

## Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** HB244

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

2. **Patron:**    Webert

3. **Committee:** Appropriations

4. **Title:**    Regulatory Budget Program; Department of Planning and Budget (DPB) to establish a continuous Program, report.

5. **Summary:** Directs DPB, under the direction of the Secretary of Finance, to establish a Regulatory Budget Program during the period of July 1, 2022 through December 31, 2025. The Program has the goal of setting a target for each executive branch agency subject to the Administrative Process Act (APA) to (i) reduce regulations and regulatory requirements, (ii) maintain the current number of regulations and regulatory requirements, or (iii) allow regulations and regulatory requirements to increase by a specific amount over a two-year period. The bill requires the Secretary of Finance to report to the Speaker of the House of Delegates and the Chairman of the Senate Committee on Rules on the status of the Program no later than October 1 of 2024 and 2025. Finally, the bill provides that DPB, in consultation with the Office of the Attorney General and the Registrar of Regulations, shall, by March 1, 2023, issue guidance regarding how an agency can comply with the requirements of the Program.

6. **Budget Amendment Necessary:** Preliminary - Indeterminate, see Item 8

7. **Fiscal Impact Estimates:** Preliminary - Indeterminate, see Item 8.

8. **Fiscal Implications:** The Departments of Education, Emergency Management, and Transportation reported no impact from the bill.

The Department of Health Professions reports an indeterminate impact, noting that regulatory decisions are made by board members, so there may be an increase in board-related costs to the extent that the Program alters the typical number of regulatory changes. The Department of Professional and Occupational Regulation notes that there would likely be a need for up to one position at pay band 5 (\$ 48,391 to \$ 124,434) or above to ensure the applicable experience and expertise needed to handle the regulatory process as well as assisting policy boards with data and information. The Department of Criminal Justice Services reports that up to two full-time equivalent positions would be required. The Department of Medical Assistance Services reports that at least one full-time position would be required, and notes that any limitation on the number of regulations may result in costs if the agency loses

appeals, to the extent that the regulations were required to implement changes directed by statutory law or the Appropriations Act. The Department of Social Services anticipates the need for a partial FTE at pay band 5, at an annual cost of \$16,300 (\$8,150 general funds and \$8,150 non-general funds). DPB may have an impact if implementation of the Program increases the agency's existing regulatory review responsibilities.

- 9. Specific Agency or Political Subdivisions Affected:** The bill affects agencies that promulgate regulations and are subject to the APA, but excludes regulatory agencies that are not subject to the APA. Accordingly, the bill affects the Board of Accountancy; the Departments for Aging and Rehabilitative Services, Blind and Vision Impaired, Deaf and Hard-of-Hearing; the Departments of Agriculture and Consumer Services, Aviation, Behavioral Health and Developmental Services, Conservation and Recreation, Corrections, Criminal Justice Services, Education, Elections, Energy, Environmental Quality, Fire Programs, Forensic Science, Forestry, General Services, Health, Health Professions, Historic Resources, Housing and Community Development, Human Resource Management, Juvenile Justice, Labor and Industry, Medical Assistance Services, Motor Vehicles, Planning and Budget, Professional and Occupational Regulation, Social Services, State Police, Taxation, Transportation, Treasury, and Wildlife Resources; Motor Vehicle Dealer Board, Office of the State Inspector General, State Council of Higher Education for Virginia, Virginia Birth-Related Neurological Injury Compensation Program, Virginia Employment Commission, Virginia Racing Commission.

The bill would not affect the 21 executive branch agencies who promulgate regulations but are exempt from the APA, or the 11 non-executive agencies with regulations.

**10. Technical Amendment Necessary:**

- 11. Other Comments:** The Senate substitute adds a sunset clause, such that the provisions of the act would expire on December 31, 2025.