



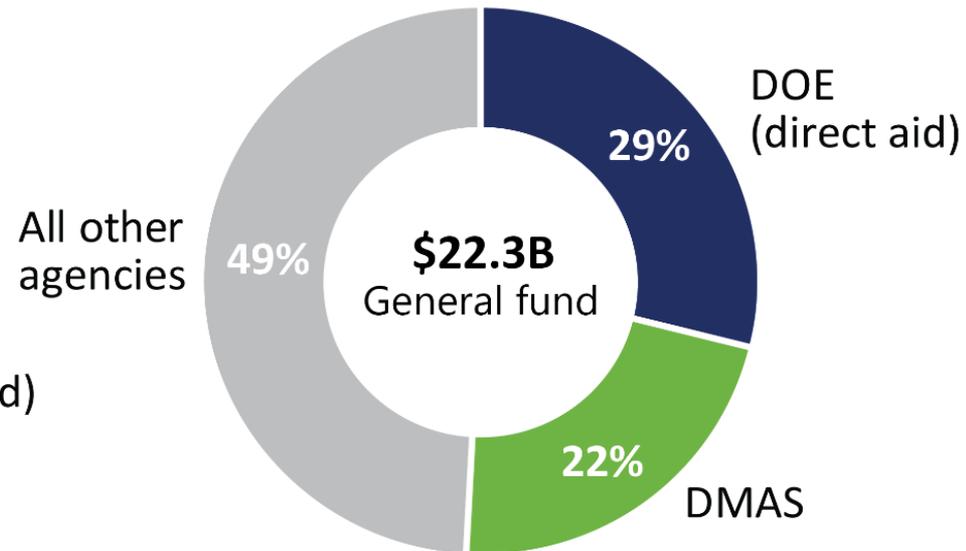
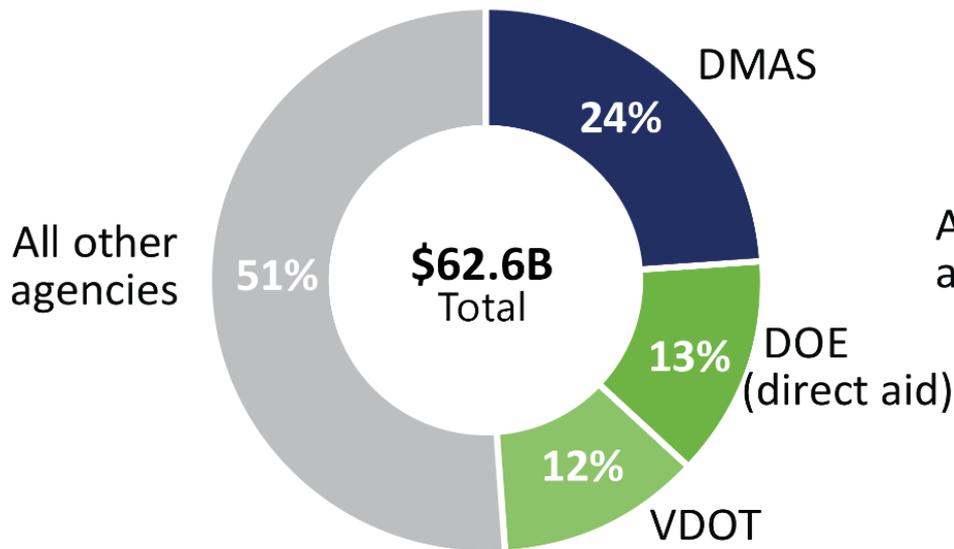
State Spending: 2020 Update

Study mandate

- JLARC to annually review state spending for previous 10 fiscal years (FY11–FY20)
 - Identify largest & fastest growing agencies and programs
 - Identify causes of expenditure growth

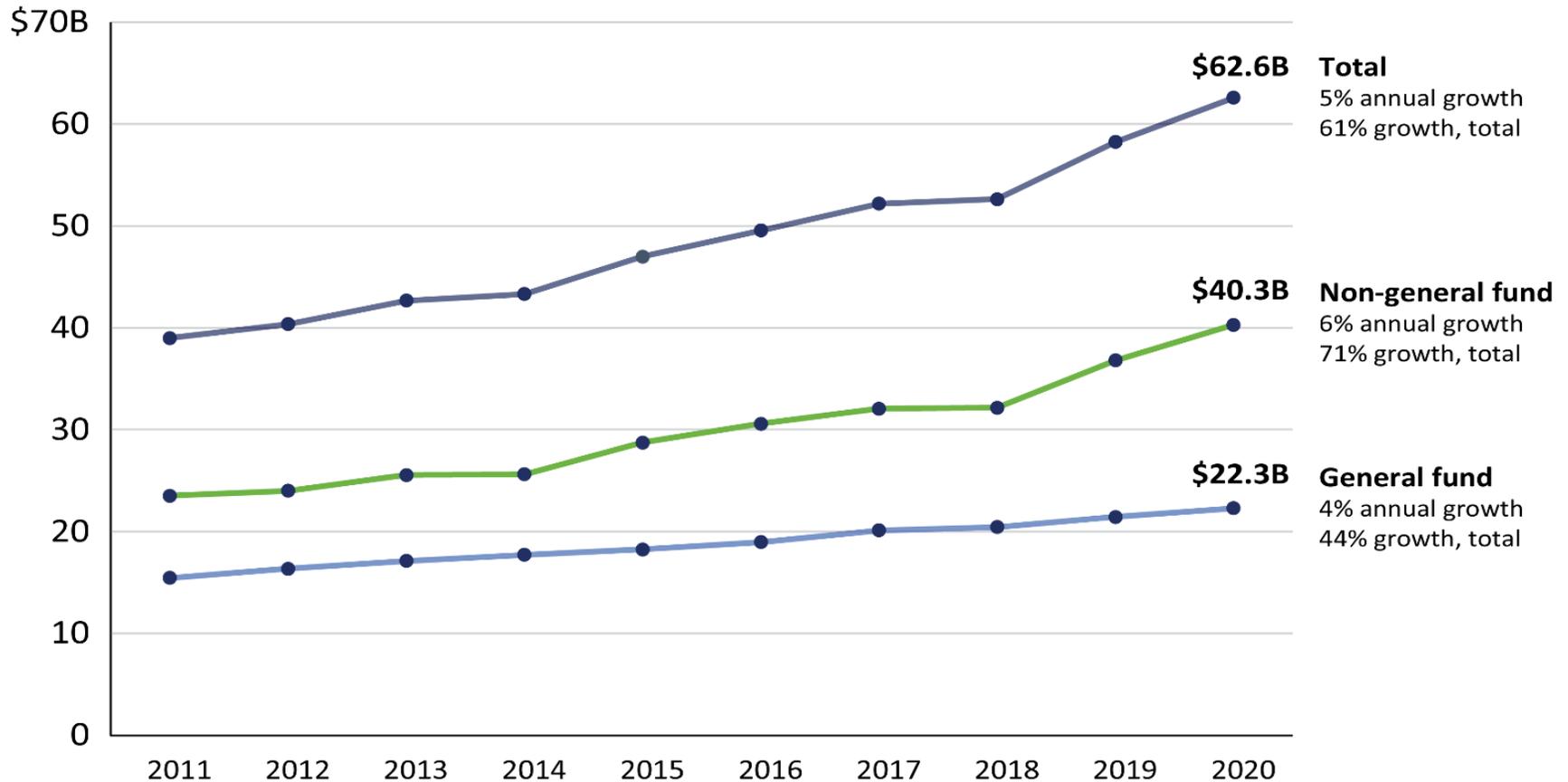
Code of Virginia § 30-58.3

A small number of agencies received half of appropriations, total and general fund (FY20)



Total = general and non-general funds.

Operating budget increased in total, general, and non-general funds (FY11–FY20)

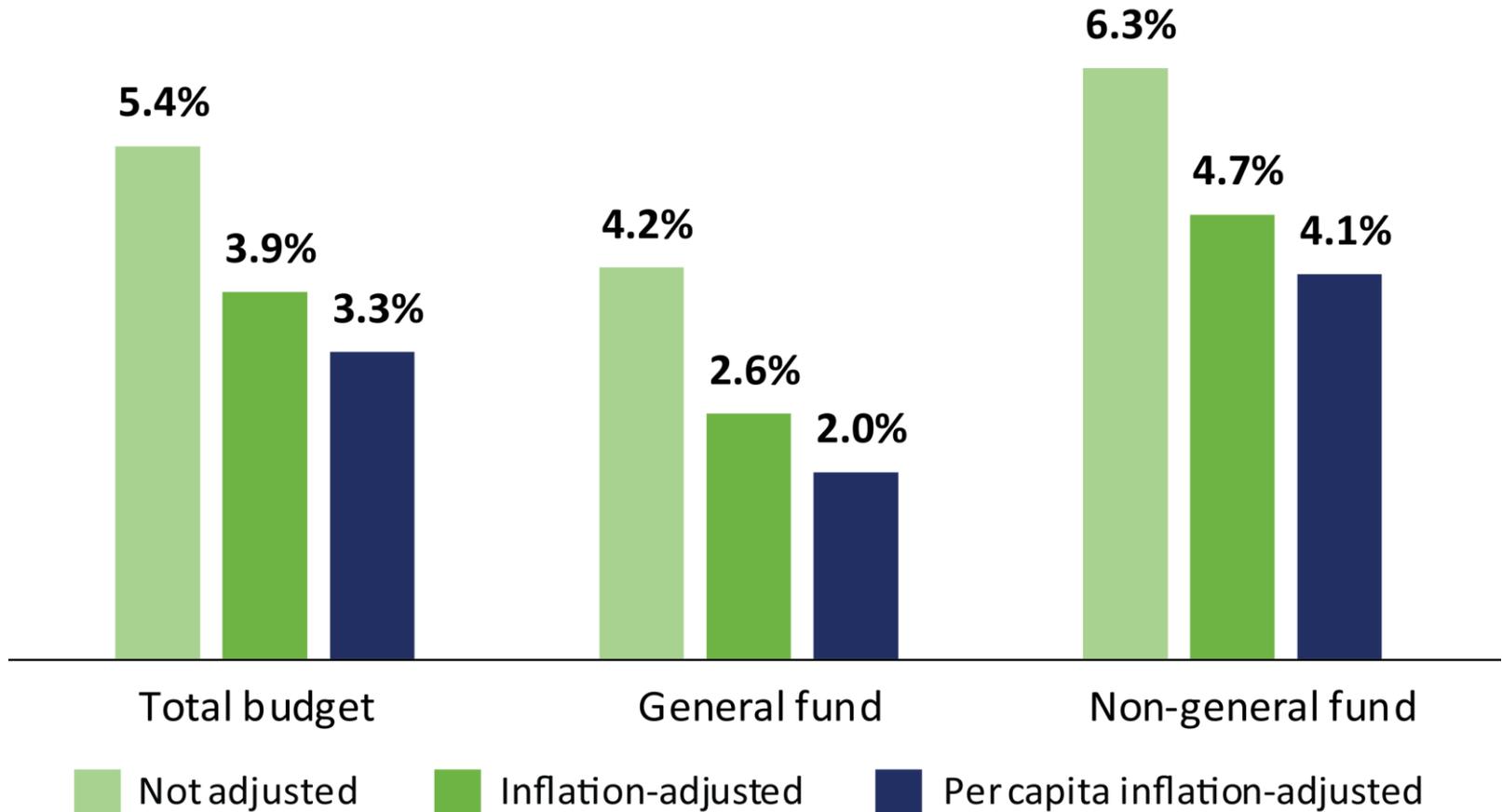


Not adjusted for inflation.

Many factors affect budget growth

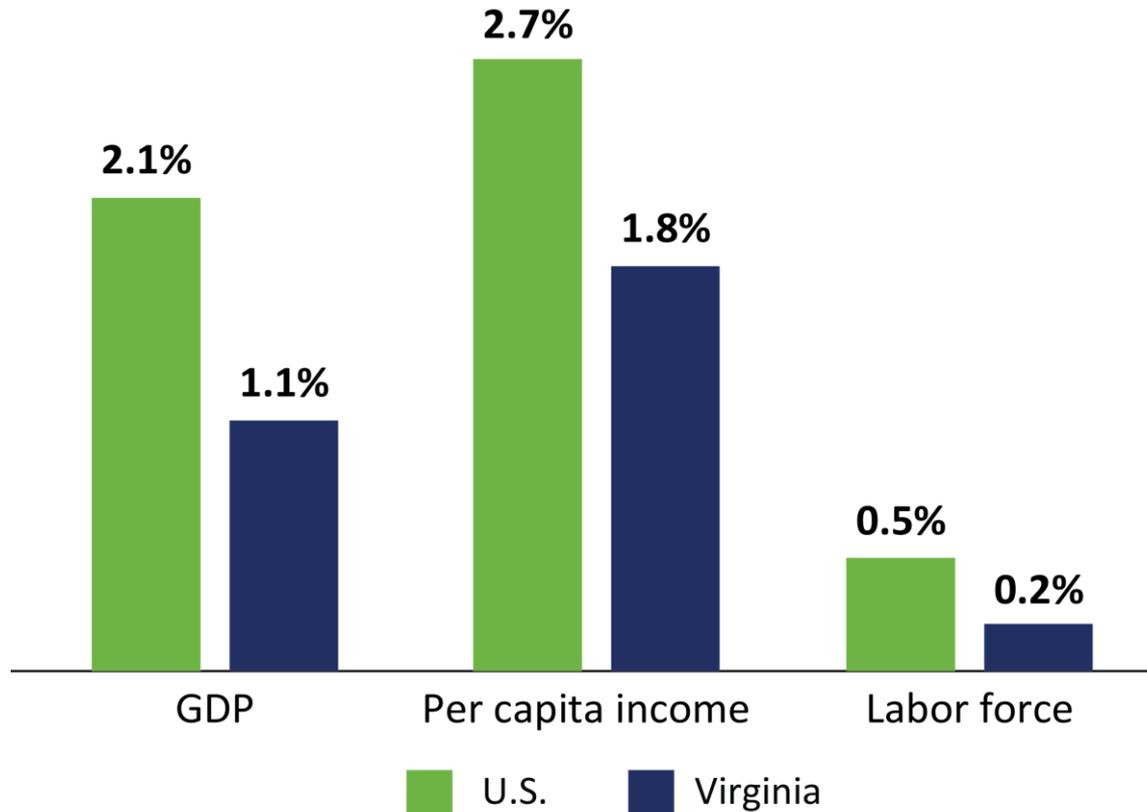
- Changes in Virginia's population and economy
- Changes in program enrollment and costs
- Trends in general fund and non-general fund revenue collections
- Policy decisions to initiate or change state government programs and activities

General fund budget grew an average of 2% per year, adjusted for inflation and population growth



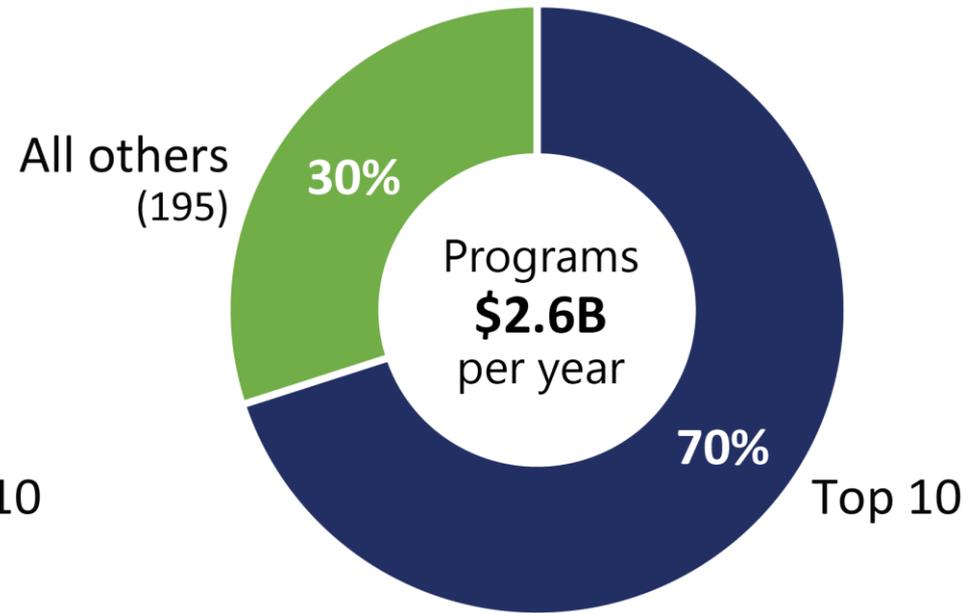
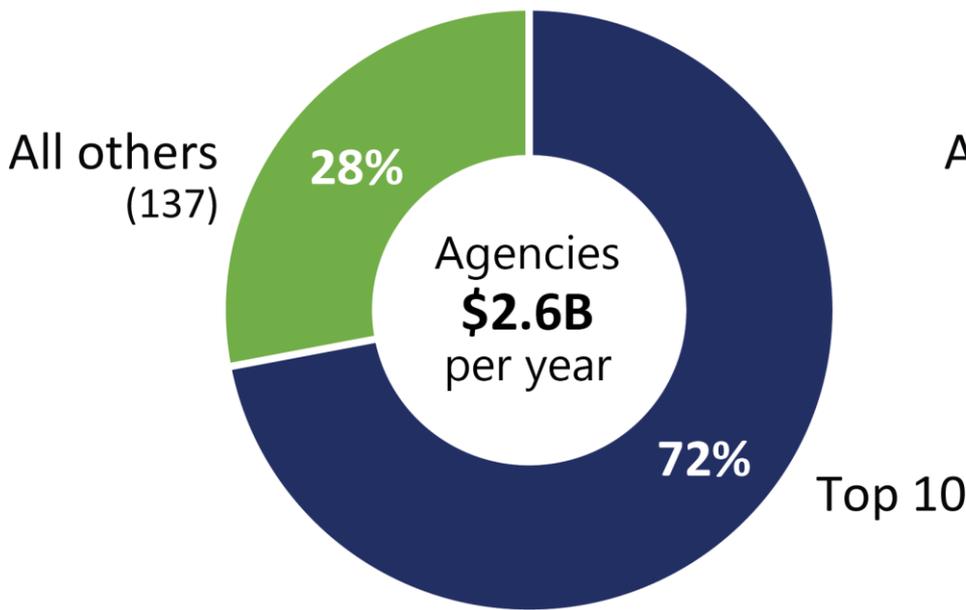
FY11-FY20.

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



Average annual growth FY11–FY20. GDP and per capita income are adjusted for inflation. GDP is through the first quarter of FY20; income and labor force are through the second quarter.

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



Total budget growth per year on average (FY11–FY20), not adjusted for inflation.

Total appropriations (FY11–FY20)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$844	8%	32%
2 VDOT	433	10	17
3 DOE (direct aid)	236	3	9
4 UVA	159	6	6
5 Va Tech	49	4	2
6 GMU	41	5	2
7 VCU	35	3	1
8 DSS	33	2	1
9 DBHDS	33	3	1
10 DOC	31	3	1
Total, top 10	\$1,894	6%	72%

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

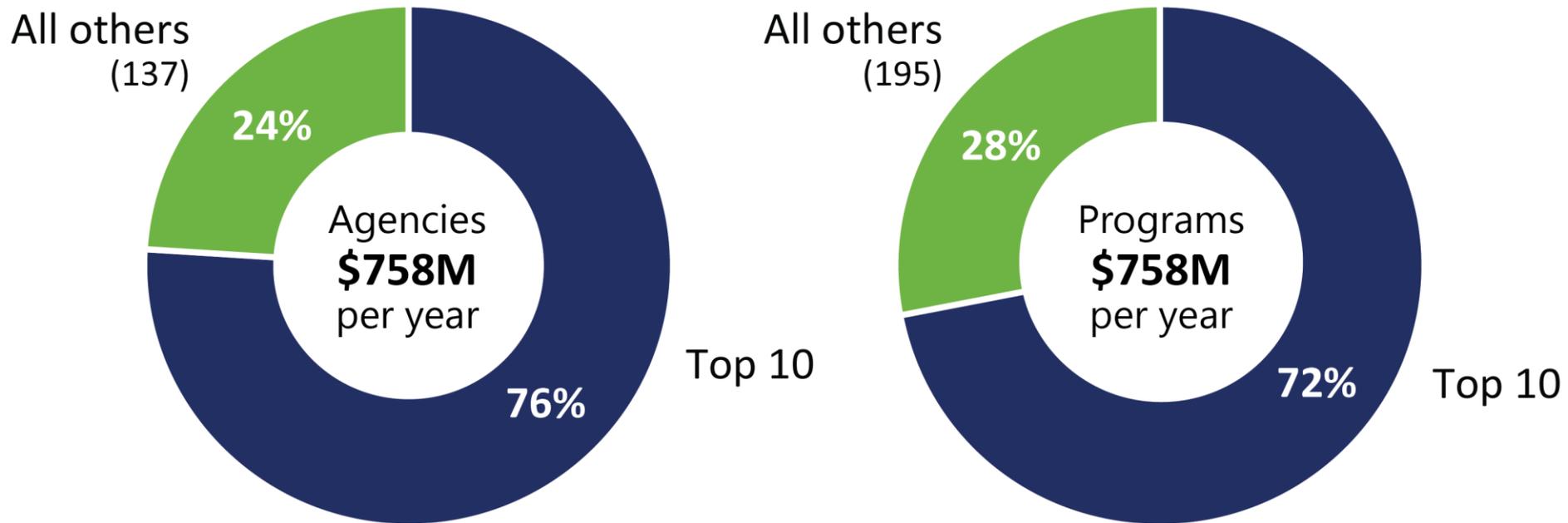
Total appropriations (FY11–FY20)

10 *programs* with highest growth amount

Program	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 Medicaid program services	\$798	8%	30%
2 Highway construction programs	234	19	9
3 State education assistance programs	221	4	8
4 Higher ed: Education & general services	134	3	5
5 State health services	100	5	4
6 Highway system maint. & operations	84	5	3
7 Fin. assist. to localities (transportation)	81	16	3
8 Fin. assistance to localities (general)	78	24	3
9 Higher ed: Fin. assist. for E&G services	62	4	2
10 Higher ed: Auxiliary enterprises	52	3	2
Total, top 10	\$1,843	6%	70%

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

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



General fund budget growth per year on average (FY11–FY20), not adjusted for inflation.

General fund appropriations (FY11–FY20)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$231	6%	30%
2 DOE (Direct aid)	205	4	27
3 DBHDS	42	6	5
4 DOC	32	3	4
5 Treasury Board	25	4	3
6 VSP	11	4	1
7 Compensation Board	9	1	1
8 VCCS	9	2	1
9 DHCD	9	15	1
10 DCR	7	22	1
Total, Top 10	\$580	4%	76%

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

General fund appropriations (FY11–FY20)

10 *programs* with highest growth amount

Program	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 Medicaid program services	\$225	7%	30%
2 State education assistance programs	202	4	27
3 Bond & loan retirement & redemption	26	4	3
4 Operation of secure correctional facilities	23	2	3
5 Financial assistance for health services	20	7	3
6 Higher ed: student financial assistance	15	6	2
7 State health services	11	6	1
8 Pre-trial, trial, & appellate processes	10	3	1
9 Admin & support: indiv. & family services	9	7	1
10 Law enforcement & highway safety	8	4	1
Total, Top 10	\$549	4%	72%

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

Non-general funds were responsible for majority of total budget growth (FY11–FY20)

Non-general fund category	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
Federal Trust	\$594	7%	23%
Commonwealth Transportation	388	8	15
Higher Education Operating	284	4	11
Dedicated Special Revenue	230	17	9
Internal Service	230	---	9
Enterprise	113	8	4
Debt Service	10	4	<1
Trust and Agency	9	1	<1
Special	4	<1	<1
Non-general funds	\$1,863	6%	71%
General fund	\$758	4%	29%

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
- State employee payments for health insurance
- Hunting and fishing license fees

Non-general fund appropriations (FY11–FY20)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$613	10%	33%
2 VDOT	434	10	23
3 UVA	157	6	8
4 Va Tech	45	5	2
5 GMU	36	5	2
6 DOE (direct aid)	32	2	2
7 VCU	29	3	2
8 ABC	29	5	2
9 DSS	28	2	1
10 DRPT	27	7	1
Total, top 10	\$1,429	7%	77%

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Some agencies had large percentage increases in appropriations (FY11–FY20)

- General fund: budgets of 22 agencies grew faster than overall general fund
- Non-general fund: budgets of 8 agencies grew faster than overall non-general fund
- Most are small and did not have large increases

See pages 16-19 of the report for list of agencies.

Two agencies had declines in general fund appropriations (FY11–FY20)

- SBSD (-73%): two agencies merged to create SBSD, and a grant program transferred to VEDP
- VDOT (-11%): general fund infusions for transportation in FY11 and FY12 that have not recurred
- General fund growth lower than inflation (14.4%) for 3 agencies

See page 19 of the report for list of agencies.

Key findings

- Virginia's budget grew 5% per year, on average, between FY11 and FY20
- Adjusted for inflation and population (per year, on average)
 - Total budget grew 3.3%
 - Non-general funds grew 4.1%
 - General fund grew 2.0%
- Budget growth was concentrated in a few agencies (such as DMAS) & program areas (such as higher education, health care, and transportation)

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