

# CHAMBER BRIEFINGS

MAY 30, 2024



**VIRGINIA**  
CHAMBER  
THE VOICE OF BUSINESS



## UPCOMING EVENTS:

[Virginia Health Care Conference - June 5](#)

**Member Leadership & Personnel Announcements :**

[Andrew G.H. Miller Joins Flora Pettit](#)

## Member News:

[Accenture Federal Services Completes Cognosante Buy](#)

[Amazon Data Center Arm Buys Manassas Site](#)

[Amazon's Footprint in Hampton Roads Grows](#)

## President's Message



The General Assembly returned to Richmond on May 13th for a special session to adopt a budget for fiscal years 2025 and 2026 which will go into effect on July 1. I was pleased to see the General Assembly and Governor Youngkin work together to find a budget compromise that will benefit all Virginians. The adopted budget

preserves much of the spending from the budget originally adopted by the General Assembly without increasing any taxes. Following the adoption of the budget, Governor Youngkin acted on the remaining legislation, signing 843 bills into law and vetoing 201 bills. More information on budget items of interest to the business community can be found below.

Next week, we will host the 2024 Virginia Health Care Conference at the Greater Richmond Convention Center. This year's conference focuses on collaboration to ensure healthy communities and a strong economy. The conference will feature a one-on-one discussion between myself and Virginia's Secretary of Health and Human Resources, John Littell, as well as remarks from Dr. David Doré, Chancellor of the Virginia Community College System. I hope you can join us as we hear from these leaders and others on strategies to improve health and economic outcomes for all Virginians. Register for the conference [here](#).

[Averett University Announces NASA Pioneer as 2024 Commencement Speaker](#)

[Barbara Humpton to Speak at Mason's Spring 2024 Commencement](#)

[Celebrating Economic Development in Our County - Chesterfield County](#)

[Dominion Installs First Post for Offshore Wind Project](#)

[Flora Pettit Attorneys Honored](#)

[Fredericksburg Regional Chamber's Leadership Fredericksburg Graduates 17th Class](#)

[George Mason University Reveals New Logo](#)

[Giving Back: REC Employees Volunteer at Northern Virginia 4-H Educational Center](#)

[Local Grants Support Cancer Resources in Fredericksburg Region](#)

Finally, the Chamber has continued to host our executive committee meetings this month, with more scheduled for June. Please see the Blueprint Implementation section of the newsletter below for more information.

Best Regards,

Barry DuVal

President & CEO  
Virginia Chamber of Commerce

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## ***Budget Items of Interest to the Business Community***

### **Business Climate**

- \$40 million over the biennium for the Virginia Business Ready Sites Program
- \$2.5 million in FY2026 for development of an inland port in the Mt. Roger's Planning District
- As noted above, the budget does not include any tax policy changes. However, the budget includes language creating a Joint Subcommittee on Tax Policy, composed of six Senators and six Delegates. During the interim period between now and the 2025 General Assembly session, the Subcommittee will explore efforts to modernize Virginia's income and sales and use taxes. Among other goals, the Subcommittee will evaluate applying the sales and use tax to digital goods and services, including transactions involving businesses.

### **Education & Workforce**

- \$366M in FY'25 and \$461M in FY'26 in state support for early childhood care and education programs including the Virginia Preschool Initiative, Child Care Subsidy Program, and Mixed Delivery Program.
- \$26.5 million over the biennium for V-TOP to expand internships and work-based learning opportunities
- \$75 million in the caboose budget for the college lab school initiative. The 2024-26 budget does not

[Mary Washington Healthcare Announces Grand Opening of New Facility at Embrey Mill](#)

[Melrose Plaza in Roanoke Launches Public Phase of 'Restoring Greatness' Capital Campaign](#)

[Port Will Have East Coast's Deepest, Wildest Channels](#)

[REC Receives Tree Line USA Designation For 23rd Consecutive Year](#)

[Stafford County Economic Development Authority Holds 30th Anniversary Business Appreciation Reception](#)

[The Boys Home Invitational Golf Tournament Was A Wonderful Success!](#)

[Winchester Deck Maker's \\$450M Bet on America's Renovation Boom](#)

include new funding, but funding from the 2022-24 budget can be carried over.

## Health Care & Life Sciences

- Additional funding support for behavioral health and substance use disorders, including funding for *Right Help, Right Now*
- Funding for health care workforce initiatives such as Earn to Learn, nursing scholarships and loan repayment programs

## Transportation and Infrastructure

- Budget does **not** require Virginia to rejoin the Regional Greenhouse Gas Initiative
- \$50 million over the biennium for broadband infrastructure deployment
- \$70 million in FY2025 for projects in the Interstate 81 Corridor Improvement Plan
- Up to \$90 million over six years, no more than \$15 million each year, for the Transportation Partnership Opportunity Fund (TPOF), which can provide funding for the transportation infrastructure improvements necessary to support major economic development projects
- \$144.7 million over the biennium for the Washington Metropolitan Area Transit Authority (WMATA), which operates the D.C. Metro system
- \$101 million for toll relief for eligible drivers in the Hampton Roads region

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## ***Federal Trade Commission: New Rule for Classifying Workers***

Earlier this year, the U.S. Department of Labor (DOL) issued a new rule for classifying workers as either employees or independent contractors, which went into effect on March 11, 2024. The new rule considers six factors: (1) the degree of control an employer has on the work being done; (2) the worker's opportunity for profit or loss, (3) the skill and initiative required by the worker; (4) the degree of permanence of the working relationship; (5) the investment in equipment or materials by the worker; and (6) how integral the services rendered by the worker is on the employer's business, though other factors can also be considered. DOL instructs employers

to consider the totality of circumstances when making the distinction between an employee and independent contractor.

Previously, the rule primarily considered only two factors (1) an employer's control over the work and (2) the worker's opportunity for profit or loss.

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### ***Council on Environmental Quality: NEPA Implementing Regulations Revisions Phase 2***

On May 1, the Council on Environmental Quality (CEQ) published its final rule to implement revisions to the National Environmental Protection Act (NEPA). The NEPA revisions were enacted in 2023 as part of the Fiscal Responsibility Act and were intended to reform certain federal environmental permitting. NEPA requirements are often a major contributor to delays in permitting decisions at the federal level; a June 2020 report from the CEQ found the average completion time for a NEPA-required environmental impact statement was 4.5 years. As such, a key focus of the revisions passed in 2023 was to reduce these timelines. Most notably, the revisions created new procedures to allow for expanded use of categorical exclusions, the fastest environmental review option allowed under NEPA.

Although these changes are positive for overall permitting reform in the United States, the final rule published by the CEQ introduced new requirements for permit application reviews which are likely to prolong permitting timelines. The rule directs agencies to consider environmental justice in permitting reviews, and further directs agencies to consider climate change effects in environmental reviews and to identify alternatives to mitigate climate impacts. These provisions may increase the amount of work required for permitting agency staff, rendering moot any efficiencies gained from other revisions. The final rule is scheduled to go into effect on July 1, 2024, and will apply to NEPA environmental reviews begun on or after that date.

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### ***Environmental Protection Agency: New Rules Concerning Power Plant Emissions***

On April 25, the Environmental Protection Agency (EPA) announced four final rules relating to carbon-based electrical generation facilities. One rule relates to the management of coal ash waste piles, another to water quality standards for coal-fired power plant wastewater and another updates the Mercury and Air Toxic Standards (MATS) for coal-fired power

plants. The final rule in this category affects legacy coal-fired and new natural gas-fired power plants; this rule has received the most attention of the four, particularly because it applies to both types of carbon-based power plant.

Under the last of these rules, coal-fired power plants and newly constructed natural gas-fired power plants intended to operate past 2039 and for more than 40% of the time would be required to reduce greenhouse gas emissions by 90% by 2032. Achieving this goal relies heavily on the nascent carbon capture and storage (CCS) industry, calling into question the effectiveness of the rule.

With the exception of the coal ash waste pile rule, which will be effective on November 4, 2024, these rules will be effective on July 8, 2024.

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## ***New Rules from the Federal Energy Regulatory Commission***

On May 13, the Federal Energy Regulatory Commission (FERC) voted to adopt two orders relating to electric transmission infrastructure. Order No. 1920 was adopted on a 2-1 vote, while Order No. 1977 was adopted unanimously.

Order No. 1920 requires electric transmission providers to take several major actions, most notably by requiring providers to develop, at least every five years, a long-term regional transmission plan with a 20-year time horizon. Commissioners in favor of the rule argue the rule ensures a strong electric transmission grid. The dissenting Commissioner argues, however, that the rule oversteps FERC's established authority to regulate the electric grid and will result in some consumers paying for transmission infrastructure which will not benefit them. The full text of the rule can be found here.

Order No. 1977 updates FERC's procedures and authority for approving transmission siting decisions. The rule provides that FERC may approve the siting of electric transmission infrastructure in designated National Interest Electric Transmission Corridors (NIETCs) if a state rejects a siting application, or if a state does not approve the siting application within a year. The full text of the rule can be found here.

Order No. 1977 was published in the Federal Register on May 29 and will go into effect on July 29, 2024. Order No. 1920 has not yet been published in the Federal Register but will be effective 60 days after its publication.

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# THE WORKFORCE *wire*

AN INITIATIVE OF THE WORKFORCE AND EDUCATION CENTER



**Carrie Roth**  
*Director, Virginia Works*

Just over a year ago at ITAC (Industrial Turnaround Corporation) in Chesterfield County, with great celebration from the business community and job seekers, Governor Glenn Youngkin signed

HB2195 and SB1470 creating the Virginia Department of Workforce Development and Advancement – what we call Virginia Works – consolidating Virginia’s workforce programs to create, sustain, and retain a highly-skilled workforce. As part of the Governor’s ‘Compete to Win’ plan to bring the Commonwealth of Virginia to a whole new level, we are fundamentally transforming how we deliver workforce development programs, education and training, and service delivery in Virginia.

Currently, there are over 4,455,000 Virginians employed – over 204,000 more since January 2022; unemployment is at 2.8 percent; the labor force participation rate is 66.4 percent – the highest in over a decade; and yet, we still have 243,000 job openings in the Commonwealth. We recognize what you all – Virginia’s employers – are facing today. Businesses of all sizes are grappling with skilled-worker shortages, as well as recruitment, retention, and training challenges, hindering your ability to grow and thrive. Changes in work, the workplace and technological innovation are impacting your workforce needs. Employees and job seekers are feeling the pressure too, with over two-thirds of workers across the nation who are willing to reskill or upskill to remain competitive and respond to this change. The workforce is undergoing both a generational and structural transformation as work is increasingly organized around skills, rather than specific jobs. These dynamics require a new approach to workforce development. As you know, these changes mean it’s no longer business as usual when it comes to recruitment, retention, and training. It requires the partners in the workforce ecosystem to respond to this change too.

At Virginia Works, we are leading this change. We will use a data-driven approach to ensure programmatic performance is quantitatively measured and tracked, and foundational to

ongoing efforts to strengthen impact. We will create a modern, service-delivery model through an end-user perspective, in a cost-effective sustainable manner. We will build on current and expand work-based learning opportunities within the state infrastructure through active partnerships. Our priorities are aligned with the high-demand occupations, VEDP's prioritized sectors, and high-skilled trades.

Our vision is that Virginia's nation-leading workforce system equips Virginians with the skills they need and enables employers to attract, grow, and retain them – ensuring the future of a thriving Commonwealth. In parallel with the stand-up of Virginia Works, we are accelerating the coordination, enhancement, and future readiness of the Commonwealth's many workforce programs and stakeholders across the government and broader ecosystem. We are all part of Team Virginia and have a shared goal for Virginia to have the top talent in the country. We will accomplish this through intentional coordination, collaboration, and communication with partners across the Commonwealth – and keeping our customers (employers and job seekers) at the center of everything we do and not worrying about who gets the credit.

We look forward to continually engage you in this effort. Together, we will strategically drive the Commonwealth's workforce programs to empower individuals with the demand-driven skills they need to be successful and your businesses to thrive. We have a great deal of work ahead of us. Now more than ever, we need to double-down on our customer-focused efforts to deliver the best service to businesses and the individuals we connect to opportunity to ensure that Virginia Works for everyone.



**Is your company or organization interested in creating or expanding your internship program? Internships are an excellent way to discover new talent and build a successful talent pipeline for your organization. The Virginia Talent + Opportunity Partnership, or V-TOP for short, is here to help you!**

V-TOP is a partnership between the Virginia Chamber Foundation, the Virginia Business Higher Education Council (VBHEC), and the State Council of Higher Education for Virginia (SCHEV) to advocate, support, and expand internship opportunities in the Commonwealth.

V-TOP has hosted informational webinars with local chambers of commerce and employers to share resources like the toolkit, staffing

agency services, and the matching funds program. You can learn more about these resources on the V-TOP website or by [attending the monthly V-TOP information session](#). If you don't see an information session that works for your schedule, please reach out to [Emily Webb](#) or [Eleni Poulos](#) to coordinate one for you and your HR team.

[VISIT THE V-TOP WEBSITE](#)



### ***Blueprint 2030 Implementation***

April and May were busy months for the Virginia Chamber as four Industry Council Executive Committees convened for their spring meetings. The Education and Workforce Executive Committee met in late April at the Advanced Career Education Center at Hermitage High School. Committee members received a presentation from Mac Beaton, Director of Workforce and Career Development for Henrico County Public Schools discussing the importance of cultivating business-education partnerships to develop talent pipelines. Also, members participated in a behind-the-scenes tour of the ACE Center and engaged directly with students and teachers.

In May, the Chamber hosted the Health Care and Life Sciences Executive Committee, where attendees heard from John Newby, CEO of Virginia Bio, on Virginia's life science industry and its role in Virginia's economy. The committee also received updates about the Virginia Talent and Opportunity Partnership (V-TOP).

Last week, the Chamber held two more executive committee meetings. The Business Climate Executive Committee had the opportunity to hear from Secretary of Finance Stephen Cummings, the newly appointed Commissioner of the Virginia Department of Taxation, James Alex, and President & Executive Director of the Council on State Taxation, Patrick Reynolds.

Members of the Innovation and Technology Executive Committee received legislative updates from Delegate Cliff Hayes and Senator Schuyler VanValkenburg on the state's role in addressing innovation and technology challenges, and the future of the joint commission on science and technology.



We look forward to convening the final Executive Committee meetings this summer, including Corporate Sustainability and Environment, Infrastructure, and the Legal Institute.

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**Scan the QR  
code or click the  
button below to  
view the  
*Blueprint Virginia  
2030* website!**



*Blueprint Virginia 2030* is a plan of action to ensure the Commonwealth strengthens and secures its position as a leader in the global economy and is the best state in the nation for business. The Virginia Chamber collected input by bringing together leaders in business, economic development, workforce, education, housing, and other community representatives to ensure statewide representation of priorities for Virginia's economic prosperity.

[Click here to view the \*Blueprint Virginia 2030\* website](#)

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## **International Trade Resources and Webinars**

### **Featured Quote from a Virginia Business**

“VEDP helped us understand the importance of international sales. With VEDP’s help, we have been able to establish our brand in Canada with some major retailers and expect to continue our growth into additional countries.” – Robert J. Andris, Vice President, Allied Brass (Louisa)

### **Webinar: Global Trade Insights: The Impact of Federal Trade Policy on Virginia Businesses** – Jun. 5, 2024

Join VEDP - International Trade for a free webinar that will examine how federal trade policy impacts Virginia businesses. We will discuss how trade policy changes depending on many factors including Congress and the Presidential Administration. Our speaker, Nicole Bivens Collinson with

Sandler, Travis & Rosenberg, P.A., will also provide an update on trade legislation to help you have a better understanding of how you might be impacted. [Click here to register.](#)

### **International Trade Policy Updates**

VEDP provides quarterly updates on international trade policy changes that are impacting Virginia businesses. In 2024, the United States has had several discussions around critical minerals, supply chains, and tariffs. The US has also focused on enhancing enforcement of forced labor prevention regulations. In addition, in the months ahead there may be changes to Section 321 of the U.S. Tariff Act of 1930, which governs the import of goods into the US under the de minimis provision. [Click here to learn more.](#)

### **Industry Report: Taiwan Agricultural Report**

Taiwan is heavily dependent on imported food and agricultural products due to limited arable land and a small agricultural sector. It is the United States' sixth-largest export market for U.S. food and agricultural products. This report addresses opportunities in Taiwan for distilled spirits, craft beer, snack/convenience foods, poultry, beef, and wood pellets. [Click here to learn more.](#)

## **Upcoming Events for Virginia Businesses**

### **SMM 2024** - September 3, 2024 - September 6, 2024

SMM is the leading international maritime trade fair and offers an overview of all sectors of the maritime industry and its leading companies and organizations. Exhibitors include large-scale industrial ship and shipyard engineering, ship fittings and equipment, cargo handling systems, offshore engineering, and maritime services. The deadline to register is June 14, 2024.

### **Trade Mission to Mexico** - October 7, 2024 - October 11, 2024

Mexico is fifth among Virginia export destinations with exports in 2022 equal to \$1.1 billion. Close cultural, social, and economic ties make Mexico a natural market to consider for first-time and expanding exporters. The objective of this trade mission is to arrange and conduct quality meetings between Virginia businesses and potential sales partners (agents, representatives, or distributors) and/or customers in Mexico. The deadline to register is August 9, 2024.

**Keep up with the Virginia Chamber on Twitter, Facebook, and LinkedIn!**

