

Legislative Proposal SB 1418:

Telework grants; waive or reduce the capital investment and/or local match requirements

The COVID-19 pandemic has profoundly changed how many professionals live and work. Estimates suggest that over half of Virginia's workforce worked remotely during the pandemic. Telework is likely to persist beyond the current pandemic with 25%+ of the American workforce regularly working from home by the end of 2021. Many companies expect some portion of their workforce to continue to telework on a permanent basis.

PROPOSAL

Waive or reduce the capital investment and/or local match requirements: This proposal would encourage companies looking to hire a substantial number of remote workers to do so in the Commonwealth by aligning incentive requirements (waiving or reducing capital investment thresholds) with the new economic realities of telework.

Traditional capital investment requirements for companies do not align with the remote nature of teleworking. Because telework-focused projects are not capital-intensive, the ability to waive capital investment and/or local match requirements will position Virginia for competitive success while maintaining a positive return on investment at both the state and local level.

Additionally, the legislation requires eligible companies to pay an average wage of at least 1.2 times the Virginia minimum wage to streamline wage requirements across programs and localities.

RESULTS

Tap into Virginia's talent pool across all regions of the Commonwealth: This proposal would capture companies looking to hire a substantial number of remote workers in the Commonwealth by aligning incentive requirements (waiving or reducing capital investment thresholds) with the new economic realities of telework.

Reduce potential burden on localities: The state's return on investment primarily comes from the new wages generated by projects (income tax), whereas localities' return on investment primarily comes from the impact of capital investment (property tax). By reducing/waiving the local match requirement, this proposal helps align local match requirements with project opportunities that involve significantly less capital investment due to the nature of telework.

Help attract higher-paying jobs: This proposal will help Virginia attract and grow higher-paying jobs focused in the technology sector and other traded sectors in all regions of the Commonwealth.

SB 1418 is in alignment with Governor Northam's guidelines in place for Forward Virginia and as stated in the Governor's proclamations for Telework Week, "a business-friendly strategy that promotes workforce performance, encourages work-life balance, and improves morale, retention, and productivity of employees."