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HOUSE BILL NO. 698

Offered January 14, 2026

Prefiled January 13, 2026

A *BILL* to amend the Code of Virginia by adding in Chapter 27 of Title 2.2 an article numbered 12, consisting of sections numbered 2.2-2743.1 through 2.2-2743.7, relating to Virginia Workforce Development and Career Connection and Training Foundation and Fund.

Patron—McAuliff

Committee Referral Pending

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 27 of Title 2.2 an article numbered 12, consisting of sections numbered 2.2-2743.1 through 2.2-2743.7, as follows:

Article 12.

Virginia Workforce Development and Career Connection and Training Foundation.

§ 2.2-2743.1. Virginia Workforce Development and Career Connection and Training Foundation established; purpose.

The Virginia Workforce Development and Career Connection and Training Foundation (the Foundation) is hereby established as a body politic and corporate. The purpose of the Foundation is to support the interests of the Commonwealth's workforce and its employers and contributors through the Secretary of Labor and the programs and services of the Department of Workforce Development and Advancement (the Department).

§ 2.2-2743.2. Membership; qualifications; terms; vacancies; meetings; compensation; staffing.

A. The Foundation shall be administered by a board of trustees, consisting of 16 nonlegislative citizen members as follows: eight members to be appointed by the Governor; five members to be appointed by the Speaker of the House of Delegates; and three members to be appointed by the Senate Committee on Rules. A majority of the appointed trustees shall be active or retired chairs, chief executive officers, or chief financial officers for large private corporations or the fastest-growing industries in the Commonwealth, as determined by the Virginia Office of Education Economics, or individuals who have extensive fundraising experience in the private sector. Each appointing authority shall endeavor to ensure a balanced representation on the board of trustees of employers, industries, and geographical areas of the Commonwealth to facilitate fundraising efforts across the Commonwealth.

The Secretary of Labor and the chairs of the Virginia Board of Workforce Development and the Virginia Growth and Opportunity Board shall serve ex officio with voting privileges.

B. Trustees shall serve terms of four years. Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired term. Vacancies shall be filled in the same manner as the original appointments. All trustees may be reappointed. Any trustee may be removed at the pleasure of his appointing authority.

C. No trustee shall serve more than two consecutive four-year terms. The remainder of any term to which a trustee is appointed to fill a vacancy shall not constitute a term in determining the trustee's eligibility for reappointment.

D. The board of trustees shall adopt bylaws governing its organization and procedures and may amend such bylaws. The board of trustees shall elect a chair and such other officers as its bylaws may provide. Ex officio trustees shall not be eligible to serve as chair, but the Secretary of Labor shall serve as vice-chair. The board of trustees shall meet four times per year at such times as it deems appropriate or upon the call of the chair. A majority of the voting trustees of the board of trustees shall constitute a quorum.

E. All trustees of the Foundation shall be reimbursed for all reasonable and necessary expenses incurred in the performance of their duties as provided in §§ 2.2-2813 and 2.2-2825. However, such reimbursement shall not exceed the per diem rate established for members of the General Assembly pursuant to § 30-19.12. Funding for the costs of compensation and expenses shall be provided by the Department of Workforce Development and Advancement (the Department).

F. The Department shall provide administrative and staff support and other services to the Foundation, including qualified finance and development personnel to perform the duties of the treasurer and secretary of the Foundation. Such individuals shall serve ex officio with nonvoting privileges on the board of trustees.

§ 2.2-2743.3. Powers and duties of the Foundation.

The Foundation shall have the following powers and duties:

1. Administer the Virginia Workforce Development and Career Connection and Training Fund (the Fund), request appropriations, and make allocations of revenue from the Fund to the Department of

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59 *Workforce Development and Advancement (the Department) to provide supplemental funding for the*
60 *Department's services and programs;*

61 2. *Accept, hold, and administer gifts and bequests of money, securities, or other property, absolutely or in*
62 *trust, for the Foundation's purposes;*

63 3. *Enter into contracts and execute all instruments necessary and appropriate to carry out the*
64 *Foundation's purposes;*

65 4. *Take such actions as may be reasonably necessary to seek, promote, and stimulate contributions for the*
66 *Fund;*

67 5. *Develop other possible dedicated revenue sources for the Fund;*

68 6. *Perform any lawful acts necessary or appropriate to carry out the purposes of the Foundation;*

69 7. *Develop policies and procedures applicable to the management and functioning of the Foundation and*
70 *the Department relating to (i) administration of the Fund, (ii) provision of funding for workforce and*
71 *employer services and programs through the Fund, and (iii) acceptance and fundraising to strengthen the*
72 *structure of the Fund;*

73 8. *Electronically submit a report to the Commissioner of the Department on the Foundation's funding*
74 *levels and services on or before December 1, 2026, and quarterly thereafter; and*

75 9. *Submit a report to the Secretary of Labor and the General Assembly on the Foundation's funding levels*
76 *and services on or before December 1, 2026, and annually thereafter. Such report shall be submitted as*
77 *provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative*
78 *documents and reports and shall be posted on the General Assembly's website.*

79 *The board of trustees and the employees of the Foundation shall comply with the provisions of the State*
80 *and Local Government Conflict of Interests Act (§ 2.2-3100 et seq.). However, the provisions of the Virginia*
81 *Public Procurement Act (§ 2.2-4300 et seq.) and the Virginia Personnel Act (§ 2.2-2900 et seq.) shall not*
82 *apply to the Foundation.*

83 **§ 2.2-2743.4. Hiring of Executive Director; employees.**

84 A. *The Foundation may hire an Executive Director, who shall serve at the pleasure of the board of*
85 *trustees, to direct the daily operations and activities of the Foundation and carry out the powers and duties*
86 *conferred to him by the board of trustees. The Commissioner of the Department of Workforce Development*
87 *and Advancement or his designee may serve as the Executive Director up to and until the Foundation hires*
88 *an Executive Director.*

89 B. *Subject to the approval of the board of trustees, the Executive Director may employ or retain such*
90 *agents, advisors, volunteers, or employees as necessary to fulfill the duties of the Foundation as conferred*
91 *upon the Executive Director. Employees of the Foundation, including the Executive Director, shall be*
92 *compensated with funds raised by the Foundation, eligible for membership in the Virginia Retirement System,*
93 *and eligible for participation in health and related insurance benefits, including premium conversion and*
94 *flexible benefits, that are available to state employees as provided by law.*

95 C. *Notwithstanding any other provision of law, the board of trustees shall exercise personnel authority*
96 *over the Executive Director and other employees of the Foundation.*

97 **§ 2.2-2743.5. Accounts and records.**

98 *The Auditor of Public Accounts shall establish the accounts and records of the Foundation showing the*
99 *receipt and disbursement of funds from whatever source derived in a manner similar to that of other*
100 *foundations. The Auditor of Public Accounts or his designee shall audit the accounts of the Foundation as*
101 *determined necessary by the Auditor of Public Accounts, and the cost of such audit services shall be borne by*
102 *the Foundation.*

103 **§ 2.2-2743.6. Virginia Workforce Development and Career Connection and Training Fund.**

104 *There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia*
105 *Workforce Development and Career Connection and Training Fund (the Fund). The Fund shall be*
106 *established on the books of the Comptroller. All funds appropriated for the Foundation's purposes and any*
107 *gifts, donations, grants, bequests, securities, and other funds or property received on the Foundation's behalf*
108 *shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall*
109 *remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at*
110 *the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the*
111 *Fund shall be used solely for purposes of the Foundation as described by this article. Expenditures and*
112 *disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller*
113 *upon approval of the board of trustees and written request signed by the Executive Director.*

114 **§ 2.2-2743.7. Gifts and bequests; exemption from taxation.**

115 *Gifts, donations, grants, bequests, securities, or other funds or property to the Virginia Workforce*
116 *Development and Career Connection and Training Fund (the Fund), and the interest or income from such*
117 *funds or property, are gifts to the Commonwealth, and the Fund is exempt from all state and local taxes.*
118 *Unless otherwise restricted by the terms of the gift or bequest, the Foundation may sell, exchange, or*
119 *otherwise dispose of such gifts and bequests. The proceeds from such transactions shall be deposited to the*
120 *credit of the Fund. The Foundation may actively solicit private donations for the Fund and shall seek federal*

121 *tax benefit status as a nonprofit organization.*