



State Spending: 2026 Update

Study mandate

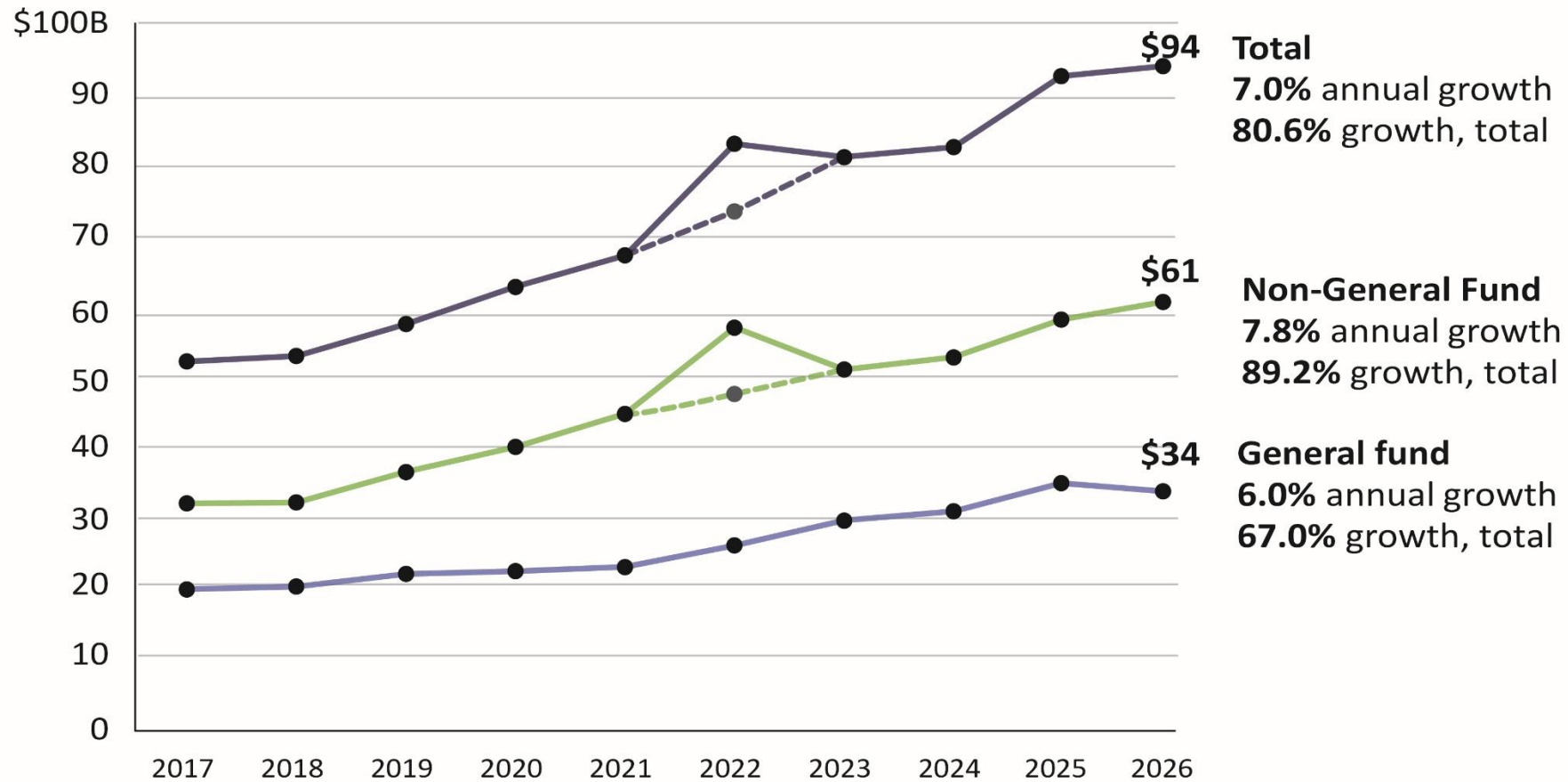
- JLARC to annually review state spending for previous 10 fiscal years (FY17 – FY26)
 - Identify largest & fastest-growing agencies and programs
 - Identify causes of expenditure growth
- JLARC to assess flow of state revenues and expenditures between the state and localities

Code of Virginia § 30-58.3

Virginia's total operating budget was \$94 billion in FY26, 2 percent more than in FY25

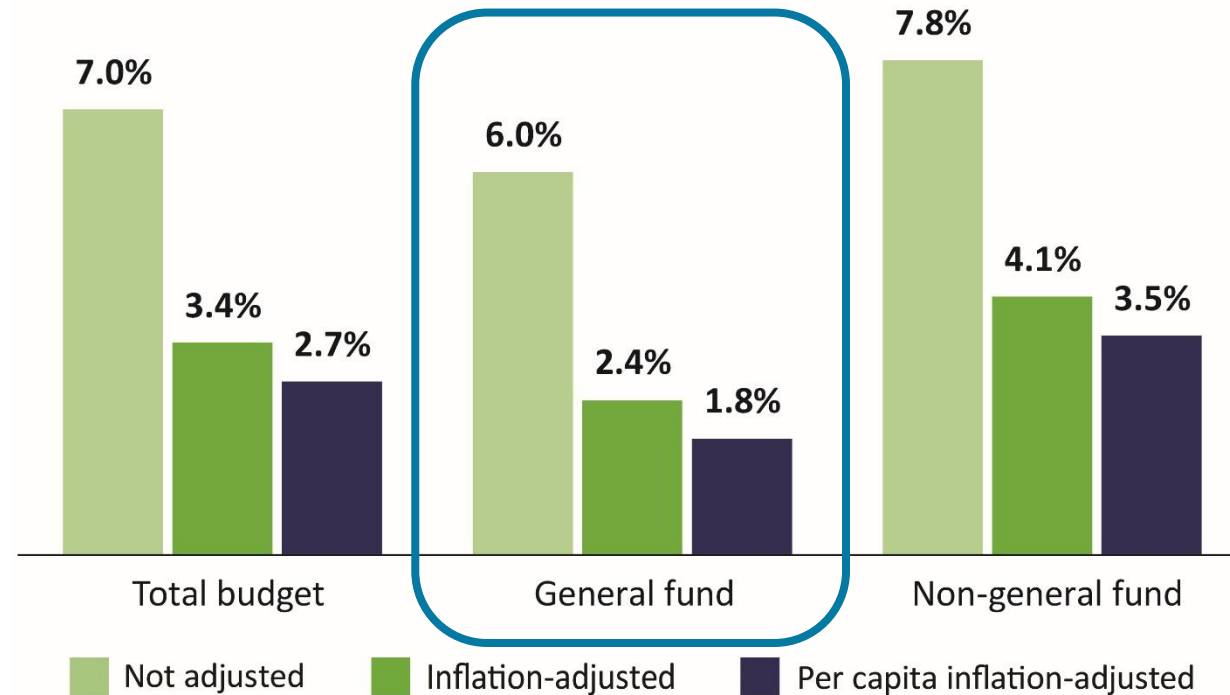
- Most of the budget growth was attributable to DMAS appropriations for increased Medicaid utilization and inflation
- Total budget growth was moderated by a 3.4% decrease in FY26 general fund appropriations compared with FY25
 - FY25 had an unusually large starting balance (\$4.5 billion) from unappropriated funds and a surplus in FY24
 - Revenue projections for FY25 were increased, and actual FY25 revenue exceeded initial and revised projections
 - Additional revenue available in FY25 was used for one-time expenditures

Operating budget increased in total, general, and non-general funds (FY17–FY26)



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

Annual general fund budget growth is 2 percent, adjusted for inflation and population (FY17–FY26)



Total appropriations (FY17–FY26)

10 agencies with highest growth amount

Rank	Agency	Average annual growth amount (\$M)	Average annual growth rate	% of total growth
1	DMAS	\$2,090	13%	45%
2	DOE (direct aid)	612	7	13
3	UVA ^a	306	8	7
4	VDOT	188	3	4
5	DBHDS	84	6	2
6	Va Tech	73	5	2
7	GMU	68	6	1
8	DSS	67	3	1
9	SCC	67	33	1
10	VCU	50	4	1
Total, top 10		\$3,604	8%	77%

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

Total appropriations (FY17–FY26)

10 *programs* with highest growth amount

Rank	Program	Average annual growth amount (\$M)	Average annual growth rate	% of total growth
1	Medicaid program services	\$2,017	13%	43%
2	State education assistance programs	477	6	10
3	Higher ed: Education & general (E&G) services	286	5	6
4	State health services	191	7	4
5	Highway system maintenance & operations	115	6	2
6	Higher ed: financial assist. for E&G services	83	5	2
7	Fin. assist. to localities: ground transportation	82	7	2
8	Federal education assistance programs	66	6	1
9	Plan management	62	349	1
10	Highway construction programs	62	4	1
Total, top 10		\$3,441	8%	74%

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

General fund appropriations (FY17–FY26)

10 agencies with highest growth amount

Rank	Agency	Average annual growth amount (\$M)	Average annual growth rate	% of total growth
1	DOE (Direct aid)	\$484	7%	32%
2	DMAS	399	7	27
3	DBHDS	93	9	6
4	DOC	43	3	2
5	VCCS	31	6	2
6	Treasury Board	30	4	2
7	Compensation Board	29	4	2
8	VSP	24	7	2
9	SCHEV	24	16	2
10	CSA	21	6	1
Total, Top 10		\$1,177	6%	79%

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

General fund appropriations (FY17–FY26)

10 programs with highest growth amount

Rank	Program	Average annual growth amount (\$M)	Average annual growth rate	% of total growth
1	State education assistance programs	\$430	6%	29%
2	Medicaid program services	368	7	25
3	Higher ed: E & G services	122	6	8
4	Higher ed: student financial assistance	62	113	4
5	Financial assistance for health services	41	9	3
6	Bond & loan retirement and redemption	30	4	2
7	Fin. assistance: sheriffs' offices, regional jails	21	4	1
8	Protective services (CSA)	21	6	1
9	Public safety: admin and support services	19	9	1
10	Children's Health Insurance Program delivery	18	54	1
Total, Top 10		\$1,133	6%	76%

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

Non-general funds contributed to majority of total budget growth (FY17–FY26)

Non-general fund category	Avg annual growth amount (\$M)	Avg annual growth rate	% of total growth
Federal Trust	\$1,670	15%	36%
Higher Education Operating	434	4	9
Dedicated Special Revenue	422	13	9
Commonwealth Transportation	319	5	7
Enterprise	149	7	3
Special	72	4	2
Internal Service	65	3	1
Trust and Agency	49	2	1
Debt Service	(2)	<0	<0
Non-general funds	\$3,178	8%	68%
General fund	\$1,497	6%	32%

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

Non-general fund appropriations (FY17–FY26)

10 agencies with highest growth amount

Rank	Agency	Average annual growth amount (\$M)	Average annual growth rate	% of total growth
1	DMAS	\$1,691	16%	53%
2	UVA ^a	295	8	9
3	VDOT	190	3	6
4	DOE (direct aid)	128	7	4
5	SCC	64	35	2
6	Va Tech	59	4	2
7	ABC	50	6	2
8	GMU	48	5	2
9	DSS	46	3	1
10	VPA	45	17	1
Total, top 10		\$2,618	9%	82%

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

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