



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

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required to administer the pilot. DEQ utilized \$19 million toward pay-for-performance agreements, and \$1.0 million to support the program, including three staff and subject matter experts to evaluate the program's performance.

Based on the scope of responsibilities created by the bill, DEQ estimates the annual cost to implement the program at approximately \$525,000, consisting of \$375,000 for three FTE positions and \$150,000 for technical assistance. Two program staff would support guideline development, requests for applications, proposal review and coordination, engagement of subject matter experts, execution of agreements with project sponsors and third-party verifiers, review and verification of project reports, issuance of outcome-based payments, and preparation of program summaries, including the required annual report. One administrative financial staff position would be required to execute agreements, process payments, and manage related accounting activities consistent with Commonwealth procedures. Technical assistance would be needed to support application review and assessment of project performance.

The bill authorizes moneys in the Fund to be used for program administration and contracting; accordingly, DEQ indicates that these costs would be recoverable from the Fund if sufficient revenues are deposited. The magnitude and timing of expenditures are contingent on capitalization of the Fund through appropriations or other authorized revenue sources.

It is anticipated that Virginia Tech can absorb any impact that may result from this bill. Information from DCR is not available at this time.

**Other:** None.