

# Capitol Contact

## Virginia General Assembly

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Thursday, February 16, 2023

## Workforce Development Reform Bills Advance

[HB 2195 \(Byron\)](#) / [SB 1470 \(Ruff\)](#) would create the Department of Workforce Development and Advancement (the Department) to administer workforce development services and training programs. The bills consolidate various statewide workforce program evaluation and data sharing under the Department and provides protections against improper disclosure of data. The bills also (i) transfer administration of apprenticeship programs from the Department of Labor and Industry to the Department, (ii) creates the Office of Business Engagement and Outreach within the Department, and (iii) directs the Secretary of Labor (the Secretary) to conduct a comprehensive review of the Commonwealth's workforce development programs and make recommendations to address a wide range of subjects relating to improving the effectiveness and efficiency of such programs. The Secretary is required to convene a stakeholder work group to advise the Secretary during the transition period, among other provisions. These bills are a recommendation of the Small Business Commission.

This legislative effort is backed by the Youngkin Administration and seeks to consolidate, streamline, and improve efficiency of workforce development programs. Virginia currently has more than three dozen state agencies and programs that handle workforce development. Secretary of Labor Bryan Slater provided advance notice of this effort as a guest speaker at VACo's Education Steering Committee Meeting in August 2022.

According to a recent [survey](#) conducted by the National Federation of Independent Business (NFIB), 45% percent of business owners reported job openings that were hard to fill. This mirrors data from a July 2022 survey VACo conducted of County Administrators. Anecdotally, even the though majority of county administrators reported having the same level of staff or more positions as they had prior to March of 2020, many administrators reported having difficulties filling open staffing positions.

This was particularly the case for positions in the following areas: public safety/first responders (law enforcement, firefighters, EMS paramedics, emergency communications center positions), social services employees, positions that require a Commercial Driver's License (CDL), and part-time/ seasonal jobs such as parks and recreation and animal shelters.

HB 2195 reported and was referred to the Senate Finance and Appropriations Committee on a vote of 12-2-1 on February 15. SB 1470 passed the Senate unanimously on a vote of 40-0 and has been referred to the House Commerce and Energy Committee. VACo will continue to monitor the progress of this legislation.

**VACo Contact:** [Jeremy R. Bennett](#)

## **State General Fund Revenues on Track, but Slowdown Still Expected**

On February 15, Secretary of Finance Stephen E. Cummings reported to the House Appropriations Committee on January state General Fund revenues, notifying Committee members that revenues are ahead of the December forecast, but highlighting several areas of uncertainty in the months ahead. After adjusting for timing issues for collections and certain policy changes, such as the creation of a new pass-through entity structure for income taxes (which would artificially inflate collections in December and January, but subsequently be offset by credits in the remainder of the year), general fund revenues have increased by 4.5 percent on a fiscal year-to-date basis. On an unadjusted basis, revenues are up 2.1 percent, and are \$78.7 million ahead of the December forecast on a fiscal year-to-date basis.

Secretary Cummings indicated to the Committee that, in contrast to February of last year, the Administration is not recommending any changes to the revenue forecast, as revenues are generally tracking the forecast and there is some uncertainty regarding the performance of non-withholding income tax collections in the fourth quarter. Non-withholding is among the Commonwealth's most volatile revenue sources, and typically the bulk of non-withholding collections occur in the final quarter of the fiscal year; the January revenue report notes, "January's data provided the first indication that non-withholding liability is likely to be significantly lower in Fiscal Year 2023 and lower monthly collections are expected over the remainder of the fiscal year." Secretary Cummings cited a "disappointing" holiday sales season nationally as well as lower than expected sales tax revenue collections in Virginia during the October-December holiday shopping season as another area of concern, noting that a shift in consumption from goods to services is likely limiting sales tax revenue growth, since services are generally not subject to sales tax in Virginia.

Secretary Cummings suggested that the December forecast's expected economic slowdown remains likely, with economists predicting GDP to contract in the first

two quarters of 2023, remaining flat in the third quarter of the year, and then rebounding. Inflation is beginning to moderate, but remains above the Federal Reserve’s target of 2 percent, and market watchers expect additional rate increases by the Federal Open Market Committee in the near term. However, the national labor market remains robust, with large gains in January.

The January revenue report is available at [this link](#); Secretary Cummings’s presentation is available at [this link](#).

**VACo Contact:** [Katie Boyle](#)

## Senator Creigh Deeds | Commonwealth Conversations



[Watch the Interview](#) | [Watch the Mobile Video Short](#)

## Key Dates for the 2023 General Assembly

As part of its organizational work on the first day of the 2023 session, the General Assembly adopted a procedural resolution on January 11 that sets out important dates and deadlines for the [2023 legislative session](#).

**January 11:** General Assembly convened at noon. Bills that were “prefiled” were due to be submitted by 10 a.m. All bills and regulations affecting the Virginia Retirement System or creating or continuing a study were required to be filed before adjournment. Governor Youngkin delivered the State of the Commonwealth address at 4 p.m.

**January 13:** Deadline for submission of budget amendments

**January 20:** Deadline for all bills or joint resolutions to be filed by 3 p.m. (with some exceptions, such as legislation introduced at the request of the Governor or legislation allowed to be introduced after deadlines by unanimous consent)

**February 5:** Money committees report budgets by midnight

**February 7:** Money committee budget proposals available by noon; “crossover” deadline for each chamber to complete work on legislation originating in that chamber (except for the budget bill)

**February 9:** Houses of introduction must complete work on budget

**February 15:** Deadline for each chamber to complete work on other chamber’s budget proposal and revenue bills and appoint conferees

**February 20:** Deadline for committee action on legislation by midnight

**February 25:** Scheduled adjournment *sine die*

**April 12:** Reconvened session for consideration of Governor’s amendments and vetoes

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