibility for federal veterans education benefits and the value of those benefits, and, if Post-911 GI Bill (Chapter 33) benefits are available, require institutions to apply them to the students' tuition and fees prior to applying the VMSDEP tuition and fee waiver. (Option 4)

Limiting VMSDEP waiver to undergraduate education ► The General Assembly could amend the Code of Virginia to limit the Virginia Military Survivors and Dependents Education Program tuition and fee waiver to undergraduate programs only. (Option 5)

Providing uniform tuition and fee waiver value to VMSDEP beneficiaries ► The General Assembly could require that the value of the Virginia Military Survivors and Dependents Education Program (VMSDEP) tuition and fee waiver be the same for all VMSDEP beneficiaries by either (i) establishing a uniform tuition and fee waiver amount that all VMSDEP beneficiaries would receive regardless of the institution attended or (ii) basing the value of the tuition and fee waiver each year on the total amount of funds appropriated for the program divided by the number of students likely to enroll, using the best available information at the time. (Option 6)

Changing VMSDEP eligibility or benefit value for veterans rated as 90 percent permanently disabled ► The General Assembly could amend the Code of Virginia to (i) provide a tuition and fee waiver valued at less than 100 percent of an institution's tuition and fees to beneficiaries of the Virginia Military Survivors and Dependents Education Program who are eligible because the veteran has been rated as 90 percent permanently disabled; (ii) or provide a full tuition and fee waiver to beneficiaries who are eligible because the veteran has been rated as 90 percent permanently disabled and has received the designation of "Individual Unemployability" from the U.S. Department of Veterans Affairs; or (iii) remove 90 percent permanently disabled as an eligibility category. (Option 7)

Changing VMSDEP's residency requirement ► The General Assembly could amend the Code of Virginia to make it more difficult to meet the residency requirement for the Virginia Military Survivors and Dependents Education Program (VMSDEP) by (i) eliminating eligibility based on physical presence; or (ii) reducing the likelihood that families will move into Virginia for VMSDEP by increasing the physical presence requirement from five years to 15 years; or (iii) requiring that the veteran entered service in Virginia. (Option 8)

Changing VMSDEP benefit value or eligibility for veterans with conditions not related to combat ► The General Assembly could amend the Code of Virginia to (i) provide a tuition and fee waiver valued at less than 100 percent of an institution's tuition and fees to beneficiaries of the Virginia Military Survivors and Dependents Education Program who are eligible because the veteran's qualifying condition arose from military service, rather than being combat related, or (ii) remove conditions arising from military service, rather than being combat related, as an eligibility category. (Option 9)

Policy option to provide participants more flexibility, while reducing program costs

Providing VMSDEP recipients with set, flexible waiver for higher education costs ► The General Assembly could amend the Code of Virginia to allow the Virginia Military Survivors and Dependents Education Program tuition and fee waiver to be used for any higher education cost considered by the institution to be a cost of higher education, such as room and board, but establish a uniform tuition and fee waiver amount that would apply to all students and institutions to help manage costs and provide more budgetary certainty. (Option 10)

VCU HEALTH

VCU Health System Capital Process and Governance Structure, 2024

RECOMMENDATIONS

Establishing a joint committee of VCU Health System and VCU boards ► The General Assembly may wish to consider amending § 23.1-2402 of the Code of Virginia to create a standing joint committee of the VCUHS BOD and VCU BOV that is responsible for ensuring effective communication and collaboration between VCUHS and VCU. The joint committee should meet at least as often as the VCUHS BOD and provide updates on key strategic, operational, and financial matters that could directly or indirectly affect both entities. (Recommendation 17)

LEGISLATIVE COMPENSATION

Compensation: Senators and Delegates, 2024

RECOMMENDATION

Tying legislative salaries to a benchmark ► The General Assembly may wish to consider amending the Code of Virginia to (i) increase legislative salaries biennially based on an external benchmark and (ii) allow the General Assembly to nullify increases in the Appropriation Act if deemed necessary based on prescribed adverse economic circumstances. (Recommendation 2)

POLICY OPTION

Periodically increasing district office allowance ► The General Assembly could amend the Code of Virginia to require the district office allowance to periodically increase over time based on an inflation index or applicable measure of office costs. (Option 1)

ECONOMIC DEVELOPMENT INCENTIVES

Film, Media, and Tourism Incentives, 2026

RECOMMENDATIONS

Increasing the motion picture tax credit for multi-season productions ► The General Assembly may wish to consider amending § 58.1-439.12:03 of the Code of Virginia to provide an additional 5 percent Motion Picture Production Tax Credit for the second and subsequent seasons of multi-season television productions that commit to filming in the Commonwealth. (Recommendation 1)

Developing a formal allocation method and better targeting motion picture tax credit ► The General Assembly may wish to consider amending § 58.1-439.12:03 of the Code of Virginia to adopt a formal allocation method for awarding Motion Picture Production Tax Credits and to target tax credits to productions that utilize Virginia's unique history and landscapes. (Recommendation 2)

Requiring Tourism Development Financing Program applicants to demonstrate estimated out-of-state visitation ► The General Assembly may wish to consider amending Article 10 of Chapter 38 of Title 58.1 of the Code of Virginia to require that projects supported through the Tourism Development Financing Program demonstrate that they will meet a minimum percentage of out-of-state visitation. (Recommendation 5)

Streamlining approval process for airline service fund ► If the General Assembly decides to maintain the Governor's New Airline Service Incentive Fund, the Department of Aviation (DOAV) should develop a streamlined approval process that aligns documentation requirements with award size and gives DOAV authority to approve smaller awards. (Recommendation 7)

Revising criteria to receive New Airline Service Incentive ► If the General Assembly decides to maintain the Governor's New Airline Service Incentive Fund, the Department of Aviation should (i) coordinate with the secretaries of transportation, commerce and trade, and finance, to revise the criteria for awarding grants from the Governor's New Airline Service Incentive Fund to emphasize measurable and meaningful criteria, such as demonstrated passenger leakage to other airports, quantified demand forecasts, alignment with state economic development priorities, and anticipated economic impacts, and (ii) clarify the specific documentary evidence that must be submitted through the application process. (Recommendation 8)

Reviewing the media provider equipment exemption ► The Joint Subcommittee to Evaluate Tax Preferences may wish to consider conducting a comprehensive review of the media provider equipment exemption to (i) assess whether the exemption advances state policy goals and (ii) evaluate potential changes to the broadband equipment portion of the exemption, including whether it should be separated from the traditional communication portion, targeted to underserved areas, and changed to a tax credit. (Recommendation 9)

Adding an expiration date for the media provider sales and use tax exemption ► The General Assembly may wish to consider amending § 58.1-609.6(2) of the Code of Virginia to establish an expiration date for the media provider equipment sales and use tax exemption. (Recommendation 11)

POLICY OPTIONS

Eliminating Governor's New Airline Service Incentive Fund ► The General Assembly could consider eliminating the Governor's New Airline Service Incentive Fund. (Option 1)

Expanding eligibility of Governor's New Airline Service Fund ► If the General Assembly decides to maintain the Governor's New Airline Service Incentive Fund, the General Assembly could consider amending § 2.2-2320.1 of the Code of Virginia to allow the Governor's New Airline Service Incentive Fund to be used to support, in addition to new routes, service retention, increased route frequency, higher capacity aircraft, and the transition from seasonal to year-round service, when justified by market analysis and subject to measurable performance benchmarks. (Option 2)

Workforce and Industry Incentives, 2025

RECOMMENDATIONS

Tying VJIP wage threshold eligibility to percentage of prevailing wage ► The General Assembly may wish to consider amending § 2.2-2204.3 of the Code of Virginia to tie the wage threshold eligibility for the Virginia Jobs Investment Program for newly created jobs to a percentage of the prevailing average annual wage in the locality. New jobs should pay at least 80 percent of the local prevailing average wage. (Recommendation 1)

Lowering VJIP's minimum eligibility requirements for economically distressed areas ► The General Assembly may wish to consider amending § 2.2-2204.3 of the Code of Virginia to allow reductions in minimum eligibility requirements of the Virginia Jobs Investment Program for projects in economically distressed areas of the state. (Recommendation 2)

Adopting expiration dates for industry tax incentives ► The General Assembly may wish to consider amending the Code of Virginia to adopt expiration dates for the exemptions for 1) contractor temporary storage, 2) controlled environment agriculture, 3) high-speed electrostatic duplicators, 4) out-of-state nuclear facility repair, 5) taxi parts and radios, and 6) uniform rental and laundry businesses. (Recommendation 5)

Custom Incentive Grants, 2024

RECOMMENDATION

Developing guidelines for assessing custom grant proposals ► The General Assembly may wish to consider amending § 30-310 of the Code of Virginia to (i) require the Virginia Economic Development Partnership Authority (VEDP), in consultation with the secretary of commerce and trade, to develop guidelines for assessing and awarding grants that are not currently authorized under law and (ii) require that VEDP submit the guidelines to the Major Employer and Investment Project Approval Commission for approval. (Recommendation 1)

POLICY OPTION

Exploring increasing flexibility of existing incentive programs ► The General Assembly could direct the Virginia Economic Development Partnership Authority to assess whether it would be feasible to modify its existing discretionary economic incentive programs to provide the flexibility to give grant awards to projects that would otherwise seek custom grants, but still ensure the programs maintain effective practices and would not experience diminished positive economic impacts. (Option 1)

RECOMMENDATIONS

Eliminating the Major Eligible Employer Grant Program ► The General Assembly may wish to consider eliminating the Major Eligible Employer Grant Program. (Recommendation 1)

Improvements to the Major Business Facility Job Tax Credit ► The General Assembly may wish to consider amending § 58.1-439 of the Code of Virginia to (i) require that businesses eligible for the Major Business Facility Job Tax Credit be export-base (basic) employers and pay wages that meet or exceed a certain wage threshold, and (ii) adopt an annual program cap or annual per taxpayer cap. (Recommendation 5)

Improvements to the Major Business Facility Job Tax Credit ► The General Assembly may wish to consider amending § 58.1-439 of the Code of Virginia to require that the Virginia Economic Development Partnership approve Major Business Facility Job Tax Credit applications, ensure that tax credit recipients are compliant with maintaining the incentivized jobs, and determine when recapture or reduction of tax credit amounts is warranted. (Recommendation 6)

Expiration of the Major Business Facility Job Tax Credit ► If the recommendation to improve the Major Business Facility Job Tax Credit is not adopted, the General Assembly may wish to consider allowing the tax credit to expire on June 30, 2025. (Recommendation 7)

Wage threshold for the Agricultural and Forestry Industries Development Fund Facility Grant ► The General Assembly may wish to consider amending § 3.2-305 of the Code of Virginia to require that guidelines for the Agriculture and Forestry Industries Development Fund Facility Grant include a wage threshold for jobs created as part of the grant project. (Recommendation 9)

Eliminating the Farm Wineries and Vineyards Tax Credit ► The General Assembly may wish to consider eliminating the Farm Wineries and Vineyards Tax Credit. (Recommendation 12)

Eliminating the Collaborative Development Performance Grant ► The General Assembly may wish to consider eliminating the Collaborative Economic Development Performance Grant. (Recommendation 13)

STATE PSYCHIATRIC HOSPITALS

Virginia's State Psychiatric Hospitals, 2023

RECOMMENDATIONS

Excluding neurocognitive disorders from state mental illness definition ► The General Assembly may wish to consider amending the Code of Virginia, which defines mental illness for the purpose of temporary detention orders and civil commitments, to specify that behaviors and symptoms that are solely a manifestation of a neurocognitive disorder, as determined through an appropriate evaluation by a mental health professional who is competent in the assessment of psychiatric illnesses in individuals with neurocognitive disorders, are excluded from the definition of mental illness, and therefore, are not a basis for placing an individual under a temporary detention order or committing them involuntarily to an inpatient psychiatric hospital. The legislation's effective date should be delayed until July 1, 2025. (Recommendation 1)

Excluding neurodevelopmental disorders from state mental illness definition ► The General Assembly may wish to consider amending the Code of Virginia, which defines mental illness for the purpose of temporary detention orders and civil commitments, to specify that behaviors and symptoms that are solely a manifestation of a neurodevelopmental disorder, as determined through an appropriate evaluation by a mental health professional who is competent in the assessment of psychiatric illnesses in individuals with neurodevelopmental disorders, are excluded from the definition of mental illness, and therefore, are not a basis for placing an individual under a temporary detention order or committing them involuntarily to an inpatient psychiatric hospital. The legislation's effective date should be delayed until July 1, 2025. (Recommendation 2)

Re-evaluating TDO eligibility before state hospital admittance ► The General Assembly may wish to consider amending the Code of Virginia to give state psychiatric hospitals the authority to (i) have a licensed psychiatrist or other licensed mental health professional reevaluate an individual's eligibility for a temporary detention order before they are admitted if the facility has reason to believe that their symptoms and behavior are solely a manifestation of a neurocognitive or neurodevelopmental disorder, and (ii) deny admission to individuals for whom this is found to be the case. The legislation's effective date should be delayed until July 1, 2025. (Recommendation 3)

Ensuring individuals have no urgent medical needs before state hospital admission ► The General Assembly may wish to consider amending the Code of Virginia to allow state psychiatric hospitals to delay admission of an individual under a temporary detention order until the state psychiatric hospital has determined that the individual does not have urgent medical needs that the state hospital cannot treat. (Recommendation 5)

State funds to help private psychiatric hospitals admit more involuntary patients ► The General Assembly may wish to consider including language and funding in the Appropriation Act directing the Department of Behavioral Health and Developmental Services to establish a program for state-licensed psychiatric hospitals (commonly referred to as "private psychiatric hospitals") to provide funding for those hospitals that agree to increase the percentage of involuntary inpatient admissions they accept and demonstrate the need for funding to safely admit such patients. Funds could be provided to cover one-time and ongoing costs for creating and filling additional security positions, providing staff training on how to safely treat these patients, and making safety improvements to the facilities. (Recommendation 7)

Allowing state hospitals to deny patient admissions if doing so would exceed 85 percent of their staffed bed capacity ► The General Assembly may wish to consider amending the Code of Virginia to grant state psychiatric hospitals the authority to decline to admit any individual under a temporary detention order if doing so will result in the hospital operating in excess of 85 percent of its total staffed capacity. The legislation's effective date should be delayed until July 1, 2025. (Recommendation 12)

Reporting state hospitals' staff vacancy and turnover rates ► The General Assembly may wish to consider including language in the Appropriation Act directing the Department of Behavioral Health and Developmental Services to report annually to the Behavioral Health Commission on average turnover and vacancy rates and salary competitiveness, by hospital and position type, for the state's psychiatric hospitals. (Recommendation 18)

Assessing adequacy of state hospitals' staffing levels ► The General Assembly may wish to consider including language in the Appropriation Act to direct the Department of Behavioral Health and Developmental Services to (i) contract for an assessment of the adequacy of each hospital's planned and actual staffing levels for key positions affecting facility operations, patient and staff safety, and quality of care; (ii) conduct similar assessments of the adequacy of each state hospital staffing levels at least biennially; and (iii) report the results of the initial and ongoing assessments to the Behavioral Health Commission, and any additional funding needed to address any staffing level deficiencies, to the chairs of the House Appropriations and Finance and Senate Finance and Appropriations committees. (Recommendation 22)

COURT-APPOINTED ATTORNEYS, PUBLIC DEFENDERS, AND COMMONWEALTH'S ATTORNEYS

Criminal Indigent Defense and Commonwealth's Attorneys, 2023

RECOMMENDATIONS

Ensuring integrity of court-appointed attorney payment requests ► The General Assembly may wish to consider amending §19.2-163 of the Code of Virginia to require the Judicial Council of Virginia and the Committee on District Courts to set criteria the Office of the Executive Secretary of the Supreme Court of Virginia should use to review payment requests from court-appointed attorneys to identify attorneys with potentially unreasonably high court-appointed workloads or who request payment for an illegitimate number of hours worked. (Recommendation 3)

Reporting unreasonable or potentially illegitimate court-appointed attorney payment requests ► The General Assembly may wish to consider amending §19.2-163 of the Code of Virginia to direct the Office of the Executive Secretary of the Supreme Court of Virginia to review court-appointed attorney payment requests on a quarterly basis and notify the chief judge of the courts in which any court-appointed criminal defense attorney actively practices when a quarterly review of attorney payments shows unreasonably high court-appointed workloads or request for a potentially illegitimate number of hours worked, according to criteria set by the Judicial Council of Virginia and the Committee on District Courts. (Recommendation 4)

Clarifying authority to affirm defendants' indigency ► The General Assembly may wish to consider amending § 19.2-159 of the Code of Virginia to clarify that magistrates, notarized pretrial services officers, and notarized jail staff members have the authority to affirm a defendant's sworn financial eligibility statement and request for appointment of a lawyer statement and transmit those statements to the court. (Recommendation 6)

POLICY OPTIONS

Increasing career prosecutor compensation ► The General Assembly could include language and funding in the Appropriation Act for the Virginia Compensation Board to increase state funds for career prosecutor pay stipends, limiting the new stipends to qualified attorneys in offices in which attorneys do not receive local salary supplements. (Option 1)

Increasing senior trial attorney positions in public defender offices ► The General Assembly could include language and additional funding in the Appropriation Act for the Virginia Indigent Defense Commission to expand the number of existing positions designated as senior trial attorney positions across public defender offices. (Option 2)

Establishing pay bands for public defender attorney positions ► The General Assembly could include language and funding in the Appropriation Act for the Virginia Indigent Defense Commission to establish pay bands for public defender attorney positions. (Option 3)

Assessing judges' interest in same-day bail hearings and counsel at first appearance ► The General Assembly could include language in the Appropriation Act directing the Office of the Executive Secretary of the Supreme Court of Virginia to solicit input from the chief judges of all courts on behalf of all affected stakeholders on (i) interest in implementing counsel at first appearance and same-day bail hearings if state funding was available to address barriers; and (ii) logistical barriers that could be addressed if funds were made available. (Option 4)

Ensuring right to bail hearing ► The General Assembly could amend § 19.2-158 of the Code of Virginia to allow defendants who have already presented a bail argument at the first appearance hearing to still request a formal bail hearing in the same court. (Option 5)

GO VIRGINIA

GO Virginia, 2023

RECOMMENDATION

Geographical representation on the GO Virginia board ► The General Assembly may wish to consider amending the Code of Virginia to require that, among the Virginia Growth and Opportunity Board's 14 citizen members, there must be at least one member appointed from each of the nine GO Virginia regions. (Recommendation 14)

SELF-SUFFICIENCY PROGRAMS & CHILD CARE

Virginia's Self-Sufficiency Programs and the Availability and Affordability of Child Care, 2023

RECOMMENDATIONS

Establishing MOUs between social services departments and local workforce development boards ► The General Assembly may wish to consider amending § 63.2-610 of the Code of Virginia to require that each local department of social services develop and enter into a memorandum of understanding with its local workforce development board concerning how the entities will coordinate to deliver workforce development activities to Virginia Initiative for Education and Work and SNAP Education and Training clients. (Recommendation 2)

Co-locating Virginia Career Works staff at local social services departments ► The General Assembly may wish to consider including language in the Appropriation Act to dedicate a portion of the federal Workforce Innovation and Opportunity Act funding reserved by the governor for statewide workforce development initiatives to facilitate the co-location of Virginia Career Works staff at local departments of social services on a part-time basis. (Recommendation 4)

Interdisciplinary team to develop long-term service plans for clients ► The General Assembly may wish to consider including language in the Appropriation Act to direct the secretary of health and human resources and the secretary of labor to design and implement a pilot program for testing an alternative assessment and planning process for Virginia Initiative for Education and Work (VIEW) clients that uses an interdisciplinary team of program and service providers to develop long-term service plans for clients that encourage progress toward self-sufficiency during and after the clients' participation in VIEW. (Recommendation 9)

Financial incentives for participation in education and training programs ► The General Assembly may wish to consider including language in the Appropriation Act to direct the Virginia Department of Social Services to establish a pilot program to assess whether the use of financial incentives would positively impact clients' participation in education and training programs. (Recommendation 10)

Child Care Subsidy vendor payments based on enrollment ► The General Assembly may wish to consider including language in the Appropriation Act that requires the Virginia Department of Education (VDOE) to issue payments to Child Care Subsidy Program vendors based on authorized enrollment, subject to the attendance threshold established by the Virginia Department of Education, on an ongoing basis. (Recommendation 15)

POLICY OPTION

Requiring localities to offer SNAP E&T ► The General Assembly could amend § 63.2 of the Code of Virginia to require each local department of social services to offer SNAP Employment and Training. (Option 1)

K–12 EDUCATION FUNDING

Virginia's K–12 Education Formula, 2023

RECOMMENDATIONS

Technical SOQ adjustments ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act directing the following technical adjustments to the Standards of Quality (SOQ) formula and compensation supplement calculations: (i) include all division central office positions in the SOQ formula, (ii) apply the cost of competing adjustment to facility and transportation staff salaries in the SOQ formula, (iii) remove the cap on adjustments to non-personal cost assumptions in the benchmarking process in the SOQ formula, and (iv) account for cost of facilities staff salaries in compensation supplement calculations. (Recommendation 1 – near term)

New SOQ staffing ratios ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to develop and propose a new set of fixed and prevailing staffing ratios for the Standards of Quality formula, in consultation with school divisions and the Board of Education, which should accurately reflect how divisions are staffed and be simpler, easier to apply, and comprehensive. (Recommendation 2 – long term)

New SOQ staffing ratios ► The General Assembly may wish to consider amending the Code of Virginia and Appropriation Act to establish Standards of Quality staffing ratios developed by the Virginia Department of Education, in consultation with school divisions and the Board of Education, that accurately reflect how divisions are staffed. (Recommendation 3 – long term)

Updating salary cost assumptions used in rebenchmarking ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to update the cost assumptions for school division employee salaries used in the biennial Standards of Quality rebenchmarking process to better reflect current salaries paid by school divisions. (Recommendation 5 – long term)

SOQ salary assumptions ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to calculate salary and other Standards of Quality formula cost assumptions using the division average, rather than the linear weighted average. (Recommendation 6 – near term)

Local composite index calculations ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to change the local composite index to be calculated using a three-year average of the most recently available data, rather than a single year of data every other year. (Recommendation 7 – near term)

Special education staffing needs ► The General Assembly may wish to consider including language in the Appropriation Act requiring the Virginia Department of Education to work with school division staff and experts as needed to develop new special education staffing needs estimates based on a review of current ones and report its findings to the Board of Education, the House Committee on Education, and the Senate Committee on Education and Health. (Recommendation 11 – near term)

Replacing cost of competing adjustment ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to replace the current cost of competing adjustment with a more accurate adjustment based on a Virginia cost of labor index that better accounts for differing labor costs across school divisions in calculating compensation funding through the Standards of Quality formula. (Recommendation 12 – long term)

Economies of scale adjustment for small divisions ► The General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act directing that the Standards of Quality formula include an economies of scale adjustment to provide additional funding to divisions with fewer than 2,000 students. (Recommendation 13 – long term)

Using SOQ formula to guide but not determine budget decisions ► The General Assembly may wish to consider amending the Code of Virginia to state that it shall consider the funding amounts calculated by the Standards of Quality (SOQ) formula when determining the amount of funding needed to maintain an educational program meeting the prescribed SOQs, but shall not be obligated to appropriate the amounts calculated by the formula. (Recommendation 14)

Directing staffing ratios authority to BOE ► If the Code of Virginia is amended to establish that the funding amounts calculated by the Standards of Quality formula serve only as a guide for needed funding, the General Assembly may wish to consider amending the Code of Virginia and including language in the Appropriation Act to eliminate current SOQ staffing standards and direct the Board of Education to establish all staffing ratios used in the SOQ formula. (Recommendation 15)

Ensuring fixed staffing ratios reflect actual practices ► The General Assembly may wish to consider amending the Code of Virginia to direct the Virginia Department of Education (VDOE) to biennially calculate, compare, and report on differences between the fixed staffing ratios in the SOQ formula and actual ratios in Virginia school divisions, so that fixed ratios can be regularly adjusted as needed. VDOE should report its findings to the Board of Education. (Recommendation 16)

School division financial reporting system ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to work with school division finance directors to study the feasibility of implementing a secure, web-based reporting system for annual school reports. (Recommendation 18)

POLICY OPTIONS

Bringing Virginia teacher salaries to national average ► The General Assembly could develop and implement a funding plan to increase compensation supplements as needed to achieve the statutory goal of Virginia teacher salaries being at or above the national average. (Option 1)

Local composite index population weighting ► The General Assembly could amend the Code of Virginia and include language in the Appropriation Act directing that a locality's student enrollment and general population be equally weighted in the calculation of the local composite index for Standards of Quality funding, rather than weighting student enrollment two-thirds and the general population one-third. (Option 2)

Replacing LCI with a revenue composite index ► The General Assembly could amend the Code of Virginia and include language in the Appropriation Act directing the replacement of the local composite index with a revenue capacity index. (Option 3)

Student-based SOQ formula ► The General Assembly could amend the Code of Virginia to replace the entire staffing-based SOQ formula with a new student-based formula that is based on actual average school division expenditures. (Option 4)

K–12 TEACHER PIPELINE

Virginia's K-12 Teacher Pipeline, 2023

RECOMMENDATIONS

Teacher apprenticeship programs ► The General Assembly may wish to consider including language in the Appropriation Act directing the Virginia Department of Education to report (i) which higher education institutions and school divisions have been approved to have apprentice programs, (ii) when they expect to begin preparing prospective teachers, (iii) how many individuals are expected to be prepared through each program annually, and (iv) how each program will be funded. The report should be submitted to the Board of Education and House Education and Senate Education and Health committees by June 30, 2024. (Recommendation 1)

Waiver for Virginia Communication and Literacy Assessment ► The General Assembly may wish to consider amending the Code of Virginia to create a waiver through which the Board of Education shall issue a full 10-year renewable Virginia teaching license to qualified individuals attending approved higher education teacher preparation programs who have not passed the Virginia Communication and Literacy Assessment but meet established criteria. (Recommendation 3)

Increasing funding for Virginia Teaching Scholarship Loan Program ► The General Assembly may wish to consider including language and funding in the Appropriation Act to increase the annual funding for the Virginia Teaching Scholarship Loan Program. (Recommendation 5)

Collecting teacher preparation program outcomes data ► The General Assembly may wish to consider including language and funding in the Appropriation Act directing the Virginia Department of Education to (i) hire a contractor to develop a database that can store and maintain teacher information; (ii) regularly collect information on the teacher preparation pathway, licensure status, place of employment, indicators of instructional quality, and public K–12 teaching tenure for each teacher who is prepared in Virginia; and (iii) share such information about these teachers with the Virginia preparation programs from which they graduated. (Recommendation 9)

Sharing teacher preparation program outcomes ► The General Assembly may wish to consider amending the Code of Virginia to direct the Virginia Department of Education to biennially report on the preparedness and tenure of teachers prepared through each of Virginia's teacher preparation pathways and programs and recommend improvements to specific preparation pathways and programs as needed. The report should be submitted to the Board of Education and House Education and Senate Education and Health committees by November 1 every other year. (Recommendation 10)

POLICY OPTIONS

Classroom management course for provisionally licensed teachers ► The General Assembly could include language and funding in the Appropriation Act to create a pilot program for provisionally licensed teachers to complete a curriculum and instruction course or classroom and behavior management course by the end of their first semester as a teacher of record at no cost. (Option 1)

Covering teacher assessment costs ► The General Assembly could include language and funding in the Appropriation Act to provide state general funds for the Competitive Grant for Praxis and Virginia Licensure and Certification Assessment program. (Option 3)

Stipends during student teaching ► The General Assembly could include language and funding in the Appropriation Act to provide state general funds for the Paid Internship Scholarship for Aspiring Virginia Educators program. (Option 4)

Targeted mentor programs ► The General Assembly could include language and funding in the Appropriation Act directing the Virginia Department of Education to administer a three-year pilot program that provides targeted mentorship assistance to divisions with high teacher vacancies using mentors trained and coordinated by Virginia higher education institutions. (Option 5)

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