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**HOUSE BILL NO. 882**

Offered January 14, 2026

Prefiled January 13, 2026

*A BILL to amend and reenact § 23.1-903.4 of the Code of Virginia, relating to Innovative Internship Fund and Program; local government employers and matching funds.*

Patron—Sullivan

Committee Referral Pending

**Be it enacted by the General Assembly of Virginia:****1. That § 23.1-903.4 of the Code of Virginia is amended and reenacted as follows:****§ 23.1-903.4. Innovative Internship Fund and Program.**

A. There is hereby created in the state treasury a special nonreverting fund to be known as the Innovative Internship Fund (the Fund). The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf 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 for the purposes of the Innovative Internship Program established pursuant to subsection B. 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 Executive Director of the Council.

B. There is hereby established the Innovative Internship Program (the Program). The purpose of the Program is to expand paid or credit-bearing student internship and other work-based learning opportunities in collaboration with Virginia employers and Virginia localities. The Program comprises institutional grants and a statewide initiative to facilitate the readiness of students, private employers, local government employers, and institutions of higher education to participate in internship and other work-based learning opportunities.

1. In administering the statewide initiative, the Council shall (i) engage stakeholders from business and industry, secondary and higher education, economic development, local governments, and state agencies and entities that are successfully engaging employers or successfully operating internship programs; (ii) explore strategies in Virginia and elsewhere on successful institutional, local, regional, statewide, or sector-based internship programs; (iii) gather data on current institutional internship practices, scale, and outcomes; (iv) develop internship readiness educational resources, delivery methods, certification procedures, and outreach and awareness activities for private and local government employer partners, students, and institutional career development personnel; (v) pursue shared services or other efficiency initiatives, including technological solutions; and (vi) create a process to track key measures of performance.

2. The Council shall establish eligibility criteria, including matching funds requirements for matching funds, for institutional grants to private employers and local government employers. Such grants shall be used to accomplish one or more of the following goals: (i) support state or, regional, or local workforce needs; (ii) support initiatives to attract and retain talent in the Commonwealth; (iii) support research and research commercialization in sectors and clusters targeted for development; (iv) support regional economic growth and diversification plans; (v) enhance the job readiness of students; (vi) enhance higher education affordability and timely completion for Virginia students; or (vii) further the objectives of increasing the tech talent pipeline.

3. The Council shall partner with the Office of Education and Labor Market Alignment to collect and utilize data that includes the gaps that are most significant in hindering the Commonwealth from achieving the goals listed in subdivision 2. The Council and the Office of Education and Labor Market Alignment shall identify, at minimum: (i) state or, regional, or local workforce needs for which the lack of work-based learning opportunities is negatively impacting the success of regional economic growth and diversification plans and (ii) degree programs, the graduates of which describe themselves as underemployed, that would benefit from incorporating work-based learning into the curriculum. The Council and the Office of Education and Labor Market Alignment shall use the needs and degree programs identified in this subdivision to collaboratively determine priorities for: (a) using the portion of student financial aid authorized by the budget to be awarded as grants to students participating in work-based learning; (b) redesigning of curricula at public institutions of higher education; (c) garnering regional support and services to ensure the readiness of students and employers; (d) awarding grants to institutions of higher education to ensure their readiness to support students through detailed planning and implementation of best practices for scaling work-based learning; (e) providing or raising funds to provide matching funds so that students with limited resources, who have traditionally participated in the Program at lower rates, may intern at small Virginia-based

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59 employers; ~~and~~ (f) *providing or raising funds to provide matching funds for local government employer*  
60 *participants in the Program; and* (g) enhancing data collection and analysis.