



State Spending: 2025 Update

Study mandate

- JLARC to annually review state spending for previous 10 fiscal years (FY16–FY25)
 - Identify largest & fastest-growing agencies and programs
 - Identify causes of expenditure growth

Code of Virginia § 30-58.3

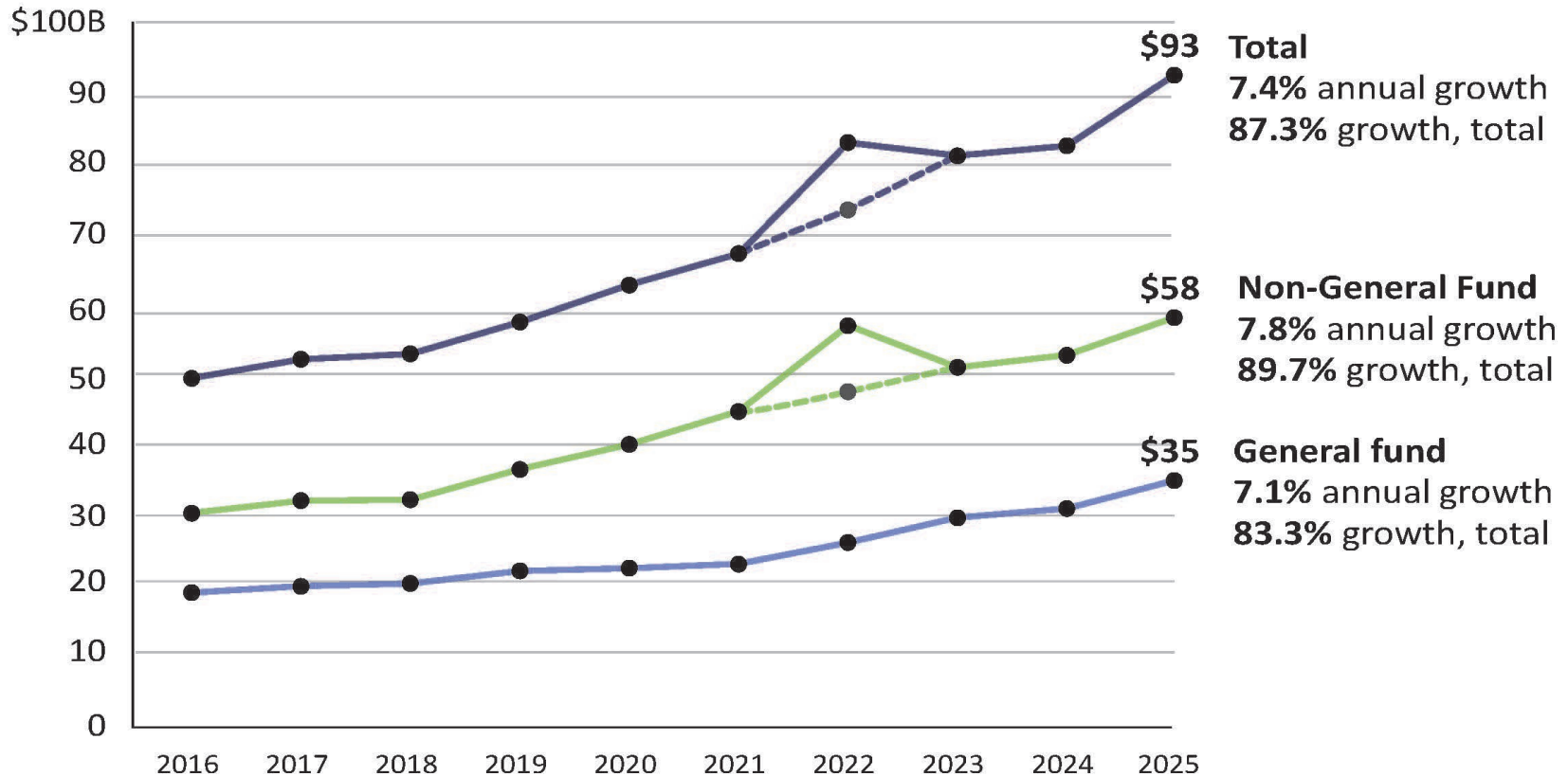
Virginia's total operating budget was \$93 billion in FY25, 11 percent more than in FY24

- Nearly all of this growth (79%) was in four agencies
 - DMAS: \$3.6 billion increase primarily because of increased Medicaid utilization and inflation
 - DOE: \$1.7 billion increase primarily for the state share of the salary increases for teachers
 - UVA: \$1.1 billion increase primarily for increases in patient care services at the medical center
 - Virginia Tax: \$1.1 billion increase primarily for income tax rebates in fall 2025

General fund budget has generally grown at a faster rate since FY21

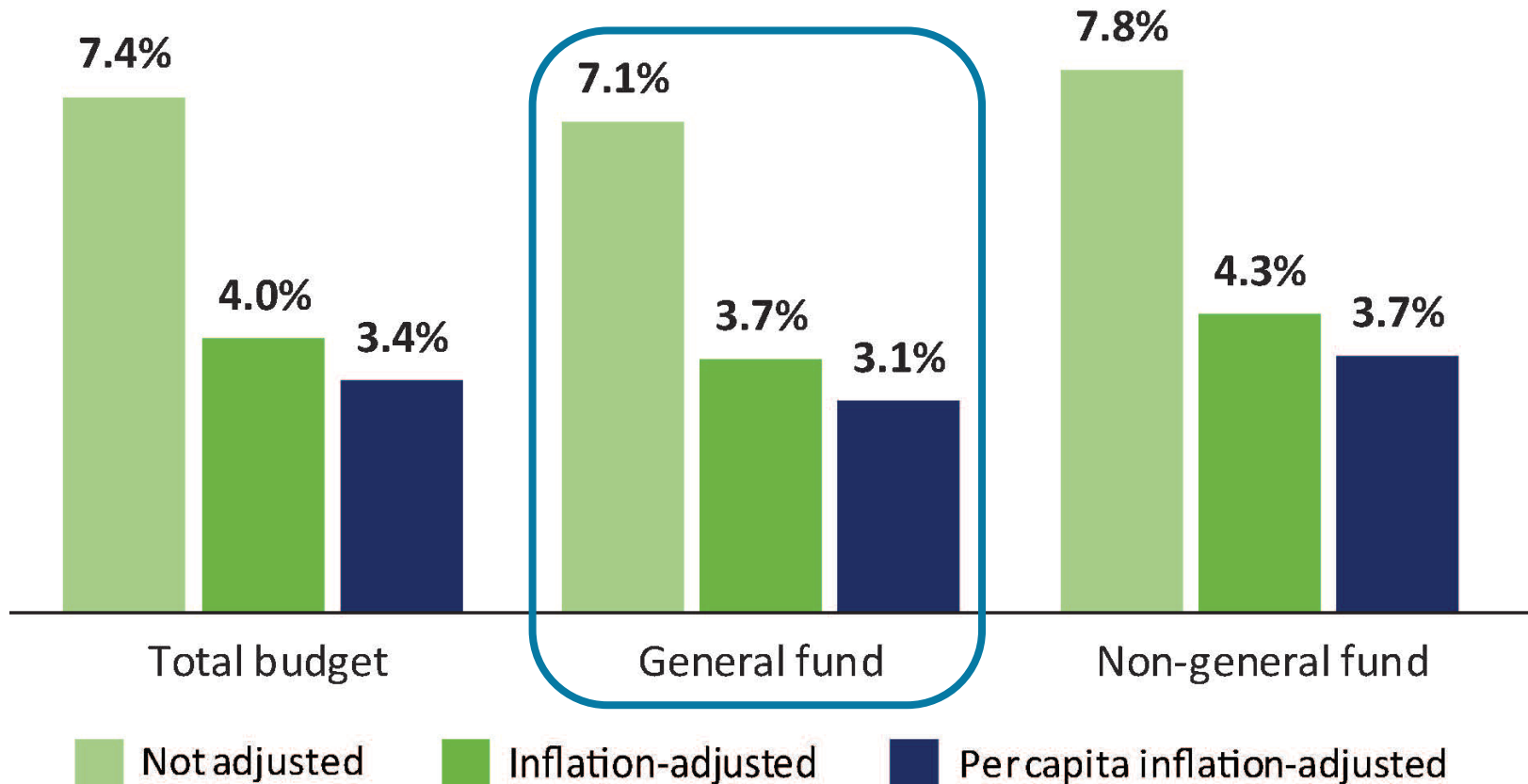
- General fund budget grew 14 percent in FY22, 15 percent in FY23, and 13 percent in FY25
 - Most of increase in FY22 and FY23 went to DOE, DMAS, and deposits of “surplus” general fund revenues
 - Most of increase in FY25 went to Virginia Tax for income tax rebates
- Prior general fund budget growth was 4 percent per year, on average (FY00–FY21)

Operating budget increased in total, general, and non-general funds (FY16–FY25)



Not adjusted for inflation. Dashed lines exclude federal COVID-19 relief funds.

Annual general fund budget growth is 3 percent, adjusted for inflation and population (FY16–FY25)



Total appropriations (FY16–FY25)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$1,881	12%	39%
2 DOE (direct aid)	603	7	13
3 VDOT	362	6	8
4 UVA ^a	295	8	6
5 Virginia Tax	127	103	3
6 DBHDS	87	6	2
7 Va Tech	68	5	1
8 GMU	66	6	1
9 DCR	59	29	1
10 VDH	58	7	1
Total, top 10	\$3,605	9%	75%

Not adjusted for inflation. Numbers may not sum because of rounding. ^a Includes the medical center.

Total appropriations (FY16–FY25)

10 programs with highest growth amount

Program	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 Medicaid program services	\$1,811	12%	38%
2 State education assistance programs	465	6	10
3 Higher ed: Educ. & gen. (E&G) services	310	6	6
4 Highway construction programs	226	8	5
5 State health services	191	7	4
6 Highway system maint. & operations	111	6	2
7 Revenue administration services	111	138	2
8 Personnel management services	93	5	2
9 Higher ed: fin. assist. for E&G services	73	4	2
10 Fin. assist. to localities: ground transp.	66	6	1
Total, top 10	\$3,456	8%	72%

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

General fund appropriations (FY16–FY25)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DOE (Direct aid)	\$483	7%	28%
2 DMAS	327	6	19
3 Virginia Tax	127	115	7
4 DBHDS	97	10	6
5 DOC	45	4	3
6 DCR	44	42	3
7 Treasury Board	37	5	2
8 VCCS	35	7	2
9 DHCD	35	28	2
10 Compensation Board	30	4	2
Total, Top 10	\$1,260	7%	72%

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

General fund appropriations (FY16–FY25)

10 *programs* with highest growth amount

Program	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 State education assistance programs	\$432	6%	25%
2 Medicaid program services	300	6	17
3 Higher ed: Education & general services	149	8	8
4 Revenue administration services	110	189	6
5 Higher ed: student financial services	65	14	4
6 Financial assistance for health services	41	9	3
7 Land and resource management	40	85	3
8 Bond & loan retirement & redemption	37	5	2
9 Economic development services	28	16	2
10 Fin. assist.: sheriffs' offices, regional jails	23	4	1
Total, Top 10	\$1,223	7%	70%

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

Non-general funds were responsible for majority of total budget growth (FY16–FY25)

Non-general fund category	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
Federal Trust	\$1,546	15%	32%
Commonwealth Transportation	473	7	10
Higher Education Operating	406	4	8
Dedicated Special Revenue	373	13	8
Enterprise	131	7	3
Internal Service	71	3	1
Special	36	2	1
Trust and Agency	15	1	<1
Debt Service	(2)	(1)	<0
Non-general funds	\$3,049	7%	63%
General fund	\$1,755	6%	37%

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

Non-general fund appropriations (FY16–FY25)

10 agencies with highest growth amount

Agency	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
1 DMAS	\$1,554	16%	51%
2 VDOT	333	5	11
3 UVA	282	8	9
4 DOE (direct aid)	120	6	4
5 Va Tech	51	4	2
6 ABC	48	6	2
7 SCC	47	32	2
8 GMU	43	5	1
9 DRPT	41	6	1
10 VDH	40	7	1
Total, top 10	\$2,561	10%	84%

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

Key findings

- Virginia's total and general fund budgets grew at similar rates over the last 10 years
 - grew 7% per year, on average, (3% when adjusted*)
- General fund budget has generally grown at a faster rate since FY21
 - Most of increase went to DOE, DMAS, deposits of “surplus” general fund revenues (FY22 and FY23), and income tax rebates (FY25)
 - Prior general fund budget growth was 4 percent per year, on average (FY00–FY21)

*Adjusted for population and inflation.

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