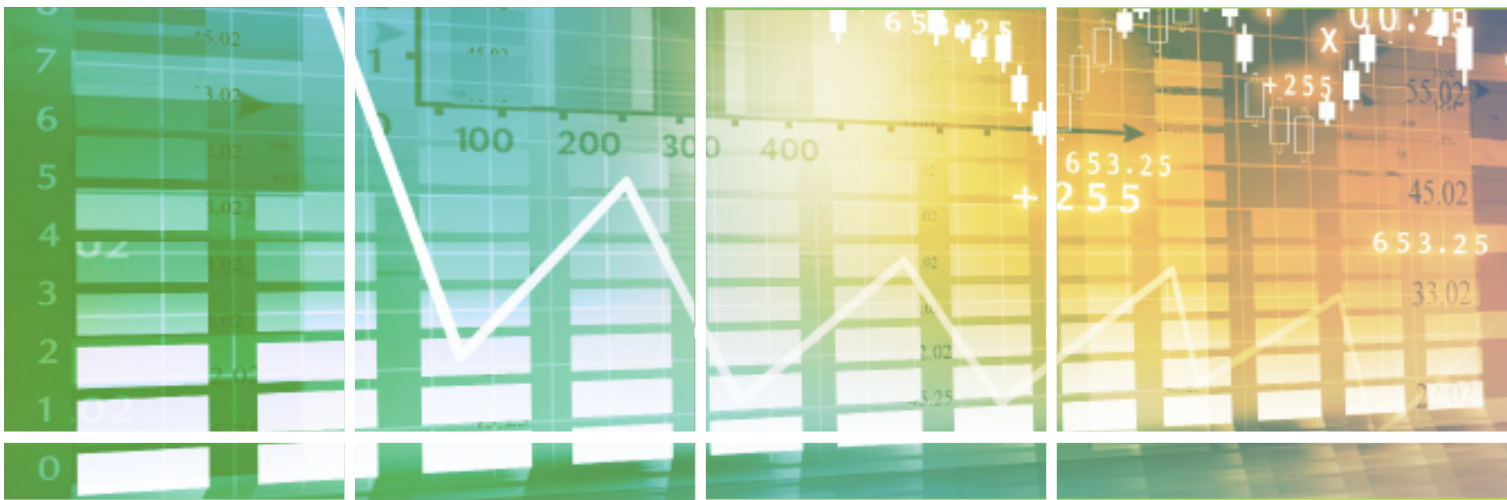


Report to the Governor and the General Assembly of Virginia

State Spending: 2020 Update



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Abbreviations

ABC	Virginia Alcoholic Beverage Control Authority
CNU	Christopher Newport University
CSA	Children's Services Act
CWM	College of William & Mary
DARS	Department of Aging & Rehabilitative Services
DBHDS.....	Department of Behavioral Health & Developmental Services
DBVI.....	Department for the Blind & Vision Impaired
DEQ.....	Department of Environmental Quality
DCJS	Department of Criminal Justice Services
DCR.....	Department of Conservation and Recreation
DGS.....	Department of General Services
DHCD	Department of Housing & Community Development
DHRM	Department of Human Resource Management
DJJ	Department of Juvenile Justice
DLS.....	Division of Legislative Services
DMA	Department of Military Affairs
DMAS.....	Department of Medical Assistance Services
DMV	Department of Motor Vehicles
DOA.....	Department of Accounts
DOC.....	Department of Corrections
DOE.....	Department of Education
DPB	Department of Planning & Budget
DRPT.....	Department of Rail & Public Transportation
DSBSD.....	Department of Small Business & Supplier Diversity
DSS.....	Department of Social Services
DVS	Department of Veterans Services
ELECT	Department of Elections
EVMS.....	Eastern Virginia Medical School
GMU	George Mason University
JMU.....	James Madison University

LU..... Longwood University
NSU..... Norfolk State University
OAG Office of the Attorney General
ODU Old Dominion University
RU Radford University
SCC..... State Corporation Commission
SCHEV State Council of Higher Education for Virginia
UMW University of Mary Washington
UVA..... University of Virginia
UVA-W..... University of Virginia's College at Wise
Virginia529..... Virginia 529 College Savings Plan
VA Tech Virginia Tech
VEC Virginia Employment Commission
VEDP Virginia Economic Development Partnership
VITA..... Virginia Information Technologies Agencies
VMRC Virginia Marine Resources Commission
VCCS..... Virginia Community College System
VCU Virginia Commonwealth University
VDH..... Virginia Department of Health
VDOT Virginia Department of Transportation
VMFA..... Virginia Museum of Fine Arts
VMI..... Virginia Military Institute
VPA..... Virginia Port Authority
VRS Virginia Retirement System
VSP Virginia State Police
VSU..... Virginia State University

State Spending: 2020 Update – Summary

WHAT WE FOUND

- Virginia’s budget was \$62.6 billion in FY20. Three agencies—DMAS, DOE, and VDOT—received nearly half of total appropriations, and two agencies—DMAS and DOE—received just over half of general fund appropriations.
- Over the past decade, Virginia’s operating budget increased by 5.4% per year, on average. This equated to a total growth rate of 61% between FY11 and FY20. A majority of this growth was because of growth in non-general fund appropriations (6.3% per year, on average). The non-general fund budget grew the most between FY18 and FY20, primarily because of Medicaid expansion and additional funds for road construction and repair projects. The general fund budget grew at a slower rate (4.2% per year, on average).
- Adjusted for growth in population and inflation, the total budget grew by an average of 3.3% per year during the 10-year period, with the non-general fund budget increasing by 4.1% per year and the general fund budget increasing by 2.0% per year, on average.
- The majority of budget growth was concentrated in a few agencies and programs between FY11 and FY20. Ten agencies (out of 148) accounted for 72% of total budget growth with DMAS and VDOT accounting for 49%. Nine budget programs within the core functions of health care, education, and transportation accounted for 67% of total budget growth.
- General fund budget growth was even more concentrated by agency and program. Two agencies—DMAS and DOE—were responsible for 57% of general fund budget growth.
- Some agencies have had very large percentage increases in general fund appropriations since FY11, but—with the exception of DMAS and DBHDS—many of these agencies are quite small.

WHY WE DID THIS STUDY

The Code of Virginia requires the Joint Legislative Audit and Review Commission (JLARC) to produce an annual report on growth in state spending over the previous 10 years, identify the largest and fastest-growing functions and programs in the budget, and analyze long-term trends and causes of spending in these programs. (See Appendix A.)

Prior reports reviewed spending and budget growth for all the previous 10-year periods between FY1981 and FY19. This report is the 20th in the series and focuses on trends in the state’s operating budget during the past 10 years, from FY11 through FY20.

State Spending: 2020 Update

FY11–FY20

Virginia's budget is perhaps the state's most important statement of policies and priorities. Through the budget, the General Assembly directs money from different sources to a variety of state functions and programs. State spending can occur only through appropriations made by the General Assembly. Factors that affect the budget include the state's fiscal condition, population growth, inflation, and other economic changes.

The Joint Legislative Audit and Review Commission (JLARC) produces a report each year on Virginia state spending over the previous 10-year period. (See Appendix A.) The report identifies the largest- and fastest-growing agencies and programs in the state budget and analyzes long-term state spending changes. This year's report focuses on state budget trends from FY11 to FY20 and identifies factors influencing these trends.

This report does not address the merits or adequacy of funding for government agencies or programs. Budget growth may change for a variety of reasons. The growth reported here reflects the budget from economic, policy, historical, and technical perspectives during the 10-year period.

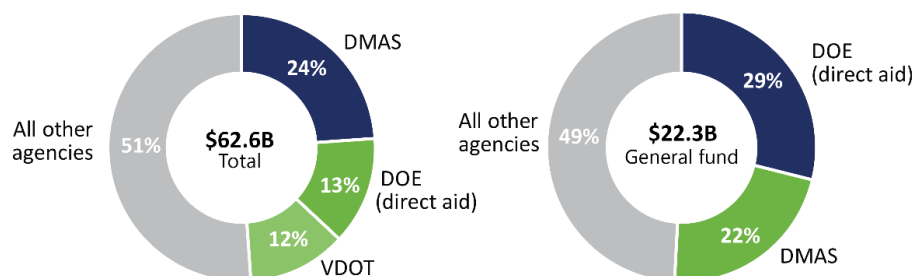
Virginia's budget was \$62.6 billion in FY20

In FY20, Virginia's budget totaled \$62.6 billion and included 148 agencies and 199 programs. Appropriation amounts were concentrated in a small number of agencies that focus on core government activities, such as Medicaid, K–12 education, and highway construction and maintenance. Three agencies received nearly half of total appropriations in FY20, and two agencies received just over half of general fund appropriations (Figure 1). Appropriations also were concentrated in a small number of programs. Ten programs received 67% of total appropriations in FY20 (Table 1). General fund appropriations were even more concentrated, with two programs accounting for 51% of general fund appropriations and 10 programs accounting for 78%. Four of the top 10 programs in general fund appropriations were also among the top 10 programs for total appropriations.

The state's budget classification system classifies all state appropriations by **program**. The program classification is designed for planning and analysis of the state budget by activity or function. Some programs fall under a single agency, and others are distributed across multiple agencies. Through analysis of program categories, policymakers can develop a broader understanding of how funds are spent, regardless of which agency spends them.

FIGURE 1

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



SOURCE: Chapter 1283, 2020 Acts of Assembly.

NOTE: See Appendix C for more information on the top 10 agencies that received appropriations (total, general fund, and non-general fund) in FY20. Numbers may not sum because of rounding.

TABLE 1
10 programs with the largest total and general fund appropriations (FY20)

Total appropriations			
Rank	Program name	Total (\$M)	% of total
1	Medicaid program services	\$14,350.7	23%
2	State education assistance programs	7,274.5	12
3	Higher ed: Education & general (E&G) services	5,219.6	8
4	Highway construction programs	3,206.6	5
5	State health services ^a	2,587.5	4
6	Personnel management services ^b	2,269.6	4
7	Highway system maintenance and operations	2,097.6	3
8	Higher ed: Financial assistance for E&G services	1,789.9	3
9	Higher ed: Auxiliary enterprises	1,789.9	3
10	Operation of secure correctional facilities	1,095.9	2
Top 10 agencies, subtotal		\$41,681.8	67%
Other agencies, subtotal		\$20,890.0	33%
Total operating budget		\$62,571.7	100%

General fund appropriations			
Rank	Program name	Total (\$M)	% of total
1	State education assistance programs	\$6,521.7	29%
2	Medicaid program services	4,727.0	21
3	Higher ed: E&G services	1,662.0	7
4	Operation of secure correctional facilities	1,038.1	5
5	Personal property tax relief program	950.0	4
6	Bond and loan retirement and redemption ^c	764.9	3
7	Financial assistance for sheriffs' offices and regional jails	465.3	2
8	Pre-trial, trial, and appellate processes	444.6	2
9	Financial assistance for health services ^d	412.9	2
10	Higher ed: Student financial services	344.7	2
Top 10 agencies, subtotal		\$17,331.2	78%
Other agencies, subtotal		\$ 4,952.1	22%
Total operating budget		\$22,283.2	100%

SOURCE: Chapter 1283, 2020 Acts of Assembly.

^a Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS. ^b Includes services for employee compensation, health benefits, insurance, retirement, and other human resource services. ^c Includes debt service payments for capital lease payments and general obligation and other bonds. ^d Includes funding for services provided by community services boards.

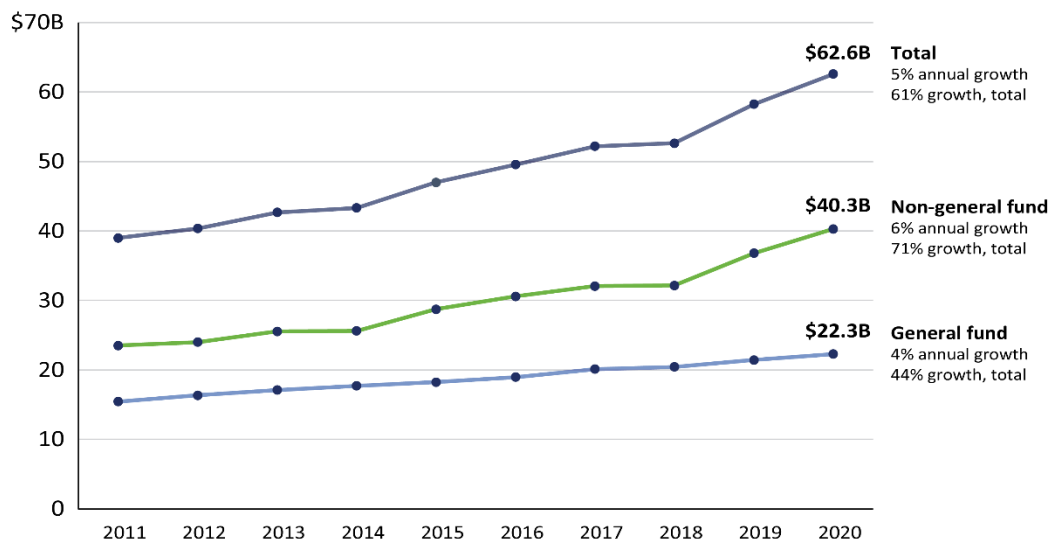
Virginia's budget has grown 5% per year since FY11

Virginia's total budget grew 5.4% per year, on average, between FY11 and FY20 (Figure 2). This equated to a total growth rate of 61% over the 10-year period. A majority of this growth was because of an increase in the non-general fund budget, which grew by 6.3% per year, on average, or 71% over the 10-year period. The non-general fund budget grew the most between FY18 and FY20 (24% or \$8.1 billion) primarily because of Medicaid expansion and additional funds for road construction and repair projects. Some of the changes to the total and non-general fund budgets also reflect a policy decision to include a specific appropriation for internal service funds in the non-general fund budget starting in FY15.

The state general fund budget grew at a slower rate than the total and non-general fund budgets, growing 4.2% per year, on average (44% total growth) between FY11 and FY20. The general fund budget grew at a much slower rate than the non-general fund budget over the past two fiscal years (9% versus 24%).

FIGURE 2

Total appropriations grew by 5% per year, but general fund appropriations grew more slowly (FY11–FY20)



SOURCE: DPB data on appropriations, 2011–2020.

NOTE: See Appendix D for more detail on spending and growth by year. Appropriations not adjusted for inflation.

Some agencies operate **internal service funds** to recoup costs incurred when performing services or procuring goods for other agencies. In FY15, the budget was changed so that internal service fund agencies began receiving appropriations for the cost of goods and services provided to other agencies. This change was implemented to improve transparency. See Appendix E for information on growth in internal service fund appropriations since FY15.

General fund revenues and appropriations are intended for the general purposes of government and are not dedicated or restricted to a specific use. These funds are of particular interest to the public and budget decision makers as they come primarily from statewide taxes, such as income and sales taxes.

Adjusted for inflation and population, total budget grew 2.6% per year

Economic and demographic factors such as inflation and population affect the budget and should be accounted for in assessing Virginia's budget growth. Inflation increased by 1.5% per year, on average, between FY11 and FY20 (Table 2), which means that Virginia's budget needed to grow by at least that amount per year to have the same purchasing power over time. Adjusted for inflation using the consumer price index, Virginia's total operating

budget increased 3.9% per year between FY11 and FY20. The general fund budget increased 2.6% per year, and the non-general fund budget by 4.7% per year, on average, between FY11 and FY20 (Figure 3).

TABLE 2
Key demographic and economic changes in Virginia, 2011–2020

Indicator	2011	2020	% change 2011–2020	
			Total	Annual average
Population				
Total	8,096,604	8,553,390 ^a	5.6%	0.6%
Ages 65 and over	1,010,639	1,404,539 ^a	38.9	3.7
Under 18 years old	1,857,141	1,855,696 ^a	-0.1	<0.1
Living in poverty	905,914	908,379 ^a	0.3	0.6
Economy				
Inflation (Consumer Price Index) ^b	100.0	114.4	14.4	1.5
Virginia GDP (\$B)	\$426.1	\$560.0	31.4	3.1
Total Virginia employment (non-farm, June)	3,681,600	3,750,500	1.9	0.2
Total state personal income (\$B)	\$381.2	\$525.4	37.8	3.6
Median Virginia home sales price (June)	\$232,694	\$318,000	36.7	2.9
Average weekly wages in Virginia	\$974	\$1,117 ^e	18.8	2.2
State finances ^c				
State operating budget (\$B)	\$39.0	\$62.6	60.5	5.4
State general fund budget (\$B)	\$15.5	\$22.3	44.2	4.2
Total number of state employees (salaried) ^d	101,765	108,368	6.5	0.7
Median state employee salary	\$38,957	\$47,266	21.3	2.2
Taxable sales (\$B)	\$89.1	\$107.8 ^e	21.0	2.4

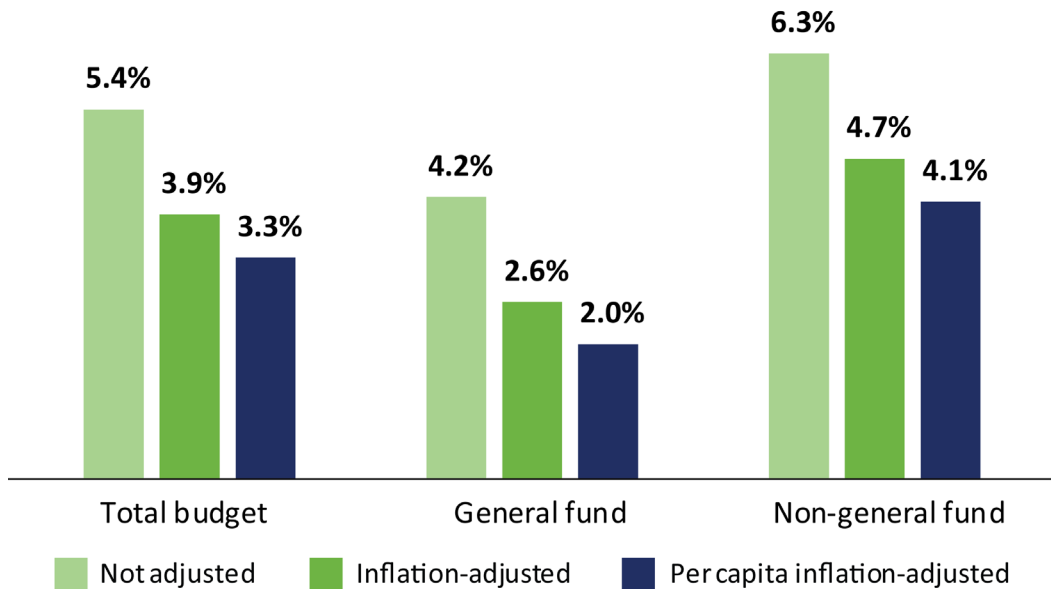
SOURCE: U.S. Census Bureau; Bureau of Economic Analysis; Bureau of Labor Statistics; various state agencies; Virginia Association of Realtors.
NOTE: Dollars not adjusted for inflation.

^a Estimated. ^b 2010 Consumer Price Index rebased to 100. ^c On a fiscal year basis unless otherwise noted. ^d Includes salaried faculty at higher education institutions. ^e 2019.

As the population grows so does the need for state services. Adjusted for both inflation and population growth, the total budget increased by 3.3% per year; general fund appropriations increased by 2.0% per year; and non-general fund appropriations increased by 4.1% per year, on average (Figure 3). Changes in certain population groups, such as older residents, can affect the demand for state services and state spending because these groups typically require more services than the general population. The number of Virginians 65 years of age and older grew nearly four times faster than the general population between FY11 and FY20 (Table 2). In contrast, the number of Virginians under 18 years of age remained about the same.

FIGURE 3

Average annual change in appropriations adjusted for inflation and population growth, FY11–FY20



SOURCE: DPB data on appropriations, 2011–2020; U.S. Census Bureau; Bureau of Labor Statistics.

Adjusted for population and inflation, Virginia’s budget generally increased each year during the 10-year period (Figure 4). The largest increases occur after FY18, primarily because of non-general fund budget growth. Between FY18 and FY19, non-general fund budget growth (14.4% unadjusted) was higher than average and was substantially higher than inflation (1.7%). Between FY19 and FY20, non-general fund budget growth (unadjusted growth of 9.5%) remained higher than average, and inflation was below average because of the COVID-19 pandemic’s economic impact in the last quarter of FY20.

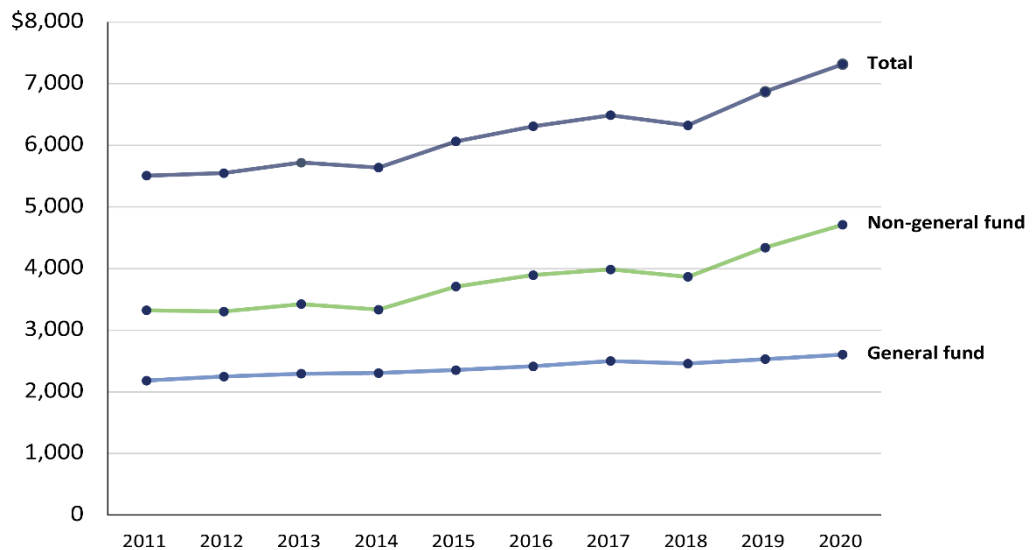
Virginia was near the median of state per capita inflation-adjusted spending growth—ranking 24th among the 50 states—between FY09 and FY18, the most recent years for which comparable data is available. (*Virginia Compared with the Other States*, JLARC 2020). Virginia’s total growth rate (3.4%) during this timeframe was higher than most other states in the Southeast region, with the exception of Alabama (15%), Arkansas (16%), and Kentucky (17%).

This **Virginia state spending report**, published annually by JLARC, focuses on final operating appropriations, excluding capital spending.

JLARC’S **Virginia Compared with the Other States** features comparisons of expenditures, including capital spending. <http://jlarc.virginia.gov/va-compared-landing.asp>

FIGURE 4

Adjusted for inflation and population, Virginia's total budget generally increased each year, with the largest increase between FY18 and FY19



SOURCE: DPB data on appropriations, 2011–2020; U.S. Census Bureau; and U.S. Bureau of Labor Statistics.

NOTE: Average annual growth. Changes to the total and non-general fund budgets reflect a budgetary decision, starting in FY15, to include specific appropriations for internal service funds.

Statistics for labor force and personal income per capita reflect the annual average change from the second quarter of 2011 to the second quarter of 2020. Statistics for GDP reflect the annual average change from the first quarter of 2011 to the first quarter of 2020.

Economic growth affects revenue available for the budget

Virginia's GDP, total personal income, and employment levels increased between FY11 and FY20 (Table 2). As Virginia's employment and personal income levels grow, state general fund revenues, comprising mostly income and sales tax revenues, also grow. Annual general fund appropriations have also closely mirrored annual Virginia GDP over time and have been 3.9% of Virginia GDP, on average, since FY1997.

Virginia's economic growth, however, was lower than the nation's growth during the 10-year period for several key economic measures.

- **Virginia GDP** grew at a slower rate (1.1% annual average) than national GDP (2.1% annual average) between 2011 and 2020, adjusted for inflation.
- **Virginia's labor force** grew less (0.2% annual average) than the nation's (0.5% annual average) between 2011 and 2020.
- **Virginia's personal income per capita** grew less (1.8% annual average) than the nation's (2.7% annual average) between 2011 and 2020, adjusted for inflation.

In total federal spending per capita, Virginia ranked 10th among the states in federal fiscal year 2018, the most recent year for which data is available.

A large share of federal government spending occurs in Virginia because of its proximity to Washington, D.C., and the large military presence in the state.

Since 2017, Virginia's GDP growth rates have more closely mirrored national growth rates, and Virginia's GDP growth between 2019 and 2020 slightly exceeded the nation's GDP growth. (The GDP statistic is through March 2020 and does not account for the COVID-19 pandemic's impact on the economy.) Virginia's labor force and income growth rates were much lower than the nation's labor force and income growth rates

in 2013 and 2014, and Virginia's GDP growth rate was much lower than national GDP between 2014 and 2015. Virginia's lower economic growth affected growth in general fund spending, which was lower than average in FY14 and FY15. This lower economic growth is due in part to reductions in federal spending, which contributed to lower employment and income growth.

Policy decisions and program growth affect budget trends

State policy decisions affect Virginia's budget growth and budget allocations across agencies and budget programs. For example, the state expanded Medicaid to parents and childless adults with income up to 138 percent of the federal poverty level. This expansion increased total appropriations for the Medicaid program by \$1.1 billion in FY19 and by another \$2.3 billion in FY20. Non-general fund appropriations increased because Virginia received increased federal funding and began collecting a provider assessment on hospitals to fund expansion. Medicaid expansion did not become effective until January 1, 2019, therefore Medicaid expansion's full impact on the state budget was not realized until FY20.

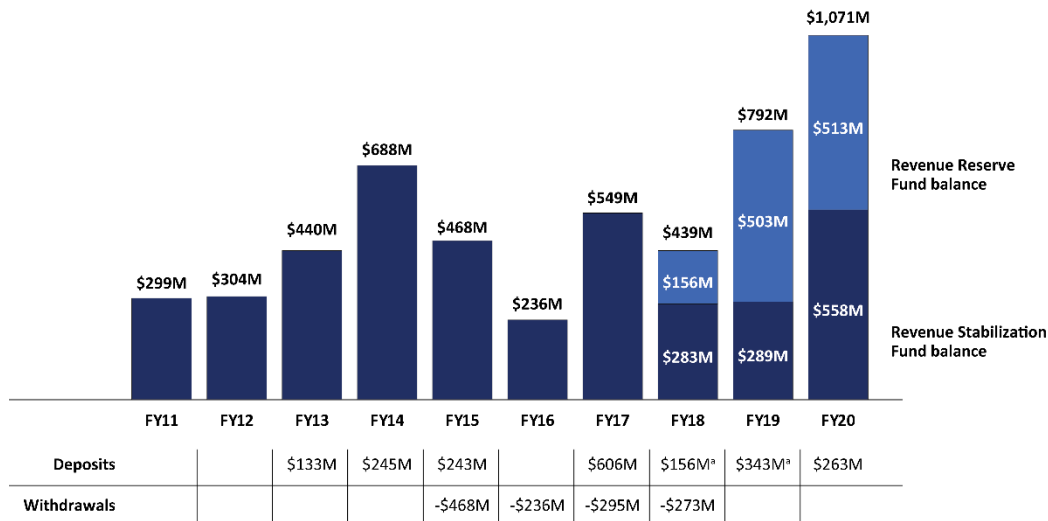
Several major policy decisions affected the general fund budget. For example, the General Assembly provided \$382 million in general funds in FY15 and FY16 to help pay down unfunded pension liabilities in the Virginia Retirement System. Other funding, such as the state's share of the Standards of Quality payments to public schools, is set through formulas in the Virginia Constitution or statute.

Virginia's policy decision to reserve revenue in years of above-average revenue growth affects the general fund budget because the reserved amounts are appropriated to one of two reserve funds. As of FY20, the total amount in reserves was \$1.1 billion (Figure 5). The Revenue Stabilization (rainy day) Fund was established in the early 1990s to provide a reserve of funds in the event of deficiencies in state revenue collection in a given year. Each year general fund revenue collections are evaluated to determine if surplus revenues exist, and if so, the portion to be obligated to the fund based on a formula (Constitution of Virginia, Article X Section 8; Code of Virginia § 2.2-1829). In some years, no appropriations from the general fund are made.

Five deposits to the Revenue Stabilization Fund occurred between FY11 and FY20 (Figure 5), based on surplus revenues in previous years. The largest deposit totaled \$606 million in FY17, representing more than half the growth in general fund appropriations between FY16 and FY17. Four withdrawals from the fund were made to offset general revenue declines during the period, reducing the amount of spending reductions that otherwise would have been necessary.

In 2018, the General Assembly appropriated general funds to an additional reserve fund, the Revenue Reserve Fund, for excess revenue that does not have to be committed to the Revenue Stabilization Fund or other funds. The general fund appropriation to this fund was \$156 million in FY18 and \$343 million in FY19. No appropriations were made to this fund in FY20.

FIGURE 5
Revenue in reserves totaled \$1.1 billion as of FY20



SOURCE: Secretary of Finance presentations to the Senate Finance and Appropriations, House Appropriations, and House Finance Committees; Department of Accounts Preliminary General Fund Annual Reports; and DPB data on appropriations, 2011–2020.

NOTE: Fund balance figures are adjusted for deposits, withdrawals, and interest earned at end of fiscal year.

^a Revenue Reserve Fund deposits. All other deposits and withdrawals were to/from the Revenue Stabilization Fund.

Program growth, which also affects budget growth, can occur over time for a variety of reasons, including policy changes and changes to the population served. For example, Medicaid enrollment grew 63% (from 909,027 to 1,483,322 average monthly enrollees) between FY11 and FY20. Funding for the program is largely enrollment driven, and the Medicaid program grew by the largest amount in total appropriations during the 10-year period.

Federal funding affects state budget trends

Federal funding trends and policy decisions can affect state spending. Federal trust funds have grown as a portion of Virginia's budget over time, from an average of 14% of Virginia's annual budget between FY1990 and FY1999 to an average of 16% between FY11 and FY20. Federal funding as a portion of Virginia's budget can fluctuate each year. For example, federal funding made up 18% of Virginia's total budget in both FY10 and FY11 because of federal Recovery Act funding. Because of Medicaid expansion, federal funding grew as a percentage of Virginia's total budget, making up 19% of Virginia's total budget in FY19 and 20% in FY20.

Participation in federal programs generally requires a state funding match, which varies by program. The state match is substantial for some programs like Medicaid, the largest federal program in the Virginia budget, with \$8.5 billion in federal funds (69% of all federal trust funds in Virginia's budget) in FY20. Virginia's state match rate for individuals enrolled in the base Medicaid program has historically been 50%. The federal Families First Coronavirus Response Act provided states with a temporary enhanced federal match, which lowered the state's match rate for the second half of

About \$6.3 billion in Recovery Act funds were received by Virginia and its localities between FY09 and FY11, leading to a large increase in federal funds for those years.

FY20 through the end of the public health emergency because of the pandemic to 43.8%. Virginia's state match rate for individuals enrolled under Medicaid expansion (which is unaffected by the act) was 7% in 2019 and 10% thereafter, and is funded by the new provider assessment on hospitals rather than state general funds.

Mandatory enhancements to some federal programs, such as some Medicaid-funded services and early intervention services for children, have increased state spending. Other state spending increases are attributable to agency compliance with federal regulatory changes designed to achieve goals such as improving workplace safety and environmental protections.

Decisions to issue debt affect budget trends

When the state issues debt, the budget is affected by the debt service required to pay off that debt. Tax-supported debt service, which does not have a designated funding source, is funded through the Treasury Board and VDOT. The state issues two types of tax-supported debt: general obligation bonds and other appropriation-supported obligations. The largest uses of tax-supported debt over the past decade were for higher education capital projects and teaching and research equipment (51%) and transportation projects funded through the transportation trust fund (27%). Tax-supported debt also financed capital projects for correctional facilities, local and regional jails, and parks, conservation, and recreation facilities.

The state's outstanding tax-supported debt increased 54% (from \$7.9 billion to \$12.2 billion) between FY10 and FY19 (the most recent year available), with the largest issuances of debt occurring between FY10 and FY12. Expenditures to cover tax-supported debt service increased 59% (from \$633 million to \$1 billion) between FY10 and FY19. To ensure that tax-supported debt service does not consume too much of the state's operating budget, the Debt Capacity Advisory Committee has established a target level of debt service. The committee has determined tax-supported debt service should not exceed 5% of blended revenues. Debt service was 3.9% of blended revenues in FY10 and 4.3% of blended revenues in FY19.

Majority of budget growth was concentrated in a few agencies and programs

The majority of budget growth between FY11 and FY20 was concentrated in a few agencies. Half of total budget growth (49%) occurred in just two agencies: DMAS, and VDOT (Table 3). DBHDS is the only agency that was not among the 10 agencies with the highest growth amount in total appropriations in last year's report, *State Spending: 2019 Update*. DBHDS replaced the Treasury Board among this group because of increased funding for community-based services. All but one (GMU) of the 10 agencies with the highest growth amount in total appropriations were also among the 10 largest agencies in terms of FY20 total appropriations. (See Appendix C, Table C-1.)

The Families First Coronavirus Response Act was enacted in March 2020 in response to the economic impacts of the ongoing COVID-19 pandemic. The act includes several provisions such as expanded nutrition assistance, enhanced unemployment insurance coverage, and a temporary increase of 6.2 percentage points to federal Medicaid matching rates.

General obligation bonds are authorized by a majority vote of each house of the General Assembly and approved in a referendum by the voting citizens to finance capital projects. The state general fund pays the principal and interest for this debt.

Blended revenues comprise general fund revenues, state revenues in the Transportation Trust Fund, certain non-general fund transfers including ABC profits, the relevant portion of sales tax, the Virginia Health Care Fund, and certain recurring non-general fund Appropriation Act transfers.

TABLE 3

10 agencies with the highest growth amount in total appropriations, FY11–FY20 (\$M)

Rank	Agency	<u>Total appropriation</u>		<u>Average annual growth</u>		% of total growth
		FY11	FY20	\$	%	
1	DMAS ^a	\$7,532.5	\$15,128.4	\$844.0	8%	32%
2	VDOT	3,366.4	7,265.5	433.2	10	17
3	DOE (Direct aid)	6,248.4	8,376.2	236.4	3	9
4	UVA ^b	2,237.4	3,665.2	158.6	6	6
5	Va Tech	1,003.7	1,445.2	49.1	4	2
6	GMU	747.9	1,120.3	41.4	5	2
7	VCU	943.5	1,255.3	34.6	3	1
8	DSS	1,918.9	2,219.6	33.4	2	1
9	DBHDS	928.5	1,221.3	32.5	3	1
10	DOC	1,011.1	1,289.6	30.9	3	1
Top 10 agencies, subtotal		\$25,938.4	\$42,986.6	\$1,894.2	6%	72%
Other agencies, subtotal		\$13,044.4	\$19,585.2	\$726.8	5%	28%
Total operating budget		\$38,982.7	\$62,571.7	\$2,621.0	5%	100%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations, transfer payments (such as DOA transfer payments), and administration of health insurance. Top 10 list also excludes the Virginia Lottery, which received a \$350 million increase in appropriations in FY19 because of the technical change to appropriate lottery prizes, and agencies that operate internal service funds (the budget began including specific appropriations to these funds beginning in FY15 causing an increase in appropriations). Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^aIncludes \$7,417.2M in FY11 and \$14,779.0M in FY20 for Medicaid Services and CHIP. ^bExcludes UVA-Wise but includes the medical center.

Over half of total general fund budget growth (57%) occurred in DMAS and DOE (Table 4). The top 10 agencies with the highest general fund growth amounts in this year's report were also in the top 10 in last year's report, with the exception of DCR. DCR received additional funding in FY19 and FY20 because of mandatory deposits to the Water Quality Improvement Fund, which is jointly administered by DCR and DEQ. This funding was used to implement agricultural best management practices and other nonpoint source pollution prevention strategies.

TABLE 4

10 agencies with the highest growth amount in general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	General fund appropriation		Average annual growth		% of total growth
		FY11	FY20	\$	%	
1	DMAS ^a	\$2,822.3	\$4,899.5	\$230.8	6%	30%
2	DOE (Direct aid)	4,713.3	6,556.8	204.8	4	27
3	DBHDS	534.0	908.9	41.7	6	5
4	DOC	930.6	1,223.2	32.5	3	4
5	Treasury Board	542.4	764.9	24.7	4	3
6	VSP	208.9	308.5	11.1	4	1
7	Compensation Board	606.0	691.5	9.5	1	1
8	VCCS	370.1	451.1	9.0	2	1
9	DHCD	38.6	116.0	8.6	15	1
10	DCR	71.2	135.0	7.1	22	1
Top 10 agencies, subtotal		\$10,837.5	\$16,055.5	\$579.8	4%	76%
Other agencies, subtotal		\$4,620.0	\$6,227.8	\$178.6	3%	24%
Total general fund budget		\$15,457.5	\$22,283.2	\$758.4	4%	100%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Top 10 list excludes agency central appropriations and transfer payments. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes \$2,772.3M in FY11 and \$4,800.3M in FY20 for Medicaid Services and CHIP.

The majority of budget growth was concentrated in a few programs. Of all budget growth during the 10-year period, 70% occurred in 10 programs (Table 5). All but one of the 10 programs are in the core functions of health care, education, and transportation.

TABLE 5
10 programs with the highest growth amount in total appropriations, FY11–FY20 (\$M)

Rank	Program	Total appropriation		Average annual growth		% total growth
		FY11	FY20	\$	%	
1	Medicaid program services	\$7,166.3	\$14,350.7	\$798.3	8%	30%
2	Highway construction programs	1,097.8	3,206.6	234.3	19	9
3	State education assistance programs ^a	5,284.0	7,274.5	221.2	4	8
4	Higher ed: E&G services	4,012.1	5,219.6	134.2	3	5
5	State health services ^b	1,692.1	2,587.5	99.5	5	4
6	Highway system maintenance & operations	1,345.3	2,097.6	83.6	5	3
7	Financial assistance to localities (transportation)	367.1	1,095.7	80.9	16	3
8	Financial assistance to localities (general)	254.0	951.7	77.5	24	3
9	Higher ed: financial assistance for E & G services	1,234.9	1,789.9	61.7	4	2
10	Higher ed: Auxiliary enterprises	1,323.6	1,789.9	51.8	3	2
Top 10 programs, subtotal		\$23,777.3	\$40,363.7	\$1,842.9	6%	70%
Other programs, subtotal		\$15,205.5	\$22,208.1	\$778.1	4%	30%
Total operating budget		\$38,982.7	\$62,571.7	\$2,621.0	5%	100%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Top 10 list excludes programs that operate internal service funds. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes state funding for K–12 education only. The federal program has a separate program code. ^b Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS.

By program, general fund budget growth was even more concentrated, with two programs (Medicaid program services and state education assistance programs) responsible for 57% of the growth. Nearly all of the 10 programs with the highest general fund budget growth (responsible for 72% of growth) provide services in health care, education, and public safety (Table 6).

TABLE 6

10 programs with the highest growth amount in general fund appropriations, FY11–FY20 (\$M)

Rank	Program	General fund appropriation		Avg. annual growth		% total growth
		FY11	FY20	\$	%	
1	Medicaid program services	\$2,700.7	\$4,727.0	\$225.1	7%	30%
2	State education assistance programs ^a	4,706.0	6,521.7	201.7	4	27
3	Bond and loan retirement and redemption	531.4	764.9	25.9	4	3
4	Operation of secure correctional facilities	834.1	1,038.1	22.7	2	3
5	Financial assistance for health services ^b	230.2	412.9	20.3	7	3
6	Higher ed: student financial services	208.9	344.7	15.1	6	2
7	State health services ^c	161.4	259.9	10.9	6	1
8	Pre-trial, trial, and appellate processes	356.0	444.6	9.9	3	1
9	Admin. & support: individual and family services	107.2	188.1	9.0	7	1
10	Law enforcement and highway safety services	157.6	230.2	8.1	4	1
Top 10 programs, subtotal		\$9,993.4	\$14,932.1	\$548.7	4%	72%
Other programs, subtotal		\$5,464.0	\$7,351.2	\$209.7	3%	28%
Total general fund budget		\$15,457.5	\$22,283.2	\$758.4	4%	100%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes state funding for K–12 education only. The federal program has a separate program code. ^b Includes funding for services provided by community services boards. ^c Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS.

State appropriations are also classified based on their designated use, such as salaries or IT services. Appendix G provides detailed information about the largest categories for FY20 appropriations and the categories with the largest appropriation growth amounts.

Non-general fund appropriations continue to drive budget growth

The state budget draws upon hundreds of revenue sources that are grouped into 10 broad categories, nine of which are non-general fund revenue sources. The use of non-general funds is governed by statute and requires fewer decisions than the use of general funds. Non-general funds—which include a variety of pass-through payments such as child support, college tuition, lottery and ABC sales, and payments from the federal government—are still appropriated because the Virginia Constitution requires that state spending occur only through appropriations made by the General Assembly. These non-general funds are responsible for 71% of total budget growth (Table 7). Four non-general fund categories exceeded general fund growth (4.2%) over the 10-year period.

The non-general fund categories with the largest growth amounts in appropriations over the past decade were federal trust, commonwealth transportation, and higher education operating. These funds constitute nearly half of the total increase in non-general fund appropriations between FY11 and FY20. The fund for dedicated special revenue experienced the fastest growth rate, at an average annual rate of 17% during the period (Table 7).

TABLE 7
Non-general fund growth by category, FY11–FY20 (\$M)

Non-general fund category	Total appropriation		Avg annual growth		% of total growth
	FY11	FY20	\$	%	
Federal Trust	\$7,056.1	\$12,402.4	\$594.0	7%	23%
Commonwealth Transportation	3,528.5	7,018.1	387.7	8	15
Higher Education Operating	6,658.4	9,214.5	284.0	4	11
Dedicated Special Revenue	810.9	2,884.9	230.4	17	9
Internal Service	--	2,070.7	230.1	--	9
Enterprise	1,146.1	2,167.1	113.4	8	4
Debt Service	255.7	344.9	9.9	4	<1
Trust and Agency	2,326.7	2,408.1	9.0	1	<1
Special	1,742.8	1,777.8	3.9	<1	<1
Non-general funds	\$23,525.3	\$40,288.5	\$1,862.6	6%	71%
General fund	\$15,457.5	\$22,283.2	\$758.4	4%	29%
Total all funds	\$38,982.7	\$62,571.7	\$2,621.0	5%	100%

SOURCE: DPB data on appropriations, 2011–2020; Commonwealth Accounting Policies and Procedures Manual.

NOTE: Appropriations not adjusted for inflation. Numbers may not sum because of rounding.

Non-general fund categories

Federal Trust – All federal funds except those received by VDOT, VEC, and higher education institutions, which are budgeted separately. (See Appendix H.)

Commonwealth Transportation – All revenues designated for highway operations, maintenance, construction, and related activities generated from fuel, motor vehicle, and general sales taxes, excluding toll facilities. Includes federal funding for highway construction.

Higher Education Operating – Funds from tuition and fees paid by students at Virginia's colleges and universities, revenues generated by campus activities, university hospital revenue, and federal funds for college or university operations.

Dedicated Special Revenue – Funds appropriated from fees and payments restricted to the related activity (e.g., the state's safe drinking water revolving fund, permit fees for game protection, Northern Virginia and Hampton Roads transportation funds, health-care provider assessment fund, and the Virginia communication sales and use tax).

Internal Service – Funds from customer agency budgets to reimburse costs incurred by an agency that performs services or procures goods on behalf of other agencies (e.g., DGS leasing office space; VITA providing IT services to other agencies; and DHRM administering the state employees' health plan).

Enterprise – Funds for self-supporting governmental activities that provide goods and services to the general public (e.g., lottery tickets, alcoholic beverages at ABC stores, and prepaid tuition contracts sold by Virginia529).

Debt Service – Funds to service debt primarily issued by or on behalf of higher education institutions. Examples of fund sources include student fees for housing, dining, and athletic services.

Trust and Agency – Funds held by the state as custodian or trustee for individuals and organizations (e.g., unemployment insurance, tobacco settlement funds, and lottery and literary funds earmarked for public education).

Special – Revenues derived from restricted taxes and other special (non-general) revenue sources (e.g., child support, Medicaid and Medicare reimbursement, and operating income transferred from Virginia International Terminals to the Virginia Port Authority).

DMAS, VDOT, and several universities are among the 10 agencies with the largest increases in non-general fund appropriations (Table 8). In last year's state spending report, VDOT overtook DMAS as the top agency in terms of increases in non-general fund appropriations. Medicaid expansion was not effective until the second half of FY19, and VDOT's non-general fund budget grew at a consistently higher rate than DMAS's non-general fund budget on a year-to-year basis between FY10 and FY18. However, with Medicaid expansion in effect for all of FY20, DMAS again has the largest average annual increase.

TABLE 8

10 agencies with the highest growth amount in non-general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	Non-general fund appropriation		Average annual growth		% total growth
		FY11	FY20	\$	%	
1	DMAS ^a	\$4,710.2	\$10,228.9	\$613.2	10%	33%
2	VDOT	3,321.7	7,225.5	433.8	10	23
3	UVA ^b	2,101.1	3,511.8	156.7	6	8
4	Va Tech	837.5	1,246.6	45.5	5	2
5	GMU	621.0	944.1	35.9	5	2
6	DOE (Direct aid)	1,535.0	1,819.3	31.6	2	2
7	VCU	760.5	1,022.8	29.1	3	2
8	ABC	532.0	789.3	28.6	5	2
9	DSS	1,539.4	1,788.4	27.7	2	1
10	DRPT	346.5	590.5	27.1	7	1
Top 10 agencies, subtotal		16,304.9	29,167.2	1,429.1	7%	77%
Other agencies, subtotal		7,220.4	11,121.3	433.4	5%	23%
Total non-general fund budget		23,525.3	40,288.5	1,862.6	6%	100%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations, transfer payments (such as DOA transfer payments), and administration of health insurance. Top 10 list also excludes the Virginia Lottery, which received a \$350 million increase in appropriations in FY19 because of the technical change to appropriate lottery prizes, and agencies that operate internal service funds (the budget began including specific appropriations to these funds beginning in FY15 causing an increase in appropriations). Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes \$4,644.4M in FY11 and \$9,978.7 in FY20 for Medicaid Services and CHIP. ^b Excludes UVA-Wise but includes the medical center.

For major uses of non-general funds, see Appendix M (online only): jlarc.virginia.gov/state-spending2020.asp.

The growth in non-general funds in the past decade has resulted in sustained growth in the state budget even in years when the general fund declined. Throughout the 1980s and 1990s, the split between general fund and non-general fund appropriations was around 50%. Starting in FY03, non-general funds consistently constituted a majority of the state's budget, and their share of the budget has continued to increase. Non-general funds now account for about 64% of the total state budget (Table 7).

Some agencies have had very large percentage increases in appropriations since FY11

Some agencies experienced very large growth rates between FY11 and FY20. These agencies, however, did not necessarily experience the largest growth in appropriation amounts.

Twenty-two agencies had general fund growth rates that exceeded the total general fund growth rate over the 10-year period. The 10 fastest-growing state agencies each had total general fund growth rates of 69% or more (Table 9), far exceeding the total general fund growth rate of 44% over the 10-year period. With the exception of DMAS and DBHDS, these agencies are relatively small. Therefore, even though they experienced high growth rates, their growth made up a very small proportion of total

General fund appropriations have declined five times since FY1981:

FY1992, FY02, and FY08–FY10. FY08–FY10 was the first time since the early 1960s that the general fund declined in two or more consecutive years.

general fund budget growth. Each of these small agencies made up 1 percent or less of the total general fund appropriations growth from FY11–FY20.

TABLE 9
10 agencies with the fastest growth rate in general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	General fund appropriation		General fund growth		
		FY11	FY20	\$M	%	% of total
1	DHCD	\$38.6	\$116.0	\$77.4	200%	1%
2	DVS	7.3	21.5	14.2	195	<1
3	VEDP	18.4	37.8	19.4	105	<1
4	ELECT	9.5	18.9	9.4	99	<1
5	DCR	71.2	135.0	63.8	90	1
6	EVMS	16.5	30.4	13.9	84	<1
7	DMAS	2,822.3	4,899.5	2,077.2	74	30
8	UVA-Wise	13.6	23.5	9.9	73	<1
9	DBHDS	534.0	908.9	374.9	70	5.5
10	Richard Bland	5.5	9.4	3.8	69	<1
Top 10 agencies, subtotal		\$3,536.9	\$6,200.9	\$2,664.0	75%	39%
Other agencies, subtotal		\$11,920.5	\$16,082.4	\$4,161.8	35%	61%
Total general fund budget		\$15,457.5	\$22,283.2	\$6,825.8	44%	100%

SOURCE: DPB data on appropriations, 2011 and 2020.

NOTE: Excludes capital appropriations. Top 10 list includes agencies with general fund appropriations of at least \$5 million in FY11 and excludes central appropriations. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

Explanation of general fund growth in Table 9

DHCD – The majority of this increase was for appropriations to expand broadband access (Virginia Telecommunication Initiative) and establish the Virginia Growth and Opportunity Fund (GO Virginia) to encourage regional cooperation on strategic economic and workforce development efforts.

DVS – This increase was for the establishment of new programs and facilities—including eight new field offices, the Virginia Veteran and Family Support program, and a third cemetery—and increases in staff and facility support for the Virginia War Memorial.

VEDP – Growth is due to funding to expand and rebrand the Virginia Jobs Investment Program; support Virginia exporters through several grant programs; increase site development activities in the Business Ready Sites Program; and develop a customized workforce recruitment and training incentive program.

ELECT – Growth is primarily for appropriations to improve the voter registration system (VERIS) and to replace federal funds for improving voting systems and voter access with state funds.

DCR – Most of this increase is because of mandatory deposits to the Water Quality Improvement Fund, which is administered by DCR (and DEQ) and used to implement agricultural best management practices and other nonpoint source pollution prevention strategies.

EVMS – Nearly all of this increase was for instruction for medical and health professions students and to provide funding at 100% of the state's base adequacy guidelines to support the operations and academic mission of public colleges and universities.

DMAS – Almost all of this increase was because of increased enrollment in Medicaid following the Great Recession and passage of the Patient Protection and Affordable Care Act, growth in use of services, and costs.

UVA-Wise – Growth is primarily for appropriations to enhance and expand academic programs to attract and retain students.

DBHDS – The vast majority of this increase was for financial assistance to (1) expand services provided by community services boards because of the implementation of STEP-VA and increased crisis and housing services pursuant to the Department of Justice settlement and (2) supplant federal funding at certain state mental health institutions as a result of Medicaid decertification.

Richard Bland – Growth is primarily for increased appropriations for instruction and student financial aid.

The non-general fund budgets of eight agencies grew faster than the overall non-general fund budget of 71% during the 10-year period, and five agencies experienced non-general fund growth rates of over 100% (Table 10). The combined growth of these fastest-growing agencies, with the exception of DMAS and VDOT, made up only a small percentage of total non-general fund growth during the time period.

TABLE 10
10 agencies with the fastest growth rate in non-general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	Non-general fund appropriation		Non-general fund growth		
		FY11	FY20	\$	%	% of total
1	Dept. of Treasury	\$10.4	\$38.5	\$28.0	269%	<1%
2	VPA	86.6	222.1	135.5	156	1
3	VDOT	3,321.7	7,225.5	3,903.8	118	23
4	DMAS	4,710.2	10,228.9	5,518.6	117	33
5	DVS	35.8	77.2	41.4	116	<1
6	VMFA	16.5	31.9	15.4	94	<1
7	OAG	16.3	29.0	12.7	78	<1
8	DBVI	39.5	69.7	30.2	76	<1
9	DRPT	346.5	590.5	244.0	70	1
10	DJJ	6.2	10.4	4.3	69	<1
Top 10 agencies, subtotal		\$8,589.7	\$18,523.6	\$9,933.9	116%	59%
Other agencies, subtotal		\$14,935.6	\$21,764.9	\$6,829.3	46%	41%
Total non-general fund budget		\$23,525.3	\$40,288.5	\$16,763.2	71%	100%

SOURCE: DPB data on appropriations, 2011 and 2020.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations, transfer payments (such as DOA transfer payments), and administration of health insurance. Top 10 list also excludes the Virginia Lottery, which received a \$350 million increase in appropriations in FY19 because of the technical change to appropriate lottery prizes, and agencies that operate internal service funds (the budget began including specific appropriations to these funds beginning in FY15 causing an increase in appropriations). Appropriations not adjusted for inflation. Numbers may not sum because of rounding. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

Explanation of non-general fund growth in Table 10

Dept. of Treasury – The increase was primarily for establishing an appropriation for risk management claims and administrative costs for state insurance trust funds, in accordance with federal guidelines for recording internal service fund expenditures.

VPA – This increase was mostly due to appropriations for lease payments for the APM terminal, now Virginia International Gateway, and the transfer of appropriations and staffing from Virginia International Terminals to VPA to streamline port operations.

VDOT – The increase is primarily the result of increased retail sales and use and motor vehicle sales tax revenue to fund transportation projects and additional federal funding because of a revision to procedures for processing federal receipts.

DMAS – The increase was primarily appropriations of federal funding to implement Medicaid expansion.

DVS – This increase was mostly due to additional non-general funded positions to operate nursing homes for veterans. Revenues supporting the increase include funds from the U.S. Department of Veterans Affairs, Medicaid and Medicare, and insurance providers.

VMFA – This increase was mostly due to admissions fees and other revenue increases to VMFA's enterprise fund (\$7 million) and private donations to support collections management, education and extension services, and operational and support services (\$9 million).

OAG – This growth was primarily due to increasing the size of the Medicaid fraud unit, which is funded through settlement proceeds.

DBVI – This growth was primarily due to increases in appropriations for the Virginia Industries for the Blind enterprise fund.

DRPT – The increase is primarily the result of increased retail sales and use and motor vehicle sales tax revenue to fund rail transportation projects. Funding for rail projects had declined after FY10 but increased beginning in FY15 because of legislative changes that increased transportation revenue.

DJJ – The increase is primarily because of the transfer of academic and technical education programs for incarcerated juveniles from the Department of Correctional Education to DJJ.

General fund appropriations declined or grew slower than inflation for a few state agencies

Only two agencies had general fund appropriations that declined over the 10-year period: SBSD (-73%) and VDOT (-11%). SBSD's general fund decline reflects savings that resulted from merging the Department of Business Assistance and the Department of Minority Business Enterprise to create SBSD in FY15, and the transfer of the Virginia Jobs Investment Program (administered by the Department of Business Assistance) to VEDP. VDOT's general fund decline occurred because of two general fund infusions into the transportation infrastructure bank in FY11 and FY12 that have not recurred since. The appropriations of another three agencies grew slower than inflation (14.4%). Fewer agencies' appropriations declined or grew slower than inflation than in previous State Spending reports because general funds were low in FY11 because of the recession. With the exception of SBSD, these agencies still experienced total budget growth in excess of inflation because their total budgets included non-general fund appropriations that grew by more than their general fund appropriation over the period.

Appendix A: Study mandate

Code of Virginia

§ 30-58.3. Annual Report on State Spending.

A. No later than November 15 of each year, the Commission shall provide to the Governor and the General Assembly an annual report on state spending that shall include, among other things, (i) an identification and analysis of spending functions and programs that could be consolidated with other programs without diminishing the quality of the services provided to the citizens of the Commonwealth; (ii) an identification and analysis of those spending functions or programs which no longer have a distinct and discernible mission or are not performing their missions efficiently; (iii) an identification and analysis of the state programs that have had the largest impact on the growth of state spending over the prior five biennia, in dollar terms; (iv) an identification and analysis of the programs growing the fastest in percentage terms; (v) for the programs identified as the largest or fastest-growing, comparisons of the growth in spending on those programs to the rate of increase in inflation and the growth in populations served by those programs over a comparable time period; (vi) an analysis of the causes for the growth in spending on the largest and fastest-growing programs and whether the growth in spending appears rationally related to the rates of increase in inflation, tax relief measures, mandated expenditures, populations served, or any other related matter; and (vii) such other related issues as it deems appropriate.

B. All agencies of the Commonwealth shall provide assistance to the Commission in the preparation of this report, upon request.

Appendix B: Research methods and activities

For this review, JLARC staff collected appropriation and expenditure data from a variety of sources, including the Department of Planning and Budget (DPB), the Department of Accounts (DOA), and various other agencies. In addition, JLARC staff reviewed previous reports and documents pertaining to state spending.

Data collection

JLARC staff receive annual updates of budget and spending data from DPB and DOA and maintain a database with appropriation data at the agency, program, and fund level from FY1981 through the most recent fiscal year. For this report, economic and demographic data are obtained annually from federal agencies such as the Census Bureau and the Bureau of Economic Analysis.

There are several constraints on collection and analysis of state appropriation and expenditure data. Because agencies are not required to keep budget records longer than five years, older information is often unavailable. Changes to the structure and staffing of agencies further complicate the collection and analysis of data. JLARC staff supplement the information provided by agencies by referring to a variety of alternative sources, as noted below.

Key elements of the fiscal and demographic data sets are included in appendixes to this report. The following supplemental materials are available online only: selected historical financial data, appropriations information for the largest state agencies, and general fund and non-general fund appropriations information from FY1981 onward. (Online-only supplemental Appendixes I–N are available with this report on the JLARC website: <http://jlarc.virginia.gov/state-spending2020.asp>.)

Document review

JLARC staff utilized a variety of documents for this review. These included Appropriation Acts, governors' executive budget documents, and summaries of General Assembly budget actions prepared jointly by staff of the House Appropriations and Senate Finance & Appropriations committees, all from the 10-year period under review. Agency-specific and program-specific studies and documents also were reviewed. State spending reports compiled by the National Association of State Budget Officers were consulted, as were a variety of other documents, such as agency annual reports and statistical publications.

Appendix C: 10 agencies with largest appropriations

TABLE C-1

10 agencies with largest total appropriations, FY11 and FY20 (\$M)

FY11				FY20			
Rank	Agency	Total	% of total	Rank	Agency	Total	% of total
1	DMAS ^a	\$7,532.5	19%	1	DMAS ^a	\$15,128.4	24%
2	DOE (Direct aid)	6,248.4	16	2	DOE (Direct aid)	8,376.2	13
3	VDOT	3,366.4	9	3	VDOT	7,265.5	12
4	UVA ^b	2,237.4	6	4	UVA ^b	3,665.2	6
5	DSS	1,918.9	5	5	DSS	2,219.6	4
6	VCCS	1,410.8	4	6	Va Tech	1,445.2	2
7	VEC	1,035.4	3	7	DOC	1,289.6	2
8	DOC	1,011.1	3	8	VCU	1,255.3	2
9	Va Tech	1,003.7	3	9	DBHDS	1,221.3	2
10	VCU	943.5	2	10	VCCS	1,205.2	2
Top 10 agencies, subtotal		\$26,708.1	69%	Top 10 agencies, subtotal		\$43,071.5	69%
Other agencies, subtotal		\$12,274.6	31%	Other agencies, subtotal		\$19,500.2	31%
Total operating budget		\$38,982.7	100%	Total operating budget		\$62,571.7	100%

SOURCE: DPB data on appropriations, 2011 and 2020.

NOTE: Excludes capital appropriations. Top 10 list excludes the Personal Property Tax Relief program and the Administration of Health Insurance program. Appropriations not adjusted for inflation. Numbers may not add because of rounding.

^a Includes \$7,417.2M in FY11 and \$14,779.0M in FY20 for Medicaid Services and the Children's Health Insurance Program (CHIP).^b Excludes UVA-Wise but includes the medical center.

TABLE C-2

10 agencies with largest general fund appropriations, FY11 and FY20 (\$M)

FY11				FY20			
Rank	Agency	Total	% of total	Rank	Agency	Total	% of total
1	DOE (Direct aid)	\$ 4,713.3	30%	1	DOE (Direct aid)	\$ 6,556.8	29%
2	DMAS ^a	2,822.3	18	2	DMAS ^a	4,899.5	22
3	DOC	930.6	6	3	DOC	1,223.2	5
4	Compensation Board	606.0	4	4	DBHDS	908.9	4
5	Treasury Board	542.4	4	5	Treasury Board	764.9	3
6	DBHDS	534.0	3	6	Compensation Board	691.5	3
7	DSS	379.6	2	7	VCCS	451.1	2
8	VCCS	370.1	2	8	DSS	431.2	2
9	CSA	271.2	2	9	CSA	309.3	1
10	DCJS	215.8	1	10	VSP	308.5	1
Top 10 agencies, subtotal		\$11,385.3	74%	Top 10 agencies, subtotal		\$16,544.9	74%
Other agencies, subtotal		\$4,072.1	26%	Other agencies, subtotal		\$5,738.3	26%
Total general fund budget		\$15,457.5	100%	Total general fund budget		\$22,283.2	100%

SOURCE: DPB data on appropriations, 2011 and 2020.

NOTE: Excludes capital appropriations. Top 10 list excludes the Personal Property Tax Relief program and the Administration of Health Insurance program. Appropriations not adjusted for inflation. Numbers may not add due to rounding.

^a Includes \$2,772.3M in FY11 and \$4,800.3M in FY20 for Medicaid Services and CHIP.

TABLE C-3
10 agencies with largest non-general fund appropriations, FY11 and FY20 (\$M)

FY11				FY20			
Rank	Agency	Total	% of total	Rank	Agency	Total	% of total
1	DMAS ^a	\$4,710.2	20%	1	DMAS ^a	\$10,228.9	25%
2	VDOT	3,321.7	14	2	VDOT	7,225.5	18
3	UVA ^b	2,101.1	9	3	UVA ^b	3,511.8	9
4	DSS	1,539.4	7	4	DOE (Direct aid)	1,819.3	5
5	DOE (Direct aid)	1,535.0	7	5	DSS	1,788.4	4
6	VCCS	1,040.7	4	6	Va Tech	1,246.6	3
7	VEC	1,035.4	4	7	VCU	1,022.8	3
8	Va Tech	837.5	4	8	GMU	944.1	2
9	VCU	760.5	3	9	ABC	789.3	2
10	GMU	621.0	3	10	VCCS	754.1	2
Top 10 agencies, subtotal		\$17,502.5	74%	Top 10 agencies, subtotal		\$29,330.8	73%
Other agencies, subtotal		\$6,022.8	26%	Other agencies, subtotal		\$10,957.7	27%
Total non-general fund budget		\$23,525.3	100%	Total non-general fund budget		\$40,288.5	100%

SOURCE: DPB data on appropriations, 2011 and 2020.

NOTE: Excludes capital appropriations. Top 10 list excludes the Administration of Health Insurance program. Appropriations not adjusted for inflation. Numbers may not add because of rounding.

^a Includes \$4,644.4M in FY11 and \$9,978.7 in FY20 for Medicaid Services and CHIP. ^b Excludes UVA-Wise, but includes the medical center.

Appendix D: Virginia's operating appropriations, FY11–FY20

TABLE D-1

Virginia's operating appropriations, FY11–FY20 (\$M)

Fiscal year	<u>General fund</u>		<u>Non-general fund</u>		<u>Total</u>	
	Amount	% change	Amount	% change	Amount	% change
2011	\$15,457	0.0%	\$23,525	0.0%	\$38,983	0.0%
2012	16,342	5.7	24,009	2.1	40,351	3.5
2013	17,116	4.7	25,559	6.5	42,675	5.8
2014	17,705	3.4	25,619	0.2	43,324	1.5
2015	18,240	3.0	28,740 ^a	12.2	46,980	8.4
2016	18,961	4.0	30,586	6.4	49,547	5.5
2017	20,114	6.1	32,073	4.9	52,187	5.3
2018	20,450	1.7	32,164	0.3	52,614	0.8
2019	21,443	4.9	36,799	14.4	58,242	10.7
2020	22,283	3.9	40,288	9.5	62,572	7.4
Change 2011–2020	\$6,826	44.2%	\$16,763	71.3%	\$23,589	60.5%
Average annual change		4.2%		6.3%		5.4%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Operating funds only; excludes capital appropriations.

^a \$1.8 billion of this increase reflects the non-general fund budget including a specific appropriation amount for internal service funds starting in FY15.

Appendix E: Virginia's appropriations for internal services FY15–FY20

Agencies that centrally provide services, such as IT (VITA), property management (DGS), and financial services (DOA), operate internal service funds to recoup costs incurred for performing services for other agencies. In FY15, the budget was changed so that agencies with internal service funds began receiving non-general fund appropriations for the cost of goods and services provided to other agencies.

TABLE E-1

Virginia's appropriations for internal services grew at slower rate than the non-general fund budget, FY15–FY20 (\$M)

Agency	Services provided to other agencies	Total appropriations		Avg annual growth		% of total growth
		FY15	FY20	\$	%	
DHRM	Administration of health insurance	\$1,236.5	\$1,544.2	\$61.5	4.8%	2.8%
DHRM	Personnel management	--	6.8	2.3	-1.8	0.1
DGS	Real estate, procurement, transportation	164.0	172.8	1.8	1.1	0.1
DOA	Payroll and other financial services	24.1	27.9	0.8	3.0	0.0
VITA	IT services	347.1	319.0	(5.6)	-1.4	-0.3
Total non-general fund budget, internal services		\$1,771.9	\$2,070.7	\$59.8	3.3%	2.7%
Total non-general fund budget		\$28,739.5	\$40,288.5	\$2,309.8	7.1%	100.0%

SOURCE: DPB data on appropriations, 2015 to 2020.

NOTE: FY15 total non-general fund appropriations, internal services includes \$290,000 fund for SCHEV, which fund received appropriations between FY12 and FY16. Appropriations not adjusted for inflation. Numbers may not add because of rounding.

Appendix F: Higher education funding in Virginia's budget

In the tables that follow, the 21 higher education agencies are grouped as a single “higher education” line item. This offers additional insight on state higher education spending in Virginia.

TABLE F-1 (Table 3 with higher education agencies grouped)
10 agencies with the highest growth amount in total appropriations, FY11–FY20 (\$M)

Rank	Agency	Total appropriation		Average annual growth		% total growth
		FY11	FY20	\$	%	
1	DMAS	\$7,532.5	\$15,128.4	\$844.0	8%	32%
2	VDOT	3,366.4	7,265.5	433.2	10	17
3	Higher education	8,417.6	11,537.3	346.6	4	13
4	DOE (Direct aid)	6,248.4	8,376.2	236.4	3	9
5	DSS	1,918.9	2,219.6	33.4	2	1
6	DBHDS	928.5	1,221.3	32.5	3	1
7	DOC	1,011.1	1,289.6	30.9	3	1
8	ABC	532.0	789.3	28.6	5	1
9	DRPT	346.5	590.5	27.1	7	1
10	Treasury Board	570.9	811.9	26.8	4	1
Top 10 agencies, subtotal		\$30,872.7	\$49,229.5	\$2,039.6	5%	78%
Other agencies, subtotal		\$8,110.0	\$13,342.2	\$581.4	6%	22%
Total operating budget		\$38,982.7	\$62,571.7	\$2,621.0	5%	100%

TABLE F-2 (Table 4 with higher education agencies grouped)
10 agencies with the highest growth amount general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	General fund appropriation		Average annual growth		% total growth
		FY11	FY20	\$	%	
1	DMAS	\$2,822.3	\$4,899.5	\$230.8	6%	30%
2	DOE (Direct aid)	4,713.3	6,556.8	204.8	4	27
3	Higher education	1,551.9	2,018.0	51.8	3	7
4	DBHDS	534.0	908.9	41.7	6	5
5	DOC	930.6	1,223.2	32.5	3	4
6	Treasury Board	542.4	764.9	24.7	4	3
7	VSP	208.9	308.5	11.1	4	1
8	Compensation Board	606.0	691.5	9.5	1	1
9	DHCD	38.6	116.0	8.6	15	1
10	DCR	71.2	135.0	7.1	22	1
Top 10 agencies, subtotal		\$12,019.2	\$17,622.4	\$622.6	4%	82%
Other agencies, subtotal		\$3,438.2	\$4,660.9	\$135.8	4%	18%
Total general fund budget		\$15,457.5	\$22,283.2	\$758.4	4%	100%

TABLE F-3 (Table 8 with higher education agencies grouped)
 10 agencies with the highest growth amount in non-general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	Non-general fund appropriation		Average annual growth		% total growth
		FY11	FY20	\$	%	
1	DMAS	\$4,710.2	\$10,228.9	\$613.2	10%	33%
2	VDOT	3,321.7	7,225.5	433.8	10	23
3	Higher education	6,865.7	9,519.3	294.9	4	16
4	DOE (Direct aid)	1,535.0	1,819.3	31.6	2	2
5	ABC	532.0	789.3	28.6	5	2
6	DSS	1,539.4	1,788.4	27.7	2	1
7	DRPT	346.5	590.5	27.1	7	1
8	VPA	86.6	222.1	15.1	12	1
9	VDH	417.1	549.4	14.7	3	1
10	DMV	217.2	293.6	8.5	3	0
Top 10 agencies, subtotal		\$19,571.4	\$33,026.2	\$1,495.0	6%	80%
Other agencies, subtotal		\$3,953.9	\$7,262.2	\$367.6	8%	20%
Total non-general fund budget		\$23,525.3	\$40,288.5	\$1,862.6	6%	100%

TABLE F-4 (Table 9 with higher education agencies grouped)
 10 agencies with the fastest growth rate in general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	General fund appropriation		General fund growth		
		FY11	FY20	\$	%	% of total
1	DHCD	\$38.6	\$116.0	\$77.4	200%	1%
2	DVS	7.3	21.5	14.2	195	<1
3	VEDP	18.4	37.8	19.4	105	<1
4	ELECT	9.5	18.9	9.4	99	<1
5	DCR	71.2	135.0	63.8	90	1
6	DMAS	2,822.3	4,899.5	2,077.2	74	30
7	DBHDS	534.0	908.9	374.9	70	5
8	VMRC	9.4	15.5	6.1	65	<1
9	Jamestown-Yorktown Found.	6.3	10.3	4.0	64	<1
10	DARS	44.0	66.3	22.3	51	<1
Top 10 agencies, subtotal		\$3,561.0	\$6,229.8	\$2,668.7	75%	39%
22	Higher education	\$1,551.9	\$2,018.0	\$51.8	3%	1%
Other agencies, subtotal		\$11,896.4	\$16,053.5	\$4,157.0	35%	61%
Total general fund budget		\$15,457.5	\$22,283.2	\$6,825.8	44%	100%

TABLE F-5 (Table 10 with higher education agencies grouped)
10 agencies with the fastest growth rate in non-general fund appropriations, FY11–FY20 (\$M)

Rank	Agency	Non-general fund appropriation		Non-general fund growth		
		FY11	FY20	\$	%	% of total
1	Dept. of Treasury	\$10.4	\$38.5	\$28.0	269%	<1%
2	VPA	86.6	222.1	135.5	156	1
3	VDOT	3,321.7	7,225.5	3,903.8	118	23
4	DMAS	4,710.2	10,228.9	5,518.6	117	33
5	DVS	35.8	77.2	41.4	116	<1
6	VMFA	16.5	31.9	15.4	94	<1
7	OAG	16.3	29.0	12.7	78	<1
8	DBVI	39.5	69.7	30.2	76	<1
9	DRPT	346.5	590.5	244.0	70	1
10	DJJ	6.2	10.4	4.3	69	<1
Top 10 agencies, subtotal		\$8,589.7	\$18,523.6	\$9,933.9	116%	59%
18	Higher education	\$6,865.7	\$9,519.3	\$294.9	39%	16%
Other agencies, subtotal		\$14,935.6	\$21,764.9	\$6,829.3	46%	41%
Total non-general fund budget		\$23,525.3	\$40,288.5	\$16,763.2	71%	100%

TABLE F-6 (Table 5 with higher education agencies grouped)
10 largest program increases in total appropriations, FY11–FY20 (\$M)

Rank	Program	Total appropriation		Avg. annual growth		% total growth
		FY11	FY20	\$	%	
1	Medicaid program services	\$7,166.3	\$14,350.7	\$798.3	8%	30%
2	Higher education	7,286.9	9,536.3	249.9	3	10
3	Highway construction programs	1,097.8	3,206.6	234.3	19	9
4	State education assistance programs ^a	5,284.0	7,274.5	221.2	4	8
5	State health services ^b	1,692.1	2,587.5	99.5	5	4
6	Highway system maintenance and operations	1,345.3	2,097.6	83.6	5	3
7	Financial assistance to localities (transportation)	367.1	1,095.7	80.9	16	3
8	Financial assistance to localities (general)	254.0	951.7	77.5	24	3
9	Admin. & support: individual & family services ^c	262.8	572.0	34.4	9	1
10	Alcoholic beverage merchandising	514.5	769.2	28.3	5	1
Top 10 programs, subtotal		\$25,270.8	\$42,441.6	\$1,907.9	6%	73%
Other programs, subtotal		\$13,712.0	\$20,130.1	\$713.1	4%	27%
Total operating budget		\$38,982.7	\$62,571.7	\$2,621.0	5%	100%

NOTE: See Table F-7 for Table notes.

TABLE F-7 (Table 6 with higher education agencies grouped)
10 largest program increases in general fund appropriations, FY11–FY20 (\$M)

Rank	Program	<u>General fund appropriation</u>		<u>Avg. annual growth</u>		<u>% total growth</u>
		FY11	FY20	\$	%	
1	Medicaid program services	\$2,700.7	\$4,727.0	\$225.1	7%	30%
2	State education assistance programs ^a	4,706.0	6,521.7	201.7	4	27
3	Higher education	1,630.1	2,192.5	62.5	3	8
4	Bond and loan retirement and redemption	531.4	764.9	25.9	4	3
5	Operation of secure correctional facilities	834.1	1,038.1	22.7	2	3
6	Financial assistance for health services ^d	230.2	412.9	20.3	7	3
7	State health services ^b	161.4	259.9	10.9	6	1
8	Pre-trial, trial, and appellate processes	356.0	444.6	9.9	3	1
9	Admin & support: individual & family services ^c	107.2	188.1	9.0	7	1
10	Law enforcement & highway safety services	157.6	230.2	8.1	4	1
Top 10 programs, subtotal		\$11,414.6	\$16,779.9	\$596.1	4%	79%
Other programs, subtotal		\$4,042.9	\$5,503.4	\$162.3	4%	21%
Total general fund budget		\$15,457.5	\$22,283.2	\$758.4	4%	100%

Tables F-1 through F-7.

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations and transfer payments. Top 10 list also excludes the Virginia Lottery, which received a \$350 million increase in appropriations in FY19 because of the technical change to appropriate lottery prizes, and agencies that operate internal service funds (the budget began including specific appropriations to these funds beginning in FY15 causing an increase in appropriations). Appropriations not adjusted for inflation. Numbers may not add because of rounding.

^a Excludes federal funds. Accounts for state funding for K–12 education only; federal funds for state public education assistance are accounted for in a separate program code. ^b Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS. ^c Individual and family services functional area only; these services for other functional areas are classified separately. ^d Includes funding for services provided by community services boards.

TABLE F-8
Growth of higher education agencies, FY11–FY20 (\$M)

Rank	Agency	<u>Total appropriation</u>		<u>Average annual growth</u>		% total growth	Overall rank
		FY11	FY20	\$	%		
1	UVA	\$2,237.4	\$3,665.2	\$158.6	6%	6%	5
2	Va Tech	1,003.7	1,445.2	49.1	4	2	6
3	GMU	747.9	1,120.3	41.4	5	2	7
4	VCU	943.5	1,255.3	34.6	3	1	8
5	JMU	430.8	588.8	17.6	4	1	18
6	ODU	339.5	472.9	14.8	4	1	20
7	CWM	309.9	432.7	13.6	4	1	21
8	RU	164.9	237.6	8.1	4	0	27
9	CNU	114.5	169.0	6.1	5	0	31
10	LU	105.3	147.7	4.7	4	0	34
11	UMW	98.6	139.6	4.6	4	0	35
12	SCHEV	81.4	116.6	3.9	4	0	36
13	VSU	133.4	168.1	3.8	3	0	38
14	VMI	64.6	88.8	2.7	4	0	50
15	NSU	149.1	166.2	1.9	1	0	58
16	EVMS	16.5	30.4	1.5	7	0	64
17	UVA-W	40.2	50.5	1.1	3	0	66
18	Richard Bland	13.8	19.9	0.7	4	0	78
19	SO Va Higher Ed Ctr	3.0	7.8	0.5	13	0	84
20	SW Va Higher Ed Ctr	9.0	9.6	0.1	17	0	114
21	VCCS	1,410.8	1,205.2	(22.8)	-1	-1	160
Total higher ed agencies		\$8,417.6	\$11,537.3	\$ 346.6	5%	13%	
Total operating budget		\$38,982.7	\$62,571.7	\$2,621.0	5%	100%	

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Excludes capital appropriations. Appropriations not adjusted for inflation. Numbers may not sum because of rounding.

TABLE F-9
Changes in enrollment and tuition of higher education agencies, FY11–FY20

Rank (growth) ^c	Agency	<u>Undergraduate enrollment^a</u>			<u>Tuition^b</u>		
		FY11	FY20	Avg annual change	FY11	FY20	Avg annual change
7	CWM	5,898	6,256	0.7%	\$12,188	\$23,628	7.7%
11	UMW	4,354	4,182	-0.4%	7,862	13,210	6.0
4	VCU	23,482	23,172	-0.1%	8,817	14,596	5.9
9	CNU	4,778	4,837	0.2%	9,250	14,924	5.5
1	UVA	15,595	17,010	1.0%	10,628	16,632	5.2
8	RU	1,587	2,354	5.3%	7,694	11,350	5.1
5	JMU	17,657	19,895	1.3%	7,860	12,206	5.0
15	NSU	1,569	1,698	0.9%	6,227	9,622	5.0
14	VMI	6,131	5,112	-1.7%	12,328	19,118	5.0

Rank (growth) ^c	Agency	Undergraduate enrollment ^a			Tuition ^b		
		FY11	FY20	Avg annual change	FY11	FY20	Avg annual change
18	Richard Bland	7,950	7,967	0.1%	3,933	8,100	4.4
3	GMU	20,157	27,054	3.3%	8,684	12,564	4.2
6	ODU	23,690	29,300	2.4%	7,708	11,020	4.1
2	Va Tech	18,965	19,176	0.1%	9,589	13,691	4.1
17	UVA-Wise	1,990	2,002	0.4%	7,194	10,252	4.0
13	VSU	5,075	4,025	-2.4%	6,570	9,154	3.8
10	LU	4,126	3,859	-0.6%	9,855	13,520	3.6
Total (without VCCS)		163,004	177,899	1.0%	n.a.	n.a.	n.a.
Average (without VCCS)		10,188	11,119	1.1%	\$8,524	\$13,349	5.1%
21	VCCS	195,417	158,073	-2.3%	\$2,781	\$4,620	8.9%

SOURCE: SCHEV website.

NOTE: Data for UVA excludes UVA-Wise. The following institutions are not listed because data is not available or the institution is a graduate school: the Southwest Virginia Higher Education Center, the Southern Virginia Higher Education Center, and the Eastern Virginia Medical School.

^a Includes a headcount of all in-state and out-of-state undergraduate students enrolled in the fall of the 2010–2011 and 2019–2020 school years. ^b Tuition includes mandatory education and general (E&G) fees as well as mandatory non-E&G fees for full-time, in-state students. ^c Rank based on the total budget growth in millions of dollars. (See Table F-8.)

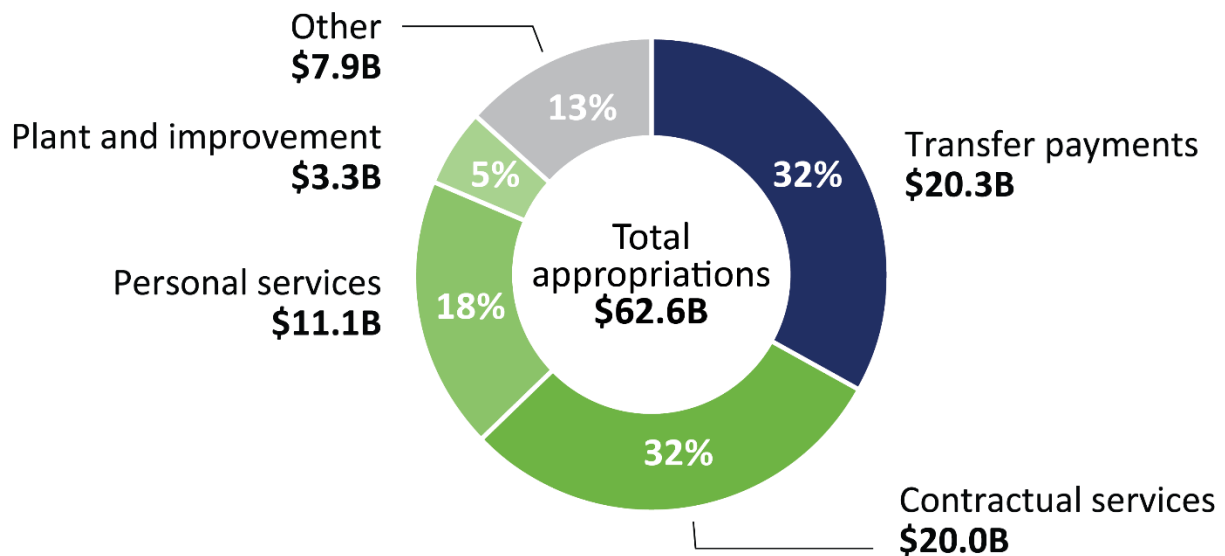
n.a., not applicable.

Appendix G: Virginia's appropriations by category of use

The majority of Virginia's appropriations are for contractual services (32%) such as health care, IT, and road construction and maintenance and for transfer payments (32%), such as payments to local governments for schools, courts, and constitutional officers (Figure G-1). Another 18% of total appropriations are for personal services such as employee salaries, wages, and benefits.

FIGURE G-1

Majority of Virginia's appropriations are for transfer payments and contractual services (FY20)



SOURCE: DPB data on 2020 appropriations by major object code.

NOTE: Plant and improvement includes operating funds for construction and acquisition of buildings, highways, and water ports. Other includes supplies and materials; equipment; continuous charges for lease and insurance payments; utility charges; and debt service payments. Contractual services are not inclusive of funding for all contractual services. Funding for private contractors for building and highway construction is included in the plant and improvement category.

A majority of budget growth is also concentrated in a handful of specific uses (Table G-1), which are classified in the budget under “subobject” codes. Most subobject codes are distributed across multiple programs and agencies. Thirty-nine percent of total budget growth between FY11 and FY20 was for categorical aid to local governments and constitutional officers. Another 25% of total budget growth was for contractual payments for health-care services provided to Medicaid recipients. Salaries and employee health benefits contributed to 15% of budget growth during the period.

TABLE G-1

10 subobject areas with the highest growth amount in total appropriations, FY11–FY20 (\$M)

Rank	Subobject	Total appropriation		Avg. annual growth		% total growth
		FY11	FY20	\$	%	
1	Categorical aid: local governments & const. officers	\$2,670.8	\$11,807.1	\$1,015.1	40%	39%
2	Contractual services: Medicaid program services	6,763.6	12,573.4	645.5	7	25
3	Employee health benefits	801.3	2,961.0	240.0	22	9
4	Plant and equipment: transportation	1,053.4	3,057.2	222.6	18	8
5	Employee salaries ^a	5,516.9	6,868.5	150.2	2	6
6	Payments to substate entities ^b	598.7	1,815.0	135.1	17	5
7	Supplies and materials ^c	1,121.7	2,182.0	117.8	8	4
8	Contractual services: transportation	524.4	1,071.7	60.8	13	2
9	Bond financing	952.7	1,433.4	53.4	5	2
10	Health-care claims for local employees	60.0	506.6	49.6	31	2
Top 10 subobject areas, subtotal		\$20,063.6	\$44,275.8	\$2,690.3	10%	103%
Other subobject areas, subtotal		\$18,919.2	\$18,295.9	\$-69.3	0%	-3%
Total operating budget		\$38,982.7	\$62,571.7	\$2,621.0	5%	100%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Total appropriations by subobject code may not account for changes to the budget made by the General Assembly.

^a Excludes wages for hourly employees. ^b Includes payments to authorities, districts, or other entities such as the Northern Virginia Transportation Authority and Hampton Roads Transportation Commission. ^c Includes merchandise for resale; office supplies, gas and other fuels; and medical and laboratory, repair and maintenance, and other supplies.

Appendix H: Total federal funding in Virginia's budget

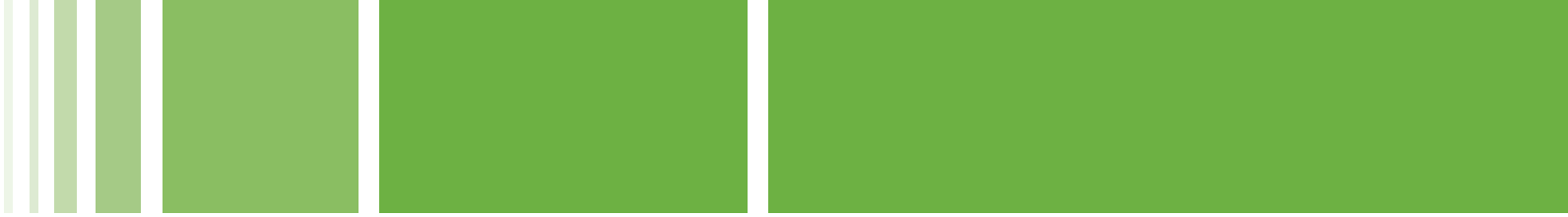
The majority of federal funding received and appropriated by Virginia is accounted for in the federal trust fund category. However, federal funds for the Virginia Department of Transportation, Virginia's higher education institutions, and the Virginia Employment Commission are budgeted separately. The table below identifies the federal funds that have been appropriated by the General Assembly during the 10-year period under review.

TABLE H-1
Federal funding in Virginia's budget, by agency, FY11–FY20 (\$M)

Agency	Fund category	<u>Appropriation</u>		<u>Average annual growth</u>	
		FY11	FY20	\$	%
VDOT	Commonwealth Transportation	\$881.3	\$1,146.6	\$29.5	3.7%
VEC	Trust and Agency	110.2	119.1	1.0	1.4
Higher education institutions	Higher Education Operating	1,230.7	1,029.4	(22.4)	-1.1
All others	Federal Trust	7,056.1	12,402.4	594.0	6.9
Total federal funds		\$9,278.3	\$14,697.5	\$602.1	5.5%
Total non-general funds		\$23,525.3	\$40,288.5	\$1,862.6	6.3%

SOURCE: DPB data on appropriations, 2011–2020.

NOTE: Appropriations not adjusted for inflation. Numbers may not sum because of rounding.



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