

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

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**PUBLISHED: 1/29/2026 10:15 AM**

**ORIGINAL**

**Bill Number:** HB698

**Patron:** McAuliff

**Bill Title:** Virginia Workforce Development and Career Connection and Training Foundation and Fund.

**Bill Summary:** Establishes as a body politic and corporate the Virginia Workforce Development and Career Connection and Training Foundation 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 bill sets out the membership and powers and duties of the Foundation, provides that the Foundation may hire an Executive Director and employees, and creates the Virginia Workforce Development and Career Connection and Training Fund. The bill provides that funds or property to the Fund are gifts to the Commonwealth and the Fund is exempt from all state and local taxes.

**Budget Amendment Necessary:** See Fiscal Analysis.

**Items Impacted:** 358; a new agency code and item might be required to establish the Foundation in the budget.

**Explanation:** This bill involves the Department of Workforce Development and Advancement (DWDA) and the Secretary of Labor; a budget amendment may be required to capitalize the new Fund.

**Fiscal Summary:** The fiscal impact of this bill is indeterminate. It is unclear whether the source of support for the Foundation established in this bill is the general fund or nongeneral fund revenues this bill authorizes the Foundation to raise. If the source of funding to capitalize the Virginia Workforce Development and Career Connection and Training Fund established in this bill is to be the general fund, then a budget amendment is required to capitalize the Fund. The bill directs DWDA to provide administrative and staff support to the Foundation, the fiscal impact of which to DWDA is indeterminate.

**Fiscal Analysis:** This impact statement is preliminary. This bill establishes Virginia Workforce Development and Career Connection and Training Foundation as a body politic 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 DWDA. The bill also establishes the Virginia Workforce Development and Career Connection and Training Fund within the state treasury, with all monies in the Fund used for purposes of the Foundation as described in the bill. The bill does not identify a source of the Fund's capitalization. The bill authorizes the Foundation to solicit donations and other sources of revenue to deposit the Fund; any such revenue cannot be determined at this time.

The Foundation shall be governed by a board of trustees composed of 16 nonlegislative members with the costs of compensation and expenses of the members to be provided by DWDA. Upon approval of the board of trustees, the Foundation may hire an Executive Director, and until such time, the Commissioner of DWDA may serve as the Executive Director. The Executive Director may hire employees and other such agents as may be

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necessary to fulfill the duties of the Foundation. Employees of the Foundation, including the Executive Director, shall be compensated with funds raised by the Foundation, eligible for membership in the Virginia Retirement System, and eligible for participation in health and related insurance benefits.

The bill requires that DWDA 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. Until such time that the Fund is capitalized and/or funds are raised by the Foundation, it is anticipated that DWDA will staff and serve as the Foundation. The costs to DWDA are indeterminate; however, it is anticipated that the minimal requirements of DWDA related to the Foundation can be absorbed. Additional resources may be required in the future.

**Other:** Given that the new Foundation is a body politic and the new Fund established by this legislation is to be deposited in the state treasury and appropriated to the Foundation, it is likely that a new agency code needs to be established for the Foundation, as well as a new item added after DWDA, as is done for the Veterans Services Foundation that provides similar support to the Department of Veterans Services.