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

Bill Number: SB679   **Patron:**   Head
Bill Title: Office of Regulatory Management established.

Bill Summary: Codifies the Office of Regulatory Management (ORM) in the Office of the Governor. The purpose of ORM is to review all regulations and guidance documents issued by executive branch agencies prior to such regulation or document being finalized, and to provide guidelines for agencies to follow when engaging in regulatory activities. Currently, ORM operates within the Office of the Governor pursuant to Executive Order 19 (2022), which expires June 30, 2026. The bill also requires ORM to use artificial intelligence (AI) tools to streamline or reduce existing regulations or guidance documents.

Budget Amendment Necessary: Yes   **Items Impacted:**   44
Explanation: The proposed legislation would require additional appropriations for the Office of the Governor to cover the cost of the Office of Regulatory Management.

Fiscal Summary: Codifying ORM in the Office of the Governor would result in a fiscal impact of $484,250 each year in personnel costs. There may be additional costs for the use of AI software; however, the associated costs are indeterminate and could vary depending on the choice of AI tools, contract duration, and other factors. See tables and fiscal analysis below.

General Fund Expenditure Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Office of the Governor (121)	$484,250	$484,250	$484,250	$484,250	$484,250	$484,250
TOTAL	**$484,250**	**$484,250**	**$484,250**	**$484,250**	**$484,250**	**$484,250**

Position Impact:

Agency	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Office of the Governor (121)	3	3	3	3	3	3
TOTAL	**3**	**3**	**3**	**3**	**3**	**3**

Fiscal Analysis: ORM was created within the Office of the Governor under Governor Youngkin, but will not be continued under Governor Spanberger. If it were to be re-established, as required by this bill, additional positions and personnel costs would need to be appropriated. Based on data for FY25, ORM had three staff

members at a combined personnel cost of $469,250, plus another $5,000 per employee for IT, travel, and other expenses. The first table above reflects the sum of these costs.

Other: The proposed legislation also directs ORM to use AI tools as appropriate. Under Governor Youngkin, ORM used AI software and consultants costing $250,000. These costs have not been included in the tables above as they may have been one-time costs. However, if ORM were re-established and elected to use AI software, the associated costs would depend on the type of software, duration of the license, number of licenses, required training and consulting, and other factors.