

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

---

**PUBLISHED: 1/22/2026 11:42 AM**

**ORIGINAL**

**Bill Number:** HB494

**Patron:** Guzman

**Bill Title:** Virginia Personnel Act; hiring preference in state government; certain former federal employees.

**Bill Summary:** Establishes a temporary hiring preference in state government for any person who has been terminated from a position of employment with the federal government on or after April 1, 2025, due to a reduction in the federal budget, initiatives put in place by the federal Department of Government Efficiency, or any other effort deemed unrelated to a violation in the workplace, workplace performance, or a dereliction of duty, provided that such person meets all of the knowledge, skill, and ability requirements for the available position. The bill defines the term "preference" as requiring that a person who has been terminated from a position of employment with the federal government be hired over a person who has not been terminated from a position of employment with the federal government when the two individuals are substantially equal in qualifications for an eligible position. The bill sunsets on January 21, 2029.

**Budget Amendment Necessary:** Yes

**Items Impacted:** 74

**Fiscal Summary:** The Department of Human Resource Management (DHRM) will require additional resources to implement the system and policy changes required by this bill, however, the amount of additional resources needed is currently unknown.

**Fiscal Analysis:** This legislation creates a hiring preference in state government for two and a half years for former federal employees who were terminated from employment for reasons unrelated to a violation in the workplace, workplace performance, or a dereliction of duty. Under the provisions of a bill, such individuals would be hired over a person who has not been terminated from a position of employment with the federal government when the two individuals are substantially equal in qualifications for an eligible position.

This change would require modifications to the employment application and hiring policies to enact a preference system that may be similar to what is granted to veterans currently. The state's recruitment system will also need to be updated to enable applicants to indicate their status, allow the tracking of such applicants through the hiring process, and develop a process to validate the status of such applicants. DHRM indicates that additional resources would be required for these system and policy updates, but the amount is currently unknown.

**Other:** None.