

COMMONWEALTH OF VIRGINIA

House of Delegates RICHMOND

COMMITTEE ASSIGNMENTS: RULES (CHAIR)

February 4, 2025

VIA ELECTRONIC MAIL

The Honorable G. Paul Nardo Clerk of the House of Delegates State Capitol Richmond, Virginia 23218

Dear Mr. Clerk:

According to data from the U.S. Office of Personnel Management, 144,483 federal civilian employees called Virginia home in 2024. We are proud that these workers deliver essential services that enhance the daily lives of 8.7 million Virginians and 335 million Americans. These workers support their families, pay taxes, and are a critical component of Virginia's economy.

This administration has stated its intent to dramatically reduce the size of the federal workforce and to shift workers from the Washington D.C. region to other areas of the country. Likewise, the newly formed advisory Department of Government Efficiency has a stated goal to significantly cut the size of the federal government.

Recent actions to implement these reductions include a hiring freeze announced by the President on January 20, a deferred resignation program announced by the U.S. Office of Personnel Management with a stated goal by the White House to reduce federal employees by up to 10%, and directives to specific agencies, including a requirement for the U.S. OPM to develop a plan to reduce its own workforce by 70%.

Virginia is the top state in the nation for place of performance of federal contracts. In 2023, total contract awards in Virginia totaled \$106 billion. Should the administration announce reductions in federal contracts similar to reductions in the federal civilian workforce, Virginia will see a disproportionate impact on the economy.

On January 27, 2025, the U.S. Office of Management and Budget placed a temporary pause on the disbursement of federal financial assistance that would affect key services provided by state agencies and non-profit organizations. There remains confusion over the scope of the OMB action, which is subject to several legal challenges. Virginia relies on its partnership with the federal government to provide critical services. Any disruption in this funding would place

significant pressure on Virginia's budget to make up the funding gap to prevent a disruption in essential services.

Article X, Section 7 of the Virginia Constitution requires a balanced budget, providing that "...no expenses of the Commonwealth be incurred which exceeds revenues on hand and anticipated during the period not exceeding the two years and six months period established by this section of the Constitution." Likewise, maintaining a structurally sound budget is essential to Virginia maintaining its long-standing AAA bond rating.

It is prudent to study and understand the potential impacts of these cuts to the federal civilian workforce and programs to ensure that the General Assembly can adopt measures to protect Virginia families and mitigate impacts to the state budget.

Therefore, I am appointing an Emergency Committee on the Impacts of Federal Workforce and Funding Reductions.

The Committee is tasked with collecting data on the potential scope of workforce and funding cuts, analyzing the likely impacts of these cuts on Virginia's economy and budget should they be partially or fully realized, inviting stakeholders across a wide-range of interests to provide their perspectives and to share potential ways to mitigate the impacts and make Virginia's economy more resilient, and to make recommendations for how Virginia can proactively address these challenges.

The Committee will be comprised of 12 members of the House of Delegates and will reflect the principle of proportional representation. I am appointing the following members: David Bulova (Chair), Robert Bloxom Jr (Vice Chair), Marcus Simon, Vivian Watts, Michael Feggans, Bonita Anthony, Joshua Cole, Josh Thomas, Anne Ferrell Tata, Hillary Pugh Kent, Tony Wilt, and Ellen Campbell.

The Committee will be supported by the House Clerk's Office, with technical support provided by the Division of Legislative Services and the House Committee on Appropriations.

In addition to in-house staff support, the Committee may contract with outside vendors for specific and specialized support at any time during the Committee's work. Further, I authorize the House Clerk's Office to pay interim compensation and issue reimbursements for member travel associated with the Committee's work.

The Committee will have an organizational meeting no later than May 1, 2025 and may have as many as four meetings in appropriate venues considering the subject matter. The Committee shall complete its work by November 15, 2025 and produce a final report containing findings and recommendations for the 2026 General Assembly session no later than December 15, 2025.

I have full confidence we will be able to work in a bipartisan manner to address these challenges and propose solutions for consideration next session.

Sincerely,

Don Scott

Speaker, Virginia House of Delegates