



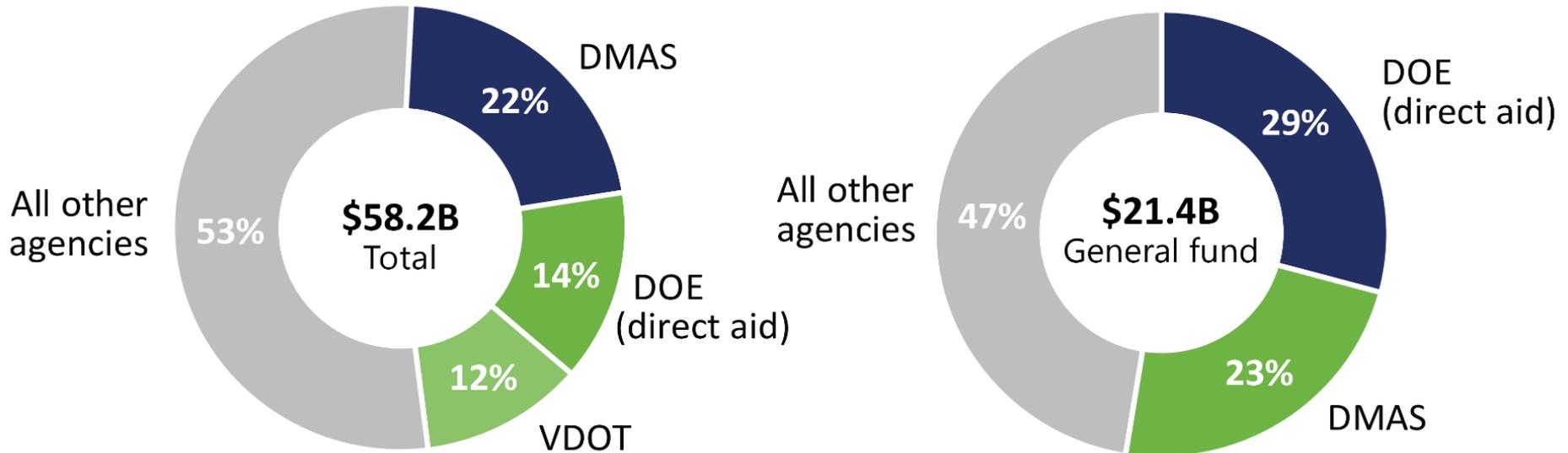
State Spending: 2019 Update

Study mandate

- JLARC to annually review state spending for previous 10 fiscal years (FY10–FY19)
 - Identify largest & fastest growing agencies and programs
 - Identify causes of expenditure growth

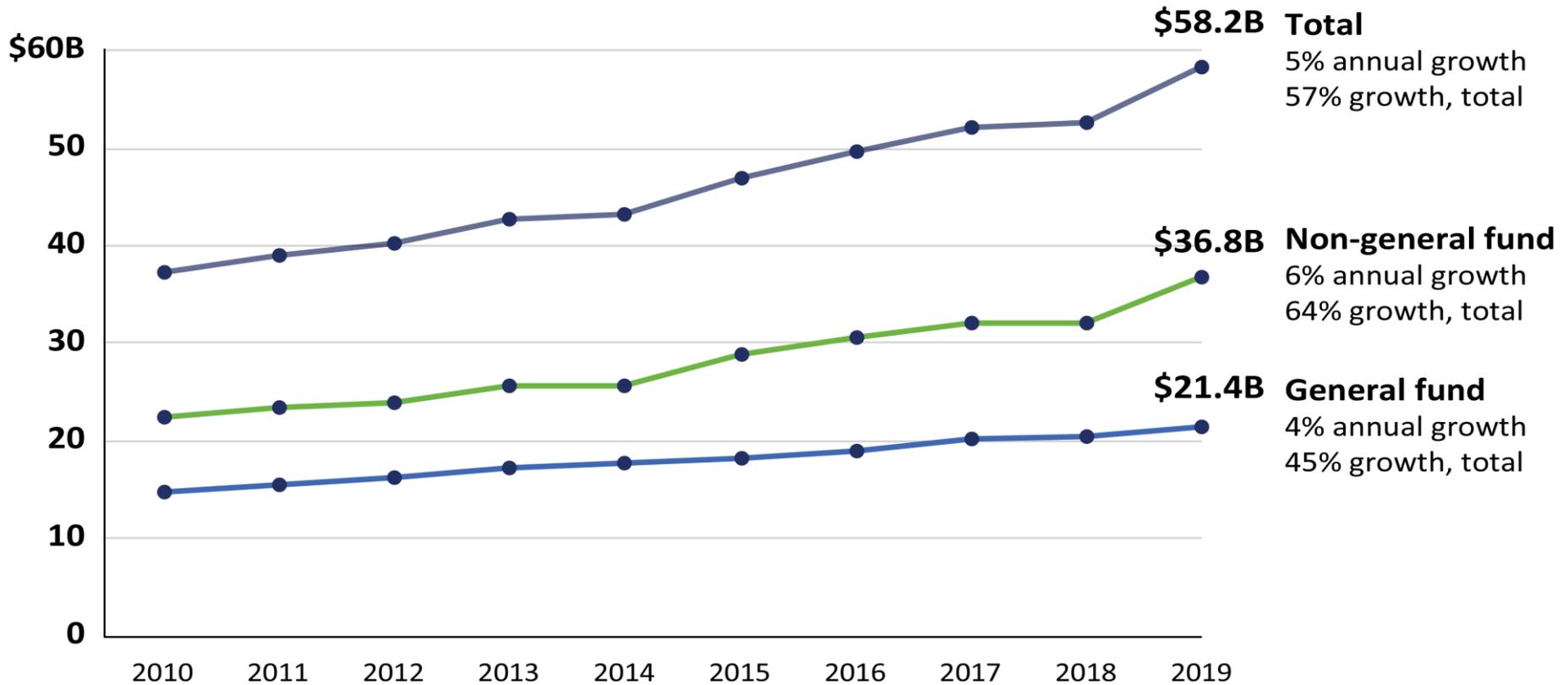
Code of Virginia § 30-58.3

A small number of agencies received half of appropriations, total and general fund (FY19)



Total = general and non-general funds.

Operating budget increased in total, general, and non-general funds (FY10–FY19)

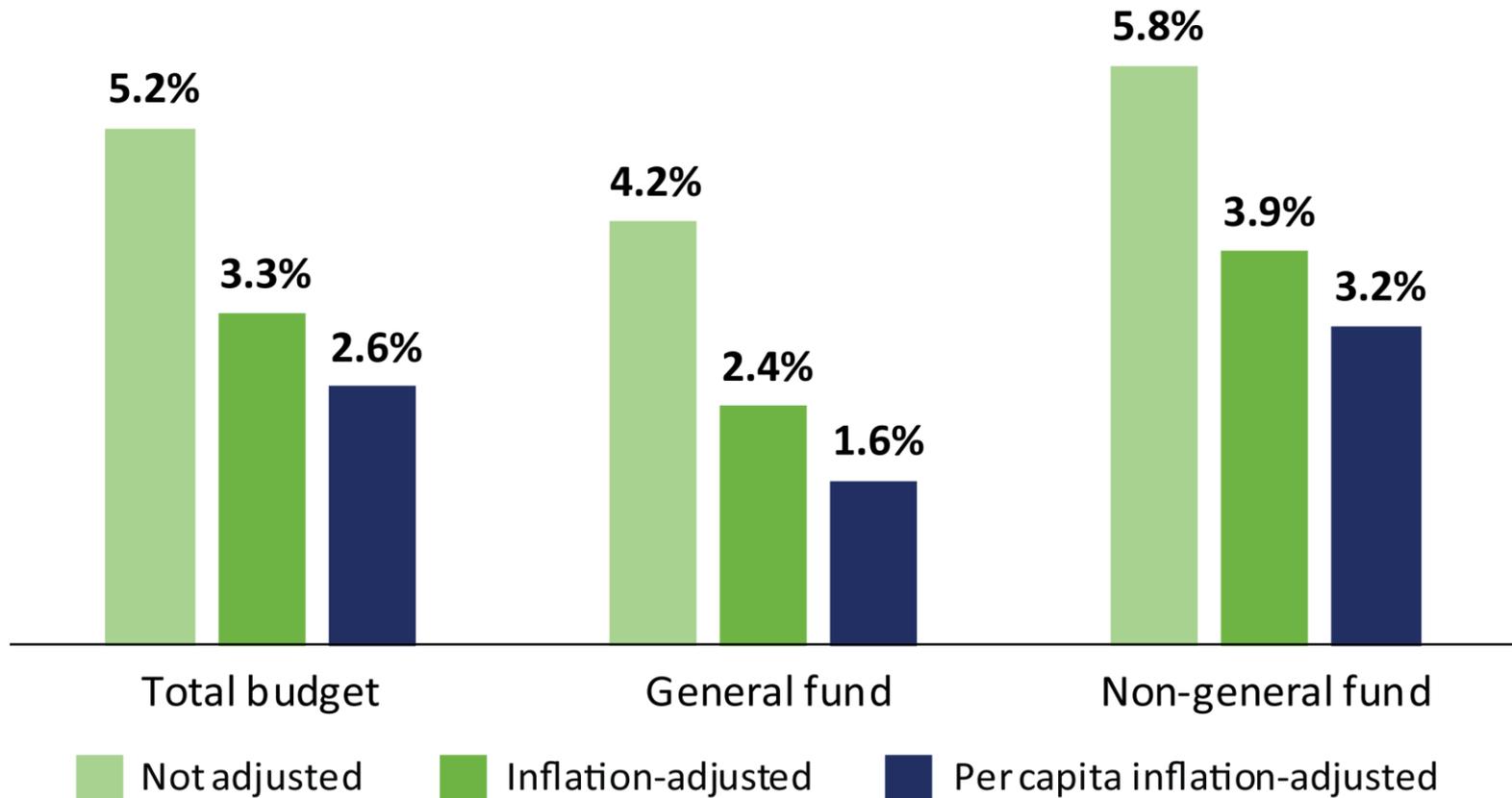


Not adjusted for inflation.

Many factors affect budget growth

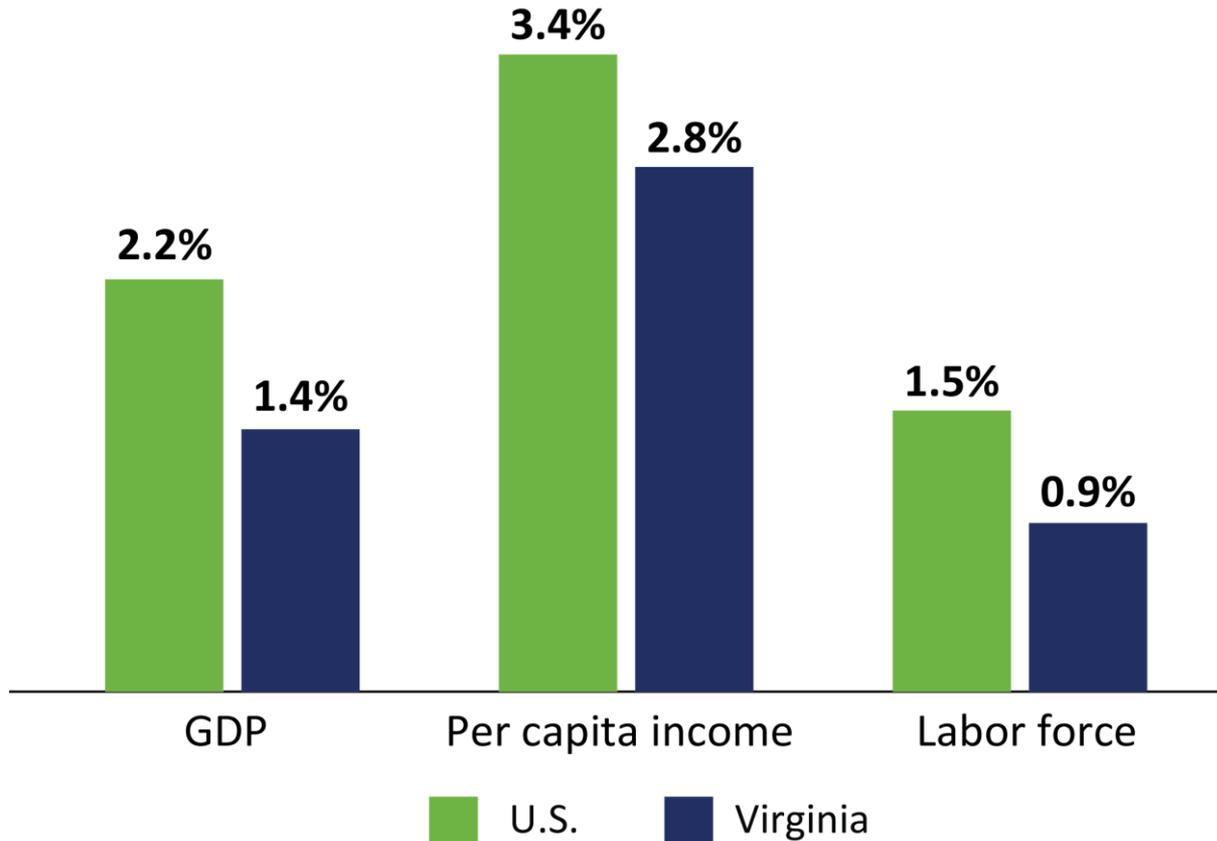
- Changes in Virginia's population and economy
- Changes in program enrollment and costs
- Trends in general fund and non-general fund revenue collections
- Policy decisions to initiate or change state government programs and activities

General fund budget grew an average of 1.6% per year, adjusted for inflation and population growth



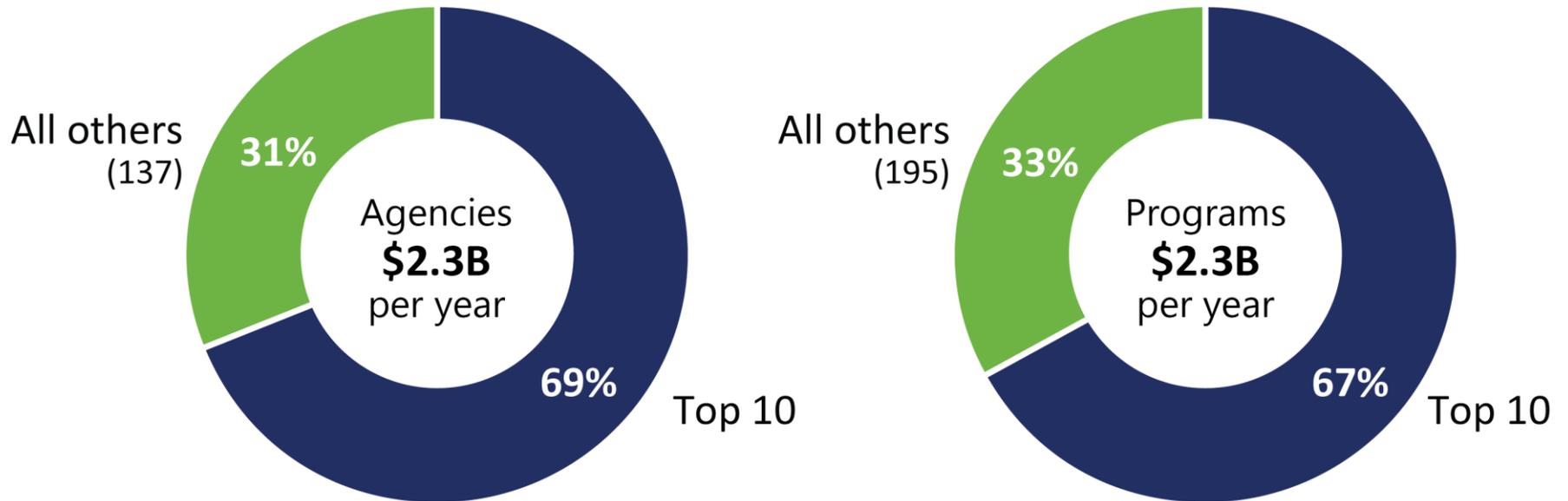
FY10–FY19.

Virginia economy grew slower than the nation's, which contributed to lower general fund growth



Average annual growth FY10–FY19. GDP is adjusted for inflation.

Majority of total budget growth was concentrated in 10 agencies and programs



Total budget growth per year on average (FY10–FY19), not adjusted for inflation.

Total appropriations (FY10–FY19)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$648	7%	28%
2 VDOT	386	9	16
3 DOE (direct aid)	179	3	8
4 UVA	156	6	7
5 Va Tech	54	5	2
6 GMU	51	6	2
7 VCU	42	4	2
8 Treasury Board	31	5	1
9 DSS	30	2	1
10 DOC	28	2	1
Total, top 10	\$1,605	5%	69%

Not adjusted for inflation. Numbers may not sum because of rounding.

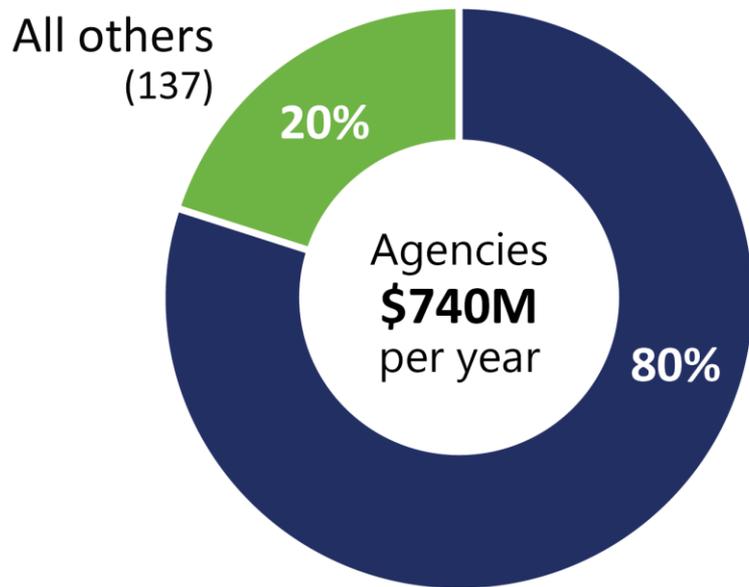
Total appropriations (FY10–FY19)

10 *programs* with highest growth amount

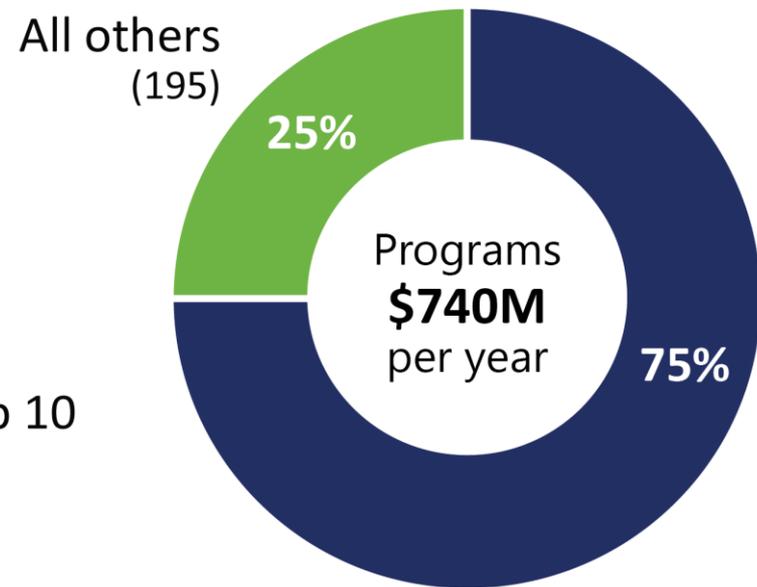
Program	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 Medicaid program services	\$606	7%	26%
2 Highway construction programs	202	18	9
3 State education assistance programs	175	3	7
4 Higher ed: Education & general services	148	4	6
5 State health services	90	5	4
6 Fin. assist. to localities (transportation)	82	17	3
7 Highway system maint. & operations	76	5	3
8 Fin. assistance to localities (general)	64	21	3
9 Higher ed: Auxiliary enterprises	62	4	3
10 Higher ed: Fin. assist. for E&G services	59	4	3
Total, top 10	\$1,563	6%	67%

Not adjusted for inflation. Numbers may not sum because of rounding.

Most general fund budget growth was concentrated in 10 agencies and programs



Top 10



Top 10

General fund budget growth per year on average (FY10–FY19), not adjusted for inflation.

General fund appropriations (FY10–FY19)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$288	9%	39%
2 DOE (Direct aid)	165	3	22
3 DBHDS	32	5	4
4 Treasury Board	28	5	4
5 DOC	28	3	4
6 Compensation Board	24	5	3
7 VSP	12	5	2
8 VCCS	7	2	1
9 DHCD	6	12	1
10 ODU	5	4	1
Total, Top 10	\$595	5%	80%

Not adjusted for inflation. Numbers may not sum because of rounding.

General fund appropriations (FY10–FY19)

10 programs with highest growth amount

Program	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 Medicaid program services	\$288	9%	39%
2 State education assistance programs	163	3	22
3 Bond & loan retirement & redemption	30	5	4
4 Fin. assist. for sheriffs & regional jails	23	8	3
5 Financial assistance for health services	13	4	2
6 Higher ed: student financial assistance	11	4	1
7 Operation of secure correctional facilities	10	1	1
8 Pre-trial, trial, & appellate processes	8	2	1
9 Law enforcement & highway safety	6	3	1
10 State health services	6	4	1
Total, Top 10	\$557	4%	75%

Not adjusted for inflation. Numbers may not sum because of rounding.

Non-general funds were responsible for majority of total budget growth (FY10–FY19)

Non-general fund category	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
Federal Trust	\$365	5%	16%
Commonwealth Transportation	359	8	15
Higher Education Operating	353	5	15
Internal Service	233	--	10
Dedicated Special Revenue	172	15	7
Enterprise	127	9	5
Debt Service	15	6	1
Trust and Agency	-10	<0	0
Special Revenue	-12	-1	0
Non-general funds	\$1,602	6%	68%
General fund	\$740	4%	32%

Not adjusted for inflation. Numbers may not sum because of rounding.

Examples of non-general fund revenues collected and appropriated through state budget process

- Federal funding for Medicaid and K–12 education
- College tuition payments made by students and parents
- Revenues from motor vehicle and gasoline taxes
- Child support payments
- Payments by state employees for health insurance
- Hunting and fishing license fees

Non-general fund appropriations (FY10–FY19)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 VDOT	\$385	9%	24%
2 DMAS	360	7	22
3 UVA	154	6	10
4 Va Tech	51	5	3
5 GMU	47	7	3
6 VCU	37	5	2
7 DSS	25	2	2
8 ABC	25	4	2
9 JMU	18	5	1
10 CWM	16	6	1
Total, top 10	\$1,119	6%	70%

Not adjusted for inflation. Numbers may not sum because of rounding.

Some agencies had large percentage increases in appropriations (FY10–FY19)

- General fund: budgets of 19 agencies grew faster than overall general fund
- Non-general fund: budgets of 24 agencies grew faster than overall non-general fund
- Most are small and did not have large increases

See pages 16-18 of the report for list of agencies.

Several agencies had declines in general fund appropriations (FY10–FY19)

- General fund budget declined for five agencies, primarily because of agency reorganizations or fund reclassifications
- General fund growth lower than inflation (17.5%) for another 18 agencies

See page 19 of the report for list of agencies.

Key findings

- Virginia's budget grew 5% per year, on average, between FY10 and FY19
- Adjusted for inflation and population (per year, on average)
 - Total budget grew 2.6%
 - Non-general funds grew 3.2%
 - General fund grew 1.6%
- Budget growth was concentrated in a few agencies (such as DMAS) & programs (such as higher education, health care, and transportation)

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