

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** HB1138                            **Patron:** Austin  
**Bill Title:** Economic development incentives; wage requirements.

**Bill Summary:** Requires companies to pay an average wage for the jobs eligible for assistance under the component programs of the Virginia Jobs Investment Program that is no less than the prevailing average wage, defined in the bill, or, in the case of an economically distressed locality, defined in the bill, no less than 85 percent of the prevailing average wage. Under current law, to be eligible for the component programs, companies must pay a minimum entry-level wage rate per hour of at least 1.2 times the federal minimum wage or the Virginia minimum wage, whichever is higher, and in areas that have an unemployment rate of 1.5 times the statewide average unemployment rate, the wage rate minimum may be waived.

The bill also authorizes the payment of Virginia Investment Performance grants if the average wage paid by the eligible manufacturer or research and development service, excluding fringe benefits, is no less than 85 percent of the prevailing average wage in localities with either (i) an annual unemployment rate for the most recent calendar year for which such data is available that is greater than the final statewide average unemployment rate for that calendar year or (ii) a poverty rate for the most recent calendar year for which such data is available that exceeds the statewide average poverty rate for that year. Under current law, such authorization is limited to those localities meeting both the unemployment rate and poverty rate thresholds.

**Budget Amendment Necessary:** No.                            **Items Impacted:** N/A.

**Explanation:** This bill involves the Virginia Economic Development Partnership Authority and the Department of Small Business and Supplier Diversity; however, a budget amendment is not required to implement its provisions.

**Fiscal Summary:** It is anticipated that implementing the provisions of this bill can be completed within current resources within the Virginia Economic Development Partnership (VEDP) and the Department of Small Business and Supplier Diversity (DSBSD).

**Fiscal Analysis:** This impact statement is preliminary. This bill changes eligibility criteria for grants under component programs of the Virginia Jobs Investment Program. Item 101, paragraph E., of the introduced budget bill, HB30/SB30, includes \$4.7 million from the general fund in each year for this program.

The bill also modifies eligibility criteria for grants or loans from the Virginia Investment Partnership Program. Item 101, paragraph B.1. of HB30/SB30, includes \$294,250 the first year and \$4,333,770 the second year from the general fund and a nongeneral fund appropriation of \$3,535,000 the first year for this program.

Implementing these changes can be absorbed within current resources of VEDP and DSBSD. Payment of awards is subject to appropriation.

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**Other:** SB611 is the companion to this bill.