



**AGC**  
**VIRGINIA**

Make Virginia the best  
place to build.

# FOUNDATION FOR THE **FUTURE**

Building the future in Virginia's  
construction industry.

# DEAR GOVERNOR, MEMBERS OF THE GENERAL ASSEMBLY, AND COMMONWEALTH LEADERS,

On behalf of the construction industry and the many partners who contributed to this effort, we are pleased to present Foundation for the Future—a comprehensive framework outlining a shared vision for the future of construction in the Commonwealth of Virginia.

This framework is the product of an extensive, yearlong effort involving contractors, specialty trades, suppliers, workforce partners, and industry leaders from every region of the state. Through dozens of conversations, listening sessions, and working meetings, participants shared candid insights on what is working, what is not, and what must change to ensure Virginia remains competitive, resilient, and positioned for long-term growth. The result is not a narrow wish list, but a broad, consensus-driven industry vision grounded in real-world experience.

Construction is a foundational driver of Virginia's economy—supporting hundreds of thousands of jobs, enabling public infrastructure, advancing private investment, and shaping the communities in which Virginians live and work. Foundation for the Future is intended to serve as a practical guide for policymakers by identifying the policies, regulatory structures, and collaborative approaches necessary to sustain a strong construction industry and workforce over the coming decades.

This document reflects a commitment to partnership. It recognizes that the challenges facing the industry—workforce availability, project delivery, risk allocation, regulatory efficiency, and long-term infrastructure needs—are shared challenges that require thoughtful, collaborative solutions. The framework is designed to inform dialogue, guide decision-making, and support policies that align economic growth with public interest.

We offer Foundation for the Future in the spirit of collaboration and shared responsibility. The construction industry stands ready to work with state leaders to translate this vision into action and to ensure Virginia continues to be the best place to build, work, and do business.

Thank you for your leadership and your consideration of this important work.

Sincerely,



**Ron Lauster**  
**W.M. Jordan Company, Inc.**  
Co-Chair  
Foundation Steering  
Committee



**Arlene Lee**  
**Lee Construction Group, Inc.**  
Co-Chair  
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# THE POWER OF THE CONSTRUCTION INDUSTRY IN VIRGINIA

The construction industry is a cornerstone of Virginia's economy—fueling economic output, driving employment, and enabling public and private investment across every region of the Commonwealth. Construction not only builds the infrastructure Virginians rely on every day, it also supports vibrant communities, upward mobility through family-sustaining careers, and long-term competitiveness. These contributions underscore why strategic, forward-looking policy matters now more than ever.

## VIRGINIA CONSTRUCTION BY THE NUMBERS

**\$39 BILLION**

Construction's contribution to Virginia's GDP (5.0% of total state economy)

**23,100+**

Construction establishments operating statewide

**230,000+**

Virginians employed in construction (latest BLS data)



Construction is a vital driver of economic output, contributing 5% of Virginia's total GDP and supporting a broad network of suppliers, professional services, and trade partners.



Construction supports highly compensated work across the Commonwealth, with employment levels reflecting steady growth and strong labor demand.



From schools and hospitals to highways and housing, construction creates the foundations of daily life and economic opportunity in every region.



Investment in construction amplifies workforce development outcomes and aligns with broader economic pillars identified by other business organizations including workforce alignment, infrastructure readiness, and economic resilience.

# WORKFORCE & TALENT DEVELOPMENT

## Attracting Talent

### Building Early Awareness & Interest in Construction

To elevate the perception of construction careers, Virginia must promote early exposure and pride in the industry. A coordinated statewide branding effort and robust K–12 outreach will position construction as a respected, purpose-driven career. This includes aligning public-private messaging, deploying trade ambassadors, and giving students and families tools to make confident, informed choices.

- Launch a unified, statewide campaign promoting the pride and purpose of construction careers.
- AGCVA commits to deploying trained ambassadors into schools and youth programs to share industry stories.
- Expand use of Build Your Future (BYF), ROI calculators, and Advanced Diploma advocacy tools.
- Make AGCVA a statewide connector for jobsite visits, WBL coordination, and mentorship.
- Leverage media partnerships to share public service campaigns across communities.
- Pass legislation allowing CTE students' access to Advanced Diplomas to ensure CTE pathways count toward Virginia's most rigorous diploma options.

## Hands-On Training & Workforce Entry Pathways

Virginia's workforce strategy must prioritize hands-on learning and streamlined entry into construction careers. Expanding apprenticeships, work-based learning, and real-world classroom training is essential. Public and private collaboration should improve awareness, funding access, and classroom resources.

- Expand access to DOLI apprenticeships and in-demand trades (e.g., HEO, plumbing, masonry).
- Promote existing grants and funding for apprenticeship to companies through outreach, technical assistance, and navigators.
- Increase internship, job shadowing, and WBL experiences for students by strengthening the partnerships between schools and contractors.
- Launch systems for surplus equipment donations to support CTE classrooms.
- AGCVA commits to strengthen school-contractor partnerships to align curriculum with jobsite needs.
- Prioritize training investments in infrastructure-critical, high-growth trades.

# Teaching Relevant Skills

## Enhancing Teaching Capacity & Curricula

To combat the shortage of skilled instructors and ensure quality education, Virginia must modernize CTE curriculum and strengthen the educator pipeline. Clear, flexible paths must exist for field professionals to enter education, and statewide curriculum should reflect modern construction techniques and certifications.

- Create pathways for aging field workers to become instructors or advisors.
- Launch flexible staffing, mentorship, and educator recruitment programs.
- Increase state investment in trade education to grow instructional capacity.
- Realign CTE curriculum with in-demand trades and techniques.
- Implement standardized, goal-driven training and certifications.
- AGCVA commits to design industry-backed career ladders for professional growth.

## Expanding Access and Equity in Training

Virginia must ensure that all communities have access to affordable, credentialed training pathways. A digital hub, mobile labs, and inclusive incentive programs can close gaps for underrepresented and rural learners, while encouraging broader participation in high-demand trades.

- Promote existing affordable training options—such as registered apprenticeships and community college programs—by improving outreach and streamlining pathways into paid, hands-on learning for underrepresented populations with AGCVA's support and commitment.
- Establish a digital statewide hub that consolidates information on technical training programs, enrollment pathways, and credential opportunities with AGCVA's participation and commitment.
- Expand the use of mobile labs and satellite training sites to deliver hands-on instruction in rural and underserved regions.
- Establish scholarships and incentive programs for diverse talent.
- Align incentives with workforce needs and retention goals.

# Supporting Current Workers

## Supporting and Retaining Workers

A healthy, supported workforce is essential to productivity and retention. Virginia must prioritize mental health, adopt safety-enhancing technology, and create flexible, attractive career pathways. Small businesses must be empowered to offer competitive benefits to remain viable employers.

- Expand access to mental health services, training, and peer networks for construction workers.
- Promote and incentivize industry adoption of tech-based safety tools (e.g., robotics, wearables).
- AGCVA commits to build flexible job paths for older or injured workers to remain engaged.
- AGCVA commits to incentivizing employer investment in morale, retention, and work-life balance programs.
- AGCVA commits to providing pooled benefit support for small and mid-size firms.
- Tie public project eligibility to employer wellness and support investments.
- Normalize mental health support in safety regulations and funding eligibility.
- Foster a statewide culture of dignity, pride, and psychological safety.

# COMMON SENSE REGULATIONS

## Speed to Market

### Digitization and Technology Integration

Virginia should lead the way in streamlining permitting by adopting modern, digital tools that make the process faster, more transparent, and more consistent across localities. Leveraging shared infrastructure, artificial intelligence, and digitized workflows will enhance efficiency, reduce delays, and support economic growth statewide.

- Create a unified system that standardizes and digitizes permitting processes across jurisdictions, reducing confusion and redundancy for applicants.
- Promote the use of AI-assisted tools to automate routine reviews, flag compliance issues, and accelerate permit approvals.
- Implement shared digital workflows for zoning, land use, and site plan approvals to ensure consistency and reduce delays in early-stage development.
- Build user-friendly portals for each locality that clearly map regulatory requirements, provide guidance, and allow real-time tracking of permit timelines.

### Streamlined and Tiered Permitting Processes

To reduce bottlenecks and accelerate project delivery, Virginia should implement tiered permitting models, promote third-party reviews, and fast-track smaller projects without compromising quality.

- Establish a tiered permitting process to fast-track smaller projects.
- Promote third-party permit and inspection review models.

### Cross-Jurisdictional Collaboration and Best Practices

Aligning practices across regions will create greater predictability and reduce costly delays. Virginia should lead a statewide effort to benchmark best practices, share resources, and identify common causes of delay.

- Promote adoption of permitting best practices via a statewide hub.
- AGCVA commits to launch a benchmarking platform and working group to identify delays.
- Align state and local codes to remove redundant regulatory hurdles

# Speed to Market

## Workforce Capacity and Training

Investing in permitting personnel and standardizing their training ensures consistent, efficient, and fair reviews statewide.

- Increased state funding support and staffing for local permitting departments to increase capacity and efficiency.
- Standardize training for permitting officials across Virginia.



# Workforce Safety Regulations

## Incentivizing Innovation in Safety

Virginia should accelerate the adoption of advanced safety tools and practices by offering financial incentives and promoting proactive risk reduction strategies.

- Establish state-level tax incentives and competitive grants to help contractors invest in proven safety technologies—such as wearables, sensor-enabled PPE, and digital safety platforms—that reduce incidents and improve real-time monitoring.
- Create financial incentives for small and mid-sized contractors to engage qualified third-party safety consultants who can provide expert guidance, conduct site audits, and support compliance—especially for firms without in-house safety teams.
- Launch a state-led awareness campaign to increased participation in Virginia BEST program, leveraging existing communication channels, workforce training partners, and safety-related events. AGCVA and other industry groups can support, but the primary responsibility should rest with state agencies and funded partners.

## Regulatory Flexibility and Industry Alignment

To foster a truly effective safety culture, Virginia must move beyond rigid mandates and embrace a more holistic, adaptable approach to jobsite safety—one that values innovation, data, and the diverse realities of construction work. A modern safety system should empower contractors, engage workers, and enable regulators to support solutions that are both effective and practical.

- Simplify the process for contractors to gain Virginia Occupational Safety and Health (VOSH) approval for alternative practices that achieve equal or better safety outcomes—encouraging innovation while maintaining high standards.
- Advocate for safety policies that reflect the complexity and variety of construction projects, recognizing that flexibility often leads to more effective, site-specific solutions.
- Require that new safety laws and regulations be shaped by those closest to the work: contractors, frontline workers, and regulators. A collaborative approach ensures policies are practical, trusted, and focused on the well-being of the whole person—not just compliance.

## Workforce Safety Regulations

### Education, Certification, and Workforce Pipeline

A strong safety culture starts with people. Virginia must invest in education, certification, and outreach to grow the next generation of safety professionals while ensuring state agencies have the capacity to support employers and workers effectively.

- Increase funding for 2- and 4-year degree and certification programs in construction safety, occupational health, and risk management to address workforce shortages and elevate safety leadership across the industry.
- Strengthen statewide outreach and awareness efforts to encourage more contractors to pursue Virginia BEST recognition—highlighting its value as a collaborative, proven path to improved jobsite safety.
- Provide additional resources to VOSH to train internal staff on programs like Virginia BEST, offer timely consultation services, and process participation and compliance documentation efficiently—ensuring programs are accessible and scalable as demand grows.

### Collaborative and Site-Specific Safety Planning

Safety improves when stakeholders work together. Virginia should encourage collaborative safety planning and protocols tailored to the unique risks and realities of each project site.

- Support legislation to promote and recognize cross-company collaboration in developing project-specific safety plans, including coordination between general contractors, subcontractors, and project owners.
- Expand Virginia's safety support programs to explicitly include mental health resources, stress management training, and proactive hazard identification as essential components of a comprehensive safety culture.

## Regulatory Clarity and Balance

### Clear Regulatory Guidance

To reduce risk and confusion, Virginia should provide up-to-date, easily accessible guidance on prevailing wage laws and other complex regulatory requirements that impact both public and private contractors.

- Develop clear, current guidance on prevailing wage and Davis-Bacon rules for all contractors.

### Consistency in Enforcement and Interpretation

Regulatory requirements—especially around procurement, DEI, apprenticeship, and SWaM—must be interpreted and enforced consistently across agencies and jurisdictions to ensure fairness and reduce administrative burden.

- Ensure clear and consistent guidance of procurement, DEI, apprenticeship, and SWaM requirements across state and local agencies. Provide contractors with transparent expectations and recognize good faith efforts to comply. The Commonwealth should also be mindful of potential conflicts or unintended tension between SWaM goals and other policy mandates—such as project labor agreements—that may limit competition or disproportionately impact certain firms.

# RIGHT-TO-WORK

## Proactive Advocacy

### Statewide Promotion and Messaging



AGCVA should lead a consistent, coordinated campaign that positions Virginia as a premier construction worker friendly state due in large part to the freedom of choice provided workers by the right-to-work statute.

- Increase funding for a a coordinated statewide campaign to promote Virginia as a top-tier business environment.
- AGCVA commits to positioning right-to-work (RTW) as key to economic competitiveness and personal freedom in an effort to promote Virginia as a premier construction worker friendly state.

### Coalition Building and Legislative Engagement

AGCVA must stay visible and engaged in Richmond by organizing member coalitions and advocacy events that strengthen legislative support for right-to-work laws and business-friendly policy.

- AGCVA commits to organizing coalitions and advocacy days focused on defending RTW.
- Support Virginia's right-to-work status, and oppose legislative efforts to repeal or otherwise limit the right-to-work statute.

### Public Education on Workforce Models

AGCVA should actively educate the public and legislators on the benefits of the current workforce model in Virginia, including the worker freedom of choice provided by right-to-work.

- Oppose mandates that advantage union workers over non-union workers or otherwise harm Virginia's workers freedom of choice.
- AGCVA will educate policymakers and the public on current and evolving construction labor models (i.e., construction labor 101) including interaction with project labor agreements (PLAs), collective bargaining agreements (CBAs), and other labor agreements.

## Public and Industry Education

### Curriculum Integration and Early Exposure

To build long-term awareness, Virginia should continue to emphasize opportunities to introduce construction-related content within K–12 education. Building on existing career exploration efforts, industry-aligned electives can help familiarize students with construction, labor law, business fundamentals, and the broader impact of workforce policy.

- Emphasize construction, labor law, and business fundamentals into high school curricula.
- Create electives that explore business models and workforce policy (e.g., right-to-work)

### Public Awareness and Career Promotion

Changing public perception requires visible, statewide campaigns that highlight construction as a respected, impactful career path with strong economic benefits and upward mobility.

- Support funding for initiatives that promote construction and open-shop employment.
- Promote construction's role in building essential infrastructure (e.g., schools, hospitals, broadband).

### Expanding Access to Industry Resources

Making reliable industry resources widely available—especially in educational environments—will help teachers, counselors, and parents better support students considering careers in construction.

- Expand access to AGC developed educational materials for students across the state (e.g., K–12 and post-secondary).
- Provide resources to distribute industry educational materials through digital platforms and school partnerships.

# COLLABORATION & SHARED SUCCESS

## Procurement

### Fair and Competitive Access

AGCVA strongly supports open, competitive procurement processes that allow all qualified contractors—regardless of labor affiliation—to compete on a level playing field. Government-mandated Project Labor Agreements (PLAs) limit competition by excluding or disadvantaging merit shop firms. AGCVA supports restoring Virginia's previous prohibition on mandated PLAs and believes contractors should retain the freedom to choose whether to enter into agreements with labor unions based on what best fits their business and project needs.

- Protect open competition on public projects—across delivery methods and regardless of a contractor's union or non-union status.
- Restore Virginia's prohibition on government-mandated PLAs to ensure contractor freedom of choice and fair access to public work.

### Project Delivery Method

AGCVA supports procurement practices that promote open and fair competition. AGCVA remains committed to convening industry stakeholders and public owners to explore evolving delivery models without endorsing one approach over another.

- Support industry and public sector leaders collaborating on best practices in project delivery while preserving transparency, fairness, and open competition.
- AGCVA commits to supporting the balanced approach to procurement reached in the 2024 legislative compromise.

### Risk Allocation and Project Efficiency

Clear and balanced contracts reduce delays and change orders. Risks should be allocated to the parties best equipped to manage them, ensuring efficiency and fairness across projects.

- Ensure risk is assigned to the party best positioned to manage it.
- Reduce project delays and disputes through balanced contracts.
- Support Virginia's long-standing legal precedent of the "freedom to contract".

## Procurement

### Inclusion and Capacity Building for Small and Diverse Firms

AGCVA supports efforts to increase the participation of small, women-owned, minority-owned (SWaM), and disadvantaged business enterprises (DBEs) in construction through voluntary, performance-driven strategies. AGCVA does not support mandates or quotas, but believes that fair and inclusive procurement practices, meaningful training, and capacity-building resources can help level the playing field and expand opportunities for all qualified firms.

- Promote voluntary training programs and procurement practices that create a more inclusive and competitive environment for SWaM and DBE firms.
- Emphasize performance, economic inclusion, and long-term capacity-building as effective alternatives to quotas or prescriptive mandates.
- Encourage collaboration between industry and public owners to improve access, transparency, and communication in the procurement process.

## Managing Corporate Risk

### Insurance Access and Legal Protections

Virginia should promote fair legal and insurance frameworks that help firms manage risk, attract talent, and remain competitive. Tailored health consortia and liability protections will strengthen business stability.

- Advocate for affordable small business health consortia.
- Promote legislation to limit liability exposure and excessive judgments.
- Support protections against fraudulent injury and discrimination claims.
- Offer tax credits for firms providing competitive benefits and insurance.

### Trade and Economic Stability

Construction firms face heightened exposure to economic instability. Policymakers should support trade and tax policies that reduce volatility and offer stability tools to help contractors weather market shifts.

- Advocate for trade policies that mitigate material cost volatility and inflation.
- Create financial stability programs for firms to navigate economic fluctuations.

### Cybersecurity Preparedness

As digital threats grow, contractors must proactively protect themselves. Industry organizations should provide training, tools, and collaboration to help firms strengthen cyber defenses.

- AGCVA commits to increasing industry awareness of cybercrime through education and task forces.
- AGCVA commits to supporting contractor preparedness via industry-led initiatives.

### Peer Learning and Operational Risk Reduction

Peer-to-peer knowledge sharing is a cost-effective way to reduce internal risk and boost resilience. AGCVA should facilitate confidential spaces for members to exchange best practices.

- AGCVA commits to fostering peer collaboration among contractors to share risk mitigation strategies.
- AGCVA commits to using its forums to elevate operational excellence across members.

## Aligning Industry Risk

### Proportional and Transparent Risk Sharing

Risk should be assigned to the party best positioned to manage it. Virginia must preserve the freedom to contract while encouraging clear frameworks and open communication to reduce disputes and support fairness across the construction industry.

- Oppose efforts to override or undermine the carefully negotiated 2022 pay-if-paid law. Lawmakers should resist expanding government mandates that interfere with contract terms freely negotiated by project partners.
- Support industry-led forums and best-practice development that foster collaboration between general contractors, subcontractors, and owners to create fair, proportional risk-sharing frameworks—without imposing rigid statutory requirements.

### Payment Security and Financial Safeguards

Timely payment and financial stability are essential for contractor solvency—especially in public work. Virginia should strengthen payment protections, improve retention practices, and vet project viability early.

- Revise Virginia's mechanic's lien statute to provide more protections and enforcement mechanisms for contractors.
- Support Virginia's current prompt-pay requirements for public work.



# TECHNOLOGY & INNOVATION

## Attracting Innovation to Virginia

### Fueling Construction Innovation in Virginia

To establish itself as a national hub for construction innovation, Virginia must invest in innovation infrastructure and support the diverse ecosystem of companies—from small to large firms—through targeted tax credits, grants, incubators, and R&D partnerships. Testbeds, research collaborations, and a statewide innovation brand will elevate visibility and accelerate the deployment of new technologies.

- Offer tax credits and grants for construction tech R&D and deployment.
- Support small and mid-sized firms through outreach, funding, and access to startup resources.
- Launch and fund testbed projects that validate emerging technologies.
- Build a statewide innovation brand (e.g., "Virginia is for Innovators").
- AGCVA commits to deepening partnerships with research universities to advance applied construction R&D.
- Develop a Construction Innovation Blueprint to align public and private collaboration.

# Harnessing Technology for Business Impact

## Accelerating Technology Integration Across the Sector

To increase productivity, safety, and efficiency, Virginia must accelerate the adoption of digital construction tools (e.g., AI, drones, BIM, VR). Incentives, permitting integration, and statewide education campaigns can help firms of all sizes implement technology effectively.

- Fund adoption and expand tax credits for advanced construction tools.
- Link permitting and project incentives to technology adoption.
- Develop a state-supported AI-based permitting platform to reduce delays.
- Launch a statewide awareness and technical assistance campaign.

## Building Trust in Tech Through Standards and Education

Widespread adoption of construction tech requires education and trust. Virginia must expand AGCVA's digital training footprint, support AI and data privacy standards, and celebrate innovation to build cultural buy-in.

- AGCVA commits to scaling its digital education and training efforts.
- Establish privacy protections for AI and construction data use with AGCVA's participation and commitment.
- Launch innovation recognition campaigns to spotlight best practices with AGCVA's participation and commitment.

# Harnessing Technology for Business Impact

## Advancing Virginia's Construction Tech Ecosystem

Virginia should deepen integration between construction firms and tech ecosystems. Grants, competitions, and pilot partnerships will help build construction-specific tools. AI-assisted permitting pilots and regional incubators can scale smart solutions and position the Commonwealth as a national leader.

- Connect AGCVA members to incubators, accelerators, and tech developers.
- Support cross-sector collaborations for tool development (e.g., project management software).
- Launch grants and competitions to advance construction-specific digital solutions with AGCVA's support and commitment.
- Pilot AI-assisted permitting and code review using Virginia's infrastructures to spotlight best practices.



# FOUNDATION FOR THE FUTURE STEERING COMMITTEE

The AGCVA Board of Directors appointed a Steering Committee of AGCVA members and other stakeholders to guide the work in the development of the Foundation for the Future framework.

- Ron Lauster, co-chair (W. M. Jordan Company, Inc.)
- Arlene Lee, co-chair (Lee Construction Group, Inc.)
- Berton Austin (Branch Builds)
- Paul Battaglia (American Institute of Architects Virginia)
- Mac Beaton (Henrico County Public Schools)
- Brandol Bradshaw (Warwick Mechanical Group)
- Doug Davis (DAVCON, Inc.)
- Jeff Deavers (Lantz Construction Company)
- Paul Denham (Southern Air Inc.)
- Gordon Dixon (Virginia Transportation Construction Alliance)
- Jack Heisler (J A Heisler Constracting Co Inc.)
- Ed Stelter (Faulconer Construction Co Inc.)
- David Turner (Kjellstrom and Lee Inc.)
- Brandon Robinson (AGCVA)
- Courtney Baker (AGCVA)
- Ryan Ehrensberger (Lucent 360) - facilitator & strategic consultant

