

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

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ORIGINAL

Bill Number: SB705 **Patron:** Durant
Bill Title: Department of Planning and Budget; Regulatory Budget Program established; report.

Bill Summary: Directs the Department of Planning and Budget (DPB) to establish a Regulatory Budget Program under which each executive branch agency subject to the Administrative Process Act (APA) shall reduce overall regulatory requirements by 25 percent by January 1, 2029, from the number of requirements that existed on January 15, 2022. The bill requires DPB to report to the Speaker of the House of Delegates and the Chair of the Senate Committee on Rules on the status of the Program no later than October 1 of each year, beginning October 1, 2026. Finally, the bill provides that DPB, in consultation with the Office of the Attorney General and the Registrar of Regulations, shall issue guidance for agencies regarding the Program and how an agency can comply with the requirements of the Program. The bill has an expiration date of January 1, 2029.

Budget Amendment Necessary: Yes **Items Impacted:** 259
Explanation: The Department of Planning and Budget will require funding to cover the costs of a part-time position or consultant to implement the responsibilities of this legislation.

Fiscal Summary: The Department of Planning and Budget will require additional resources to support the tenants of this legislative proposal. Otherwise, the fiscal implications on state agencies that have not yet met the requirements of this legislation are indeterminate.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DPB	\$0	\$65,000	\$65,000	\$35,000	\$0	\$0

Fiscal Analysis: Governor Youngkin's Executive Order 19 (EO 19) directed all executive branch agencies to reduce regulatory requirements by 25 percent, and the Youngkin administration reported that a 35 percent overall reduction was achieved. The bill also specifies a reduction of 25 percent, which 46 of 66 agencies have already met. Because the reduction target in the bill matches the target in Youngkin's EO 19, no fiscal impact is expected for those 46 agencies. An indeterminate impact is expected for the other 20 agencies to the extent that existing resources have been insufficient to achieve this target while maintaining core functions.

Currently, the Office of Regulatory Management (ORM), also created by EO 19, provides oversight and guidance to agencies regarding these reduction efforts. The bill would shift oversight of the regulatory budget program from ORM to DPB, including providing agency guidance, tracking, and reporting. It is anticipated that in taking on this responsibility, DPB would require \$65,000 in fiscal years 2027 and 2028, and \$35,000 in fiscal year 2029 to cover the costs of a part-time employee or consultant.

Other: None