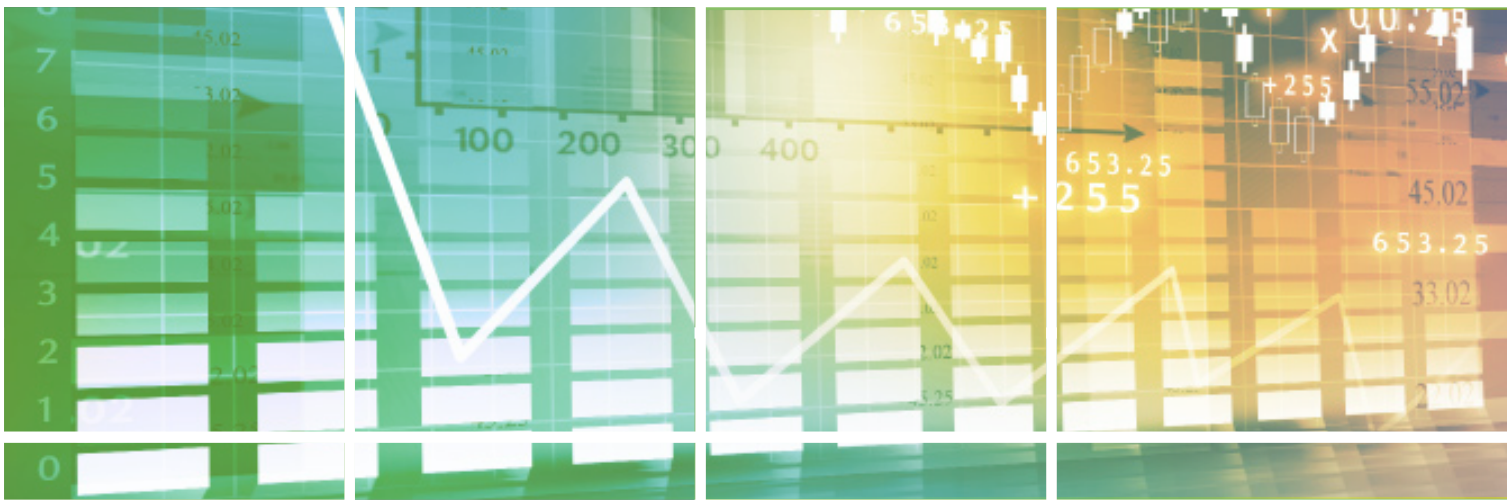


Report to the Governor and the General Assembly of Virginia

State Spending: 2024 Update



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JLARC staff

Hal E. Greer, Director

Kimberly Sarte, Associate Director for Ongoing Oversight and Fiscal Analysis

Ellen Miller, Chief Economic Development and Quantitative Analyst

Information graphics: Nathan Skreslet

Managing Editor: Jessica Sabbath

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Abbreviations

ABC	Virginia Alcoholic Beverage Control Authority
CNU	Christopher Newport University
CSA	Comprehensive Services Act
CWM	College of William & Mary
DBHDS.....	Department of Behavioral Health & Developmental Services
DBVI.....	Department for the Blind and Vision Impaired
DEQ.....	Department of Environmental Quality
DCJS	Department of Criminal Justice Services
DCR.....	Department of Conservation and Recreation
DHR	Department of Historic Resources
DGS.....	Department of General Services
DHCD	Department of Housing & Community Development
DHRM	Department of Human Resource Management
DMAS.....	Department of Medical Assistance Services
DOA.....	Department of Accounts
DOC	Department of Corrections
DOE.....	Department of Education
DOLI.....	Department of Labor and Industry
DPB	Department of Planning & Budget
DRPT.....	Department of Rail & Public Transportation
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
ODU.....	Old Dominion University
RU	Radford University

SBSD Department of Small Business & Supplier Diversity
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
Va Tech Virginia Tech
VCCS Virginia Community College System
VCU Virginia Commonwealth University
VDACS Virginia Department of Agriculture and Consumer Services
VDEM Virginia Department of Emergency Management
VDH Virginia Department of Health
VDOT Virginia Department of Transportation
VEC Virginia Employment Commission
VEDP Virginia Economic Development Partnership
VIPA Virginia Innovation Partnership Authority
Virginia529 Virginia 529 College Savings Plan
VITA Virginia Information Technologies Agencies
VMI Virginia Military Institute
VRS Virginia Retirement System
VSP Virginia State Police
VSU Virginia State University

State Spending: 2024 Update – Summary

WHAT WE FOUND

- Virginia’s total operating budget, including general and non-general funds, was \$83.3 billion in FY24, which is 2.8% (\$2.2 billion) more than the previous year. The budget experienced unusual growth patterns in the last two years (a 23.2% increase in FY22 followed by a 2.5% decrease in FY23) because of the appropriation of federal COVID-19 relief funds in those years. Federal COVID-19 relief funds continued to phase out in FY24, but budget growth resumed because of increased appropriations for Medicaid, transportation funding for I-81 and I-64 improvements, and behavioral health services.
- Three agencies—DMAS, DOE, and VDOT—received half of total appropriations in FY24, similar to recent years. Two agencies—DOE and DMAS—received nearly half of general fund appropriations. These three agencies administer some of the largest programs in the state budget: Medicaid, K–12 education, and highway construction and maintenance.
- Over the past 10 years, Virginia’s operating budget grew 7% per year, on average, not adjusted for inflation. Non-general funds grew 7% per year, and general funds grew 6% per year. These average growth rates are slightly higher than in prior 10-year periods measured. A majority of total budget growth is because of growth in the non-general fund budget, primarily implementation of Medicaid expansion. The large amount of federal COVID-19 funds provided in FY22 does not overly influence the 10-year averages because it was only for one year.
- Adjusted for growth in population and inflation, the total budget grew an average of 3% per year during the 10-year period; the non-general fund budget increased an average of 4% per year; and the general fund budget increased an average of 2% per year.
- The majority of budget growth was concentrated in a few agencies and programs between FY15 and FY24. Ten agencies (out of 158) accounted for 73% of total budget growth, with DMAS and DOE accounting for 50%. Ten budget programs, mostly within the core functions of health care, education, and transportation, accounted for 73% of total budget growth. These largest agencies and programs have a higher share of total budget growth than reported last year because of minimal federal ARPA funds appropriated to central appropriations in FY24 and because of substantial increases for Medicaid.

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 FY23. This report is the 24th in the series and focuses on trends in the state’s operating budget during the past 10 years, from FY15 through FY24.

- Unlike in prior state spending reports, general fund budget growth was slightly less concentrated by agency and program than total fund growth, primarily because general fund appropriations for DOE (direct aid) decreased in FY24 to reflect lower enrollment projections and a decrease in the sales tax forecast. Ten agencies accounted for 67% of general fund budget growth, with two agencies—DOE and DMAS—accounting for slightly less than half of general fund growth. In contrast, 10 agencies accounted for 82% of non-general fund growth, with DMAS alone accounting for half of non-general fund growth. The substantial growth in DMAS reflects Medicaid expansion and the enhanced federal match rate during the COVID-19 pandemic.
- Some agencies have had very large percentage increases in general fund appropriations since FY15. Most of these agencies are relatively small, or primarily receive non-general funds, so their growth is made up of a small proportion of total general fund budget growth. Though a relatively small agency, DCR made up 4% of general fund growth because of sizable mandatory deposits in the Water Quality Improvement Fund.

State Spending: 2024 Update

FY15–FY24

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’s state spending over the previous 10-year period. (See Appendix A.) The report identifies the largest and fastest-growing agencies and programs (out of 158 agencies and 208 programs) in the state budget and analyzes long-term state spending changes. This year’s report focuses on state budget trends from FY15 to FY24 and identifies factors influencing these trends.

Virginia’s budget was \$83.3 billion in FY24

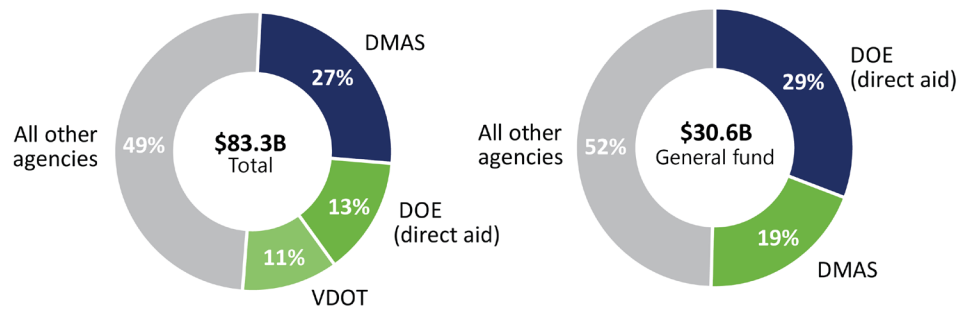
In FY24, Virginia’s total budget was \$83.3 billion. This amount is 2.8% more (\$2.2 billion) than Virginia’s total budget in FY23 and just slightly more than the FY22 budget (\$83.1 billion). The total budget decreased in FY23 because appropriations of federal COVID-19 relief funds, primarily from the American Rescue Plan Act (ARPA) of 2021, were far less in FY23 (\$1.4 billion) than in FY22 (\$9.2 billion). (See Appendix D for more information about Virginia’s appropriation of federal COVID-19 funds.) The FY24 budget includes even less federal ARPA funds (\$0.3M), but budget growth resumed in FY24 because of increased appropriations for Medicaid, transportation funding for I-81 and I-64 improvements, and behavioral health services. Like previous years, appropriation amounts in FY24 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 half of total appropriations in FY24, and two agencies received nearly half of general fund appropriations (Figure 1).

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

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 receive about half of total and general fund appropriations (FY24)



SOURCE: Chapter 1, 2024 Acts of Assembly, Special Session I.

NOTE: See Appendix C for more information on the top 10 agencies that received appropriations (total, general fund, and non-general fund) in FY24. Numbers may not sum because of rounding.

Appropriations also were concentrated in a small number of programs. Ten programs received 67% of total appropriations in FY24 (Table 1). All these programs were on this list last year, and all but one of the programs (personnel management services), focus on the core services of education, health care, and transportation.

TABLE 1

10 programs with the largest total and general fund appropriations (FY24)

Total appropriations			
Rank	Program name	Total (\$M)	% of total
1	Medicaid program services	\$21,745.4	26%
2	State education assistance programs ^a	9,814.9	12
3	Higher ed: Education & general (E&G) services	6,228.3	7
4	Highway construction programs	4,744.0	6
5	State health services ^b	3,074.9	4
6	Personnel management services ^c	2,469.3	3
7	Highway system maintenance and operations	2,087.1	3
8	Higher ed: Financial assistance for E&G services	1,932.9	2
9	Higher ed: auxiliary enterprises	1,879.4	2
10	Fin. assist. to localities - ground transportation	1,455.0	2
Top 10 programs, subtotal		\$55,431.2	67%
Other programs, subtotal		\$27,870.8	33%
Total operating budget		\$83,302.0	100%

General fund appropriations			
Rank	Program name	Total (\$M)	% of total
1	State education assistance programs ^a	\$8,867.7	29%
2	Medicaid program services	5,596.3	18
3	Higher ed: E&G services	2,363.4	8
4	Bond and loan retirement and redemption ^d	973.1	3
5	Personal property tax relief program	950.0	3
6	Operation of secure correctional facilities	902.6	3
7	Compensation and benefits adjustments	684.5	2
8	Higher ed: Student financial assistance	650.4	2
9	Financial assistance for health services ^e	604.6	2
10	Financial services for sheriff's offices and regional jails	583.3	2
Top 10 programs, subtotal		\$22,175.9	72%
Other programs, subtotal		\$8,462.9	28%
Total general fund budget		\$30,638.8	100%

SOURCE: Chapter 1, 2024 Acts of Assembly, Special Session I.

^a Includes appropriations to "State Education Programs," a temporary program code used in the 2022–24 budget. ^b Includes activities at VDH, UVA Medical Center, and facilities operated by DBHDS and DVS. ^c Includes services for employee compensation, health benefits, insurance, retirement, and other human resource services. In subsequent budgets, "compensation and benefits adjustments" are reflected here. ^d Includes debt service payments for capital lease payments and general obligation and other bonds. ^e Includes funding for services provided by community services boards.

General fund appropriations were more concentrated among programs, with two programs accounting for nearly half (47%) of general fund appropriations, and 10 programs accounting for 72%. Many of these programs focus on the core services of education, health care, and public safety. Compensation and benefits adjustments is new to the list because general funds were used to provide state classified employees with a 5% pay raise effective July 10, 2023, and a 2% pay raise effective December 10, 2023.

Virginia's budget has grown 7% per year since FY15

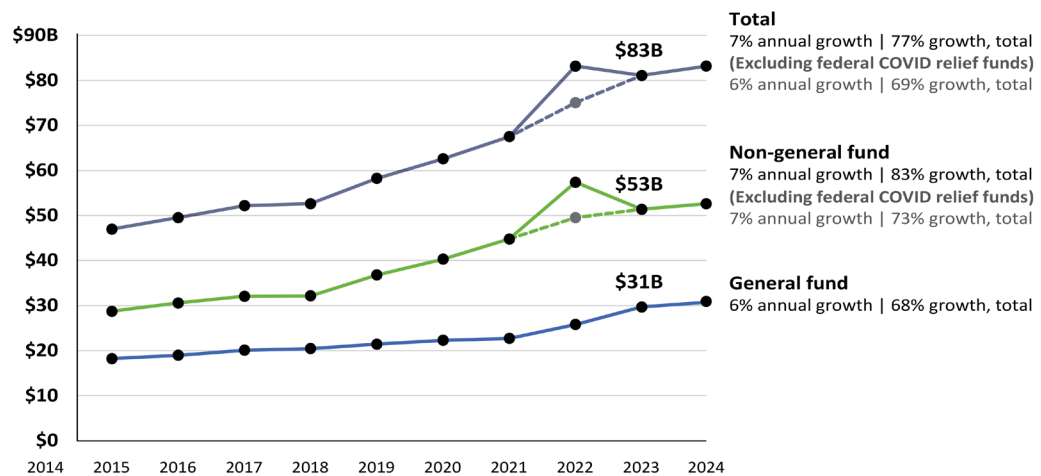
Virginia's total budget grew 7% per year, on average, between FY15 and FY24, not adjusted for inflation (Figure 2). This equated to a total growth rate of 77% over the 10-year period. A majority of this growth was in the non-general fund budget, which grew just over 7% per year, on average, or 83% over the 10-year period. The non-general fund budget's largest annual growth was between FY21 and FY22 (28% or \$12.6 billion), primarily because of the federal ARPA funds appropriation in FY22. When excluding federal ARPA and other COVID-19 relief funds, the non-general fund budget still grew about 7% per year, on average, but total growth was only 73% over the 10-year period. Both rates (annual average and total growth) are higher than the typical non-general fund growth rates reported in prior *State Spending* reports before the COVID-19 pandemic, primarily because of the implementation of Medicaid expansion in FY18.

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.

The state general fund budget grew at a slightly slower rate than the total and non-general fund budgets during the 10-year period, growing 6% per year, on average (68% total growth). However, the general fund budget has grown at a faster rate since FY21, growing 14% in FY22 and 15% in FY23. These growth rates are more than twice as large as the average annual general fund growth rate over the past decade, and the annual general fund growth rate has not been 14% or more since FY99. Though the general fund budget grew by only 3.2% in FY24, its growth was higher than for the total (2.8%) and non-general (2.5%) fund budgets.

FIGURE 2

Total appropriations grew 7% per year, with general fund appropriations growing at a slower rate (FY15–FY24)



SOURCE: DPB data on appropriations, 2015–2024.

NOTE: See Appendix D for more detail on spending and growth by year. Appropriations not adjusted for inflation. FY20 and FY21 amounts exclude appropriations of federal COVID-19 relief funds, including nearly \$65M included in operating budget totals in each year because these funds did not follow the normal appropriations process. FY22 amounts include \$9.2B of federal ARPA funds appropriated to central appropriations and \$282.5M of other federal COVID-19 relief funds appropriated to other agencies. FY23 includes a substantially lower amount of ARPA or other federal COVID-19 relief funds (\$1.4B) followed by an even lower amount in FY24.

The larger general fund growth rates in FY22 and FY23 occurred for several reasons. Most of the general fund budget growth in FY22 was because “surplus” general fund revenue was deposited in the state’s revenue reserve funds (\$1.1 billion) and retirement fund (\$750 million). Most of the FY23 growth came from increased appropriations for DOE (\$2.0 billion) and DMAS (\$1.2 billion), in addition to deposits of “surplus” general fund revenue into revenue reserves (\$1.1 billion), the Water Quality Improvement Fund (\$313 million), and the state’s retirement fund (\$250 million). Increased appropriations for DOE were primarily for school construction and modernization grants to school divisions, teacher and support staff salary increases, and “hold harmless” funding related to enrollment declines during the COVID-19 pandemic. Increased DMAS appropriations were primarily to cover Medicaid program inflation, increased use of Medicaid services, and increases in provider reimbursement rates.

Though not as substantial, general fund budget growth in FY24 was because of appropriations for community-based behavioral health services and for improvements to I-64.

Adjusted for inflation and population, total budget grew 3% per year

Economic and demographic factors, such as inflation and population, affect the budget and should be accounted for when assessing Virginia's budget growth. Inflation increased 3.1% per year, on average, between FY15 and FY24 (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 3.5% per year between FY15 and FY24. The general fund budget increased 2.8% per year, and the non-general fund budget increased 4.1% per year, on average, between FY15 and FY24 (Figure 3).

TABLE 2
Key demographic and economic changes in Virginia, 2015–2024

Indicator	2015	2024	% change 2015–2024	
			Total	Annual average
Population				
Total (M)	8.4	8.8 ^a	4.5%	0.5%
Ages 65 and over (M)	1.2	1.5 ^a	26.7	2.7
Under 18 years old (M)	1.9	1.9 ^a	0.8	0.1
Living in poverty ^f (M)	909,346	864,394 ^{a,e}	-4.9	-1.0
Economy				
Inflation (Consumer Price Index) ^b	100.0	131.7	31.7	3.1
Virginia GDP (\$B)	\$476.0	\$732.6	53.9	4.9
Total Virginia employment (M, non-farm, June)	3.9	4.3	10.6	1.2
Total state personal income (\$B)	\$426.8	\$658.6	54.3	5.0
Median Virginia home sales price (June)	\$274,950	\$431,380	56.9	5.2
Average weekly wages in Virginia	\$1,035	\$1,428 ^e	38.0	4.1
State finances ^c				
State operating budget (\$B)	\$47.0	\$83.3	77.3	6.8
State general fund budget (\$B)	\$18.2	\$30.6	68.0	6.0
Total number of state employees (salaried) ^d	104,476	108,191 ^e	3.6	0.4
Average state employee salary ^d	\$46,327	\$67,544 ^e	45.8	4.9
Taxable sales (\$B) ^f	\$100.2	\$133.9 ^e	33.6	3.8

SOURCE: Weldon Cooper Center for Public Services, 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 2015 Consumer Price Index rebased to 100. ^c On a fiscal year basis unless otherwise noted. ^d Includes salaried faculty at higher education institutions. ^e 2023. ^f Calendar year.

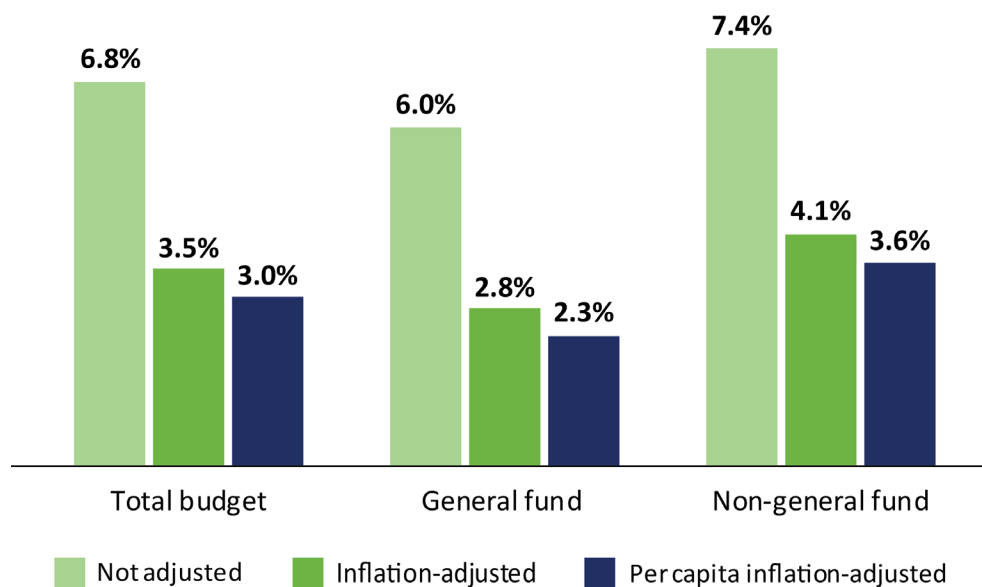
As the population grows, so does the need for some state services. Adjusted for both inflation and population growth, the total budget increased 3% per year; general fund appropriations increased 2.3% per year; and non-general fund appropriations increased 3.6% per year, on average, during the 10-year period (Figure 3). The annual

average growth rates for total and non-general fund budget growth, adjusted for both inflation and population growth, are lower than those reported in the last two years' *State Spending* reports, because operating budget totals in FY22 and FY23 included substantial federal ARPA funds. The growth rate for the general fund budget, however, is higher than it has been in past *State Spending* reports because of larger-than-average increases in the general fund budget since FY21.

Adjusted for population and inflation, Virginia's budget increased most years during the 10-year period and grew fastest between FY18 and FY22, before declining in FY23 and remaining relatively flat in FY24 (Figure 4). The largest increases occurred after FY18 and again in FY22, primarily because of non-general fund budget growth for implementation of Medicaid expansion (after FY18) and federal COVID-19 relief, primarily from ARPA funds (in FY22). Non-general fund budget growth between FY18 and FY22 was higher than average (15.8% per year on average, unadjusted) and was substantially higher than inflation (4.2% per year, on average). The total budget, adjusted for population and inflation, declined in FY23 because substantially less federal COVID-19 relief funds were appropriated.

FIGURE 3

Average annual change in appropriations adjusted for inflation and population growth, FY15–FY24



SOURCE: DPB data on appropriations; Weldon Cooper Center; Bureau of Labor Statistics.

Excluding federal ARPA and other COVID-19 relief funds, the total budget, adjusted for population and inflation, remained flat between FY21 and FY22, grew in FY23, and remained relatively flat between FY23 and FY24. Growth was flat between FY21 and FY22 because the non-general fund budget (unadjusted, excluding federal COVID-19 relief funds) grew less than inflation. Growth increased in FY23 primarily

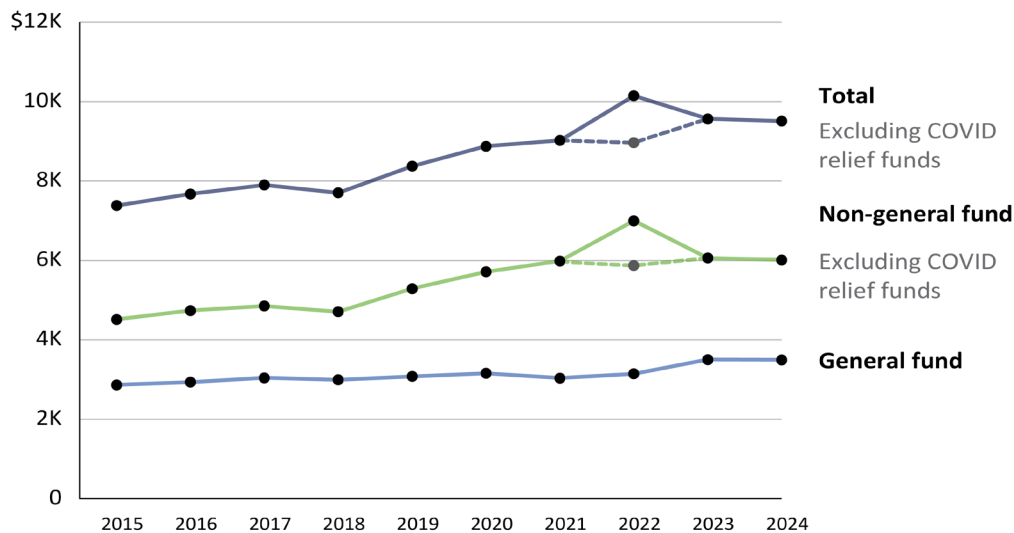
because of substantial growth in general fund appropriations that far exceeded inflation. Growth was relatively flat between FY23 and FY24 because the total budget (un-adjusted) grew at about the same rate as inflation.

Adjusted for population and inflation, the general fund budget also increased in most years but at a slower rate than the total budget. The adjusted general fund budget grew the most in FY23 (12%) because of the increased DOE and DMAS appropriations and deposits of surplus revenue.

Virginia ranked 18th for state per capita spending growth (inflation-adjusted and including capital spending) between FY13 and FY22, the most recent years for which comparable data is available (*Virginia Compared with the Other States*, JLARC 2024). Virginia's total growth rate (2.7%) for this measure was higher than all other states in the Southeast region during the same time period.

FIGURE 4

Adjusted for inflation, Virginia's total budget per capita generally increased each year, with the largest increase between FY21 and FY22



SOURCE: DPB data on appropriations, 2015–2024; Weldon Cooper Center; and U.S. Bureau of Labor Statistics.

NOTE: Average annual growth.

Economic growth affects revenue available for the budget

Virginia's GDP, total personal income, and employment levels increased between FY15 and FY24 (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 remained the same proportion of Virginia GDP over time and have been 3.9% of Virginia GDP, on average, since FY1997.

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

GDP statistics reflect the annual average change from 2014 to 2023. Labor force statistics reflect the annual average change from June 2015 to June 2024. Statistics for personal income per capita reflect the annual average change from the first quarter of 2015 to the first quarter of 2024.

In total federal spending per capita, Virginia ranked 8th among the states in federal fiscal year 2022, 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.

- **Virginia GDP** grew at a slower rate (2.0% annual average) than national GDP (2.2% annual average), adjusted for inflation.
- **Virginia's labor force** grew (1.2% annual average) at nearly the same rate as the nation's (1.3% annual average).
- **Virginia's personal income per capita** grew at the same rate (1.4% annual average) as the nation's, adjusted for inflation.

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>

Previous *State Spending* reports indicated Virginia's economic growth had been lower than the nation's, particularly between FY09 and FY13, because the state did not recover as quickly from the Great Recession. Since 2016, Virginia's growth rates on these three measures have more closely mirrored national growth rates. In FY23 and FY24, Virginia experienced higher growth rates for per capita personal income and labor force employment than the nation.

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, in 2018 the state authorized the expansion of Medicaid to parents and childless adults with income up to 138 percent of the federal poverty level. Medicaid expansion, which is mostly federally funded, increased non-general fund appropriations and therefore total appropriations for the Medicaid program beginning in FY19.

Major policy decisions also affect the general fund budget. For example, the General Assembly provided \$382 million in general funds in FY15 and FY16, \$750 million in FY22, and \$250 million in FY23, to help pay down unfunded 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.

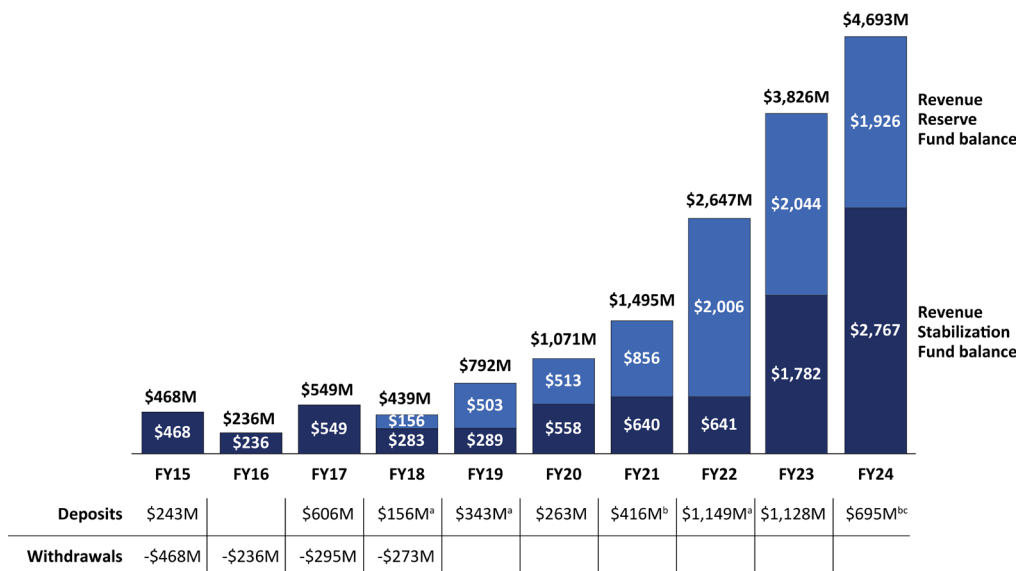
Virginia's policy decision to reserve revenue in years of above-average revenue growth also affects the general fund budget. Each year, the legislature appropriates surplus revenues to two reserve funds if surplus revenues exist and certain requirements are met. As of FY24, \$4.7 billion was in the reserves (Figure 5). The Revenue Stabilization (rainy day) Fund was established in the early 1990s to reserve funds that can be used in years when state revenue collections are less than projected. 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 is based on a formula in Virginia's Constitution. In some years, no appropriations are made from the general fund.

Six deposits to the Revenue Stabilization Fund occurred between FY15 and FY24 (Figure 5), based on surplus revenues in previous years. The largest deposit totaled \$1.1 billion in FY23, representing nearly one-third of the growth in general fund appropriations between FY22 and FY23. The General Assembly appropriated \$499 million to the Revenue Stabilization Fund in FY22, as an advance reserve for the estimated \$905 million mandatory deposit in FY24. These funds, however, were first deposited into the

state's second reserve fund—the Revenue Reserve Fund (discussed below)—and transferred to the Revenue Stabilization Fund in FY24. The General Assembly made four withdrawals from the fund to offset general fund revenue deficiencies during the 10-year period, reducing the amount of spending reductions that otherwise would have been necessary. No withdrawals have been made since FY18.

In 2018, the General Assembly created the second reserve fund, the Revenue Reserve Fund, for excess revenue that does not have to be committed to the Revenue Stabilization Fund or other funds. Since its creation, the General Assembly has made deposits to the fund each year except for FY20 and FY23. Between FY19 and FY23, this fund was the larger of the two funds, but the Revenue Stabilization Fund is now larger because of the transfer of \$499 million to it.

FIGURE 5
Revenue in reserves totaled \$4.7 billion as of FY24



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 other documents; and information from DPB.

NOTE: Fund balance figures are adjusted for deposits, withdrawals, and interest earned at end of fiscal year. Part (\$498.7 million) of the FY22 appropriation to the Revenue Reserve Fund was held for deposit to the Revenue Stabilization Fund in FY24.

^a Revenue Reserve Fund deposits. ^b Revenue Stabilization Fund and Revenue Reserve Fund deposits. All other deposits and all withdrawals were to/from the Revenue Stabilization Fund. ^c Amount excludes the \$498.7M that was transferred from the Revenue Reserve Fund to the Revenue Stabilization Fund for the \$905M deposit to the Revenue Stabilization Fund.

Program growth, which also affects budget growth, can occur over time for several reasons, including policy changes and changes to the population served. For example, Medicaid and Children's Health Insurance Program (CHIP) enrollment grew 102% (from 1.0 million to 2.1 million average monthly enrollees) between FY15 and FY24. Funding for these programs is largely enrollment driven, and the Medicaid program had the largest growth 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 in the 1990s to an average of 20% between FY15 and FY24. Federal trust funds grew 74% between FY21 and FY22, primarily because of federal ARPA funding. The policy decision to expand Medicaid eligibility beginning in FY19 increased federal funding as a portion of Virginia's total budget to 23% since FY18, on average.

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 Virginia's budget, with \$13.9 billion in federal funds (75% of all federal trust funds in Virginia's budget) in FY24. Virginia's state match rate for individuals enrolled in the base Medicaid program has historically been 50% and was 48.78% in FY24. The federal Families First Coronavirus Response Act temporarily increased the federal match for the base Medicaid population, which lowered the state's match rate to 43.8% for the second half of FY20 through May 2023. The lower state match rate decreased required general fund appropriations for Medicaid services. Virginia's state match rate for individuals enrolled under Medicaid expansion (which was unaffected by the Families First Coronavirus Response Act) is 10% 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, such as improving workplace safety and environmental protections.

Decisions to issue debt affect the state budget

When the state issues debt, the debt service required to pay off that debt affects the state's budget. Tax-supported debt service, which does not have a designated funding source, is funded through appropriations to 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 (57%) and transportation projects funded through the Transportation Trust Fund (22.4%). 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 41% (from \$10.4 billion to \$14.5 billion) between FY14 and FY23 (the most recent year available), with the largest issuance of debt occurring in FY21. Expenditures to cover tax-supported debt service increased 42% (from \$836 million to \$1.18 billion) between FY13 and FY22. 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 debt service level. The committee has determined tax-supported debt service should not exceed

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.

5% of blended revenues. Debt service was 4.5% of blended revenues in FY14 and 3.7% of blended revenues in FY23.

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

The majority of budget growth between FY15 and FY24 was concentrated in a few agencies. Half (50%) of total budget growth occurred in two agencies: DMAS and DOE (direct aid) (Table 3). These two agencies are responsible for a larger share of total budget growth than in the 10-year periods measured in the previous two state spending reports, because substantial federal ARPA funds were appropriated to central appropriations in FY22 and FY23 rather than directly to agencies. (Central appropriations is excluded from the “top 10 list” in Table 3.) DBHDS and DSS returned to the list of 10 agencies with the largest appropriations growth; both agencies have not been on the list since the 2020 *State Spending* report. DBHDS is back on this year’s list because of substantial general fund appropriations for community-based behavioral health services. DSS’s appropriations growth is primarily from increased funds for the new program to help pay utility bills for low-income Virginians (the Percentage of Income Payment Program).

TABLE 3
10 agencies with the highest growth amount in total appropriations, FY15–FY24 (\$M)

Rank	Agency	Total appropriation		Average annual growth		% of total growth
		FY15	FY24	\$	%	
1	DMAS ^a	\$8,633.8	\$22,673.9	\$1,560.0	11%	39%
2	DOE (Direct aid)	7,022.4	10,998.6	441.8	5	11
3	VDOT	4,673.4	8,450.3	419.7	7	10
4	UVA ^b	2,586.5	4,249.5	184.8	6	5
5	DBHDS	1,006.7	1,664.0	73.0	6	2
6	DCR	125.6	703.4	64.2	31	2
7	ABC	598.0	1,066.7	52.1	7	1
8	VDH	641.2	1,066.7	47.3	6	1
9	Va Tech	1,239.9	1,646.9	45.2	3	1
10	DSS	1,961.6	2,363.6	44.7	2	1
Top 10 agencies, subtotal		\$28,489.1	\$54,883.6	\$2,932.7	8%	73%
Other agencies, subtotal		\$18,490.5	\$28,418.5	\$1,103.1	6%	27%
Total operating budget		\$46,979.6	\$83,302.0	\$4,035.8	7%	100%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations (to which federal ARPA funds were appropriated in FY22–FY24), 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 beginning in FY19 because of the technical change to appropriate lottery prizes. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Average annual growth is the average of the nine year-to-year growth rates in the 10-year period. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes \$8,437.5M in FY15 and \$22,335.50M in FY24 for Medicaid Services and CHIP. ^b Excludes UVA-Wise but includes the medical center.

Seven of these 10 agencies with the highest growth amounts in total appropriations were also among the 10 largest agencies in terms of FY24 total appropriations. Three were not (DCR, VDH, and ABC). (See Appendix C, Table C-1.)

Slightly less than half of general fund budget growth (44%) occurred in DOE and DMAS (Table 4), which accounted for a smaller share of growth than the 10-year period measured in last year's spending report (51%). The agencies' average annual growth rate is also smaller. General fund appropriations to DOE and DMAS grew significantly in FY23 (\$2.0 billion and \$1.2 billion, respectively) but then either decreased (\$216M general fund decrease for DOE) or increased by a smaller amount (DMAS). DOE general fund appropriations decreased to reflect lower enrollment projections and a decrease in the sales tax forecast.

TABLE 4
10 agencies with the highest growth amount in general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	<u>General fund appropriation</u>		<u>Average annual growth</u>		% of total growth
		FY15	FY24	\$	%	
1	DOE (Direct aid)	\$5,405.4	\$8,928.1	\$391.4	6%	28%
2	DMAS ^a	3,846.8	5,876.1	225.5	5	16
3	DBHDS	656.4	1,399.0	82.5	9	6
4	DCR	69.1	556.6	54.2	43	4
5	DOC	1,073.2	1,438.1	40.5	3	3
6	Treasury Board	672.1	973.1	33.4	4	2
7	VDOT	12.2	260.0	27.5	80	2
8	VCCS	397.2	622.1	25.0	5	2
9	DEQ	45.5	264.9	24.4	42	2
10	DHCD	45.1	239.2	21.6	23	2
Top 10 agencies, subtotal		\$12,223.1	\$20,557.2	\$926.0	6%	67%
Other agencies, subtotal		\$6,017.0	\$10,081.6	\$451.6	6%	33%
Total general fund budget		\$18,240.0	\$30,638.8	\$1,377.6	6%	100%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Excludes capital appropriations. Top 10 list excludes agency central appropriations (including funding for unfunded pension liabilities), transfer payments such as Department of Accounts transfer payments (including funding for the Revenue Reserve Fund), and appropriations to the Revenue Stabilization Fund. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Average annual growth is the average of the nine year-to-year growth rates in the 10-year period. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes \$3,781.5M in FY15 and \$5776.3M in FY24 for Medicaid Services and CHIP.

VDOT and DEQ are the only agencies on this year's list of agencies with the highest growth in general fund appropriations that did not appear on the list in last year's report. VDOT is on this year's list because of large appropriations of general funds for transportation projects since FY22. (VDOT is primarily funded by non-general fund revenues.) DEQ is on the list because of large deposits to the portion of the

Water Quality Improvement Fund it administers. The six largest agencies with the highest growth amount in general fund appropriations were also among the 10 largest agencies in terms of FY24 general fund appropriations. (See Appendix C, Table C-2.)

The majority of total budget growth was also concentrated in a few programs. Nearly three-fourths of the budget growth during the 10-year period occurred in 10 programs (Table 5). Two programs (Medicaid program services and state education assistance programs) were responsible for almost half of this growth (47%). All but two 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, FY15–FY24 (\$M)

Rank	Program	Total appropriation		Average annual growth		% total growth
		FY15	FY24	\$	%	
1	Medicaid program services	\$8,148.6	\$21,745.4	\$1,510.8	12%	37%
2	State education assistance programs ^a	6,136.7	9,814.9	408.7	6	10
3	Highway construction programs	1,521.6	4,744.0	358.0	14	9
4	Higher ed: E&G services	4,418.6	6,228.3	201.1	4	5
5	State health services ^b	2,004.8	3,074.9	118.9	5	3
6	Personnel management services	1,635.3	2,469.3	92.7	5	2
7	Fin. assist. to localities for ground transportation	879.2	1,455.0	64.0	6	2
8	Higher ed: financial assistance for E & G services	1,376.9	1,932.9	61.8	4	2
9	Land and resource management	55.6	600.0	60.5	57	1
10	Highway system maintenance and operations	1,580.6	2,087.1	56.3	3	1
Top 10 programs, subtotal		\$27,757.9	\$54,151.8	\$2,932.7	8%	73%
Other programs, subtotal		\$19,221.7	\$29,150.2	\$1,103.2	6%	27%
Total operating budget		\$46,979.6	\$83,302.0	\$4,035.8	7%	100%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Excludes capital appropriations. Top 10 list excludes programs that operate internal service funds, the Revenue Cash Reserve, and appropriation of ARPA funds for disaster preparedness. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Average annual growth is the average of the nine year-to-year growth rates in the 10-year period. 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 and includes appropriations to “State Education Programs,” a temporary program code used in the 2022–24 budget. 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 slightly less concentrated than total budget growth, with 10 programs responsible for 69% of budget growth. Again, state education assistance programs and Medicaid program services were responsible for nearly half (43%) of the growth. Six of the 10 programs with the highest general fund budget growth provide services in education and health care (Table 6). Land and resource management is on this list again this year (which is a program managed by DCR), as well as environmental financial services (program managed by DEQ), because of deposits to the Water Quality Improvement Fund.

TABLE 6

10 programs with the highest growth amount in general fund appropriations, FY15–FY24 (\$M)

Rank	Program	General fund appropriation		Avg. annual growth		% total growth
		FY15	FY24	\$	%	
1	State education assistance programs ^a	\$5,391.2	\$8,867.7	\$386.3	6%	28%
2	Medicaid program services	3,694.4	5,596.3	211.3	5	15
3	Higher ed: E&G services	1,409.1	2,363.4	106.0	6	8
4	Land and resource management	36.8	494.3	50.8	84	4
5	Economic development services	133.2	553.1	46.7	20	3
6	Higher ed: Student financial services	250.0	650.4	44.5	12	3
7	Financial assistance for health services ^b	287.3	604.6	35.3	9	3
8	Bond and loan retirement and redemption	672.1	973.1	33.4	4	2
9	Environmental financial assistance ^c	9.8	209.9	22.2	319	2
10	DBHDS central office managed community and individual health services ^d	0	158.1	17.6	59	1
Top 10 programs, subtotal		\$11,883.9	\$20,470.9	\$954.1	6%	69%
Other programs, subtotal		\$6,356.2	\$10,168.0	\$423.5	6%	31%
Total general fund budget		\$18,240.0	\$30,638.8	\$1,377.6	6%	100%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Excludes capital appropriations. Excludes central appropriations and the revenue reserve funds, which are addressed elsewhere. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Average annual growth is the average of the nine year-to-year growth rates in the 10-year period. 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, and appropriations to “State Education Programs,” a temporary program code used in the 2022–24 budget. The federal program has a separate program code. ^b Includes funding for services provided by community services boards.

^c Includes funding for several DEQ-administered programs or funds, such as the Enhanced Nutrient Removal Certainty Program to help localities upgrade water treatment facilities. ^d Includes funding for services to transition and serve individuals residing in state mental health institutions or training facilities in the community.

State appropriations are also classified by their designated use, such as salaries or IT services. Appendix G provides detailed information about the largest categories for FY24 appropriations and the categories with the largest appropriation growth amounts.

Non-general fund appropriations continue to drive total 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. Statute governs the use of non-general funds and requires fewer decisions than 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 occurs through only appropriations made by the General Assembly. These non-general funds are responsible for 66% of total budget growth over the 10-year period (Table 7). Four non-general fund categories exceeded average annual general fund growth (6.0%) over this period.

The non-general fund categories with the largest growth amounts in appropriations over the past decade were federal trust, commonwealth transportation, dedicated special revenue, and higher education operating. These funds constitute 58% of the total increase in non-general fund appropriations between FY15 and FY24. The federal trust fund and dedicated special revenue funds also experienced the fastest growth rate, at an average annual *rate* of 14% and 12%, respectively, over the last decade (Table 7). The federal trust fund has a high average annual growth rate because of increases in federal funds for Medicaid expansion and ARPA funds for COVID-19 relief. Dedicated special revenue funds have a high average annual growth rate because of increasing fees and payments collected for the health-care provider assessment fund and for various regional transportation funds. The federal trust fund is usually the non-general fund category with the largest growth *amount*.

TABLE 7
Non-general fund growth by category, FY15–FY24 (\$M)

Non-general fund category	Total appropriation		Avg annual growth		% of total growth
	FY15	FY24	\$	%	
Federal Trust	\$7,080.78	\$18,626.6	\$1,282.9	14%	32%
Commonwealth Transportation	4,366.9	8,401.5	448.3	8	11
Dedicated Special Revenue	1,859.7	5,148.0	365.4	12	9
Higher Education Operating	7,919.7	10,243.8	258.2	3	6
Enterprise	1,291.3	2,596.4	145.0	8	4
Internal Service	1,771.9	2,414.0	71.3	4	2
Trust and Agency	2,377.7	2,931.0	61.5	3	2
Special	1,745.4	1,938.5	21.4	1	1
Debt Service	326.2	363.6	4.2	1	0
Non-general funds	\$28,739.5	\$52,663.2	\$2,658.2	7%	66%
General fund	\$18,240.0	\$30,638.8	\$1,377.6	6%	34%
Total all funds	\$46,979.6	\$83,302.0	\$4,035.8	7%	100%

SOURCE: DPB data on appropriations, 2015–2024; Commonwealth Accounting Policies and Procedures Manual.

NOTE: Excludes capital appropriations. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Average annual growth is the average of the nine year-to-year growth rates in the 10-year period.

Non-general fund categories

Federal Trust – All federal funds except those received by VDOT, VEC, and higher education institutions, which are budgeted separately. Includes federal ARPA funds (FY22–FY24) and most other federal COVID-relief funds (FY20–FY24). (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 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 two universities are among the 10 agencies with the largest increases in non-general fund appropriations (Table 8). DMAS by far had the largest growth because of Medicaid expansion and the enhanced federal match rate during the COVID-19 pandemic. DMAS accounted for half of total non-general fund growth during the 10-year period.

TABLE 8

10 agencies with the highest growth amount in non-general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	Non-general fund appropriation		Average annual growth		% total growth
		FY15	FY24	\$	%	
1	DMAS ^a	\$4,787.0	\$16,797.8	\$1,334.5	15%	50%
2	VDOT	4,661.2	8,190.3	392.1	7	15
3	UVA ^b	2,453.4	4,038.6	176.1	6	7
4	ABC	598.0	1,066.7	52.1	7	2
5	DOE (direct aid)	1,617.0	2,070.5	50.4	3	2
6	DRPT	511.2	864.4	39.2	7	1
7	VDH	480.5	820.5	37.8	7	1
8	Va Tech	1,070.3	1,388.4	35.3	3	1
9	DOE (central office)	42.7	344.3	33.5	53	1
10	DSS	1,569.2	1,842.5	30.4	2	1
Top 10 agencies, subtotal		\$17,790.5	\$37,424.0	\$2,181.5	9%	82%
Other agencies, subtotal		\$10,949.1	\$15,239.2	\$476.7	6%	18%
Total non-general fund budget		\$28,739.5	\$52,663.2	\$2,658.2	7%	100%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations (which includes federal ARPA funds), 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. Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Average annual growth is the average of the nine year-to-year growth rates in the 10-year period. See Appendix F for alternative rankings, in which the 21 higher education agencies are grouped as a single line item.

^a Includes \$4,656.0M in FY15 and \$ 16,559.3M in FY24 for Medicaid Services and CHIP. ^b Excludes UVA-Wise but includes the medical center.

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 63% of the total state budget (Table 7).

Some agencies have had very large percentage increases in appropriations since FY15

Some agencies experienced very large total growth *rates* between FY15 and FY24. These agencies, however, did not necessarily experience the largest growth in appropriation *amounts*.

Over 30 agencies had total general fund growth rates that exceeded the general fund growth rate over the 10-year period. The 10 fastest-growing state agencies each had general fund growth rates of 146% or more (Table 9), far exceeding the total general fund growth rate of 68% over the 10-year period. Most of these agencies are relatively small or primarily receive non-general fund appropriations (VDOT). Therefore, even

For major uses of non-general funds, see Appendix J.

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.

though these agencies experienced high general fund growth rates, their growth made up a small proportion of total general fund budget growth.

TABLE 9

10 agencies with the fastest growth rates in general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	General fund appropriation		General fund growth		
		FY15	FY24	\$M	%	% of total
1	VDOT	\$12.2	\$260.0	\$247.8	2,036%	2.0%
2	DCR	69.1	556.6	487.4	705	3.9
3	Econ. dev. incentives	61.8	403.5	341.6	553	2.8
4	DEQ	45.5	264.9	219.4	482	1.8
5	DHCD	45.1	239.2	194.1	431	1.6
6	VIPA	8.5	42.4	33.9	398	0.3
7	DHR	5.1	19.9	14.8	293	0.1
8	DVS	11.1	36.8	25.7	232	0.2
9	ELECT	8.7	26.3	17.7	204	0.1
10	VEDP	20.4	50.1	29.7	146	0.2
Top 10 agencies, subtotal		\$287.5	\$1,899.6	\$1,612.1	561%	13%
Other agencies, subtotal		\$17,952.6	\$28,739.3	\$10,786.7	60%	87%
Total general fund budget		\$18,240.0	\$30,638.8	\$12,398.8	68%	100%

SOURCE: DPB data on appropriations, 2015 and 2024.

NOTE: Excludes capital appropriations. Top 10 list includes agencies with general fund appropriations of at least \$5 million in FY15 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. Economic development incentives payments is considered an agency for budgeting purposes; it includes appropriations for various incentive grant programs including the Commonwealth's Development Opportunity Fund, Business Ready Sites Program, and "custom" performance grants such as the performance grant for Amazon HQ2.

Explanation of general fund growth in Table 9

VDOT – Growth was because of FY24 general fund appropriations to improve Interstate 64 between Exit 205 and Exit 234.

DCR – Most of this increase was due to 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. Deposits to this fund occurred in multiple years during the 10-year period, with the largest deposits made in FY23 (\$313 million) and FY24 (\$463 million).

Economic development incentive payments - Funding has steadily increased each year since FY21, primarily to fund “custom” grant payments for business location and expansion projects. Funding also increased in FY23 and FY24 to expand the Virginia Business Ready Sites Program.

DEQ – Most of this increase was mandatory deposits to the Water Quality Improvement Fund, which is administered by DEQ (and DCR) and used for local stormwater assistance and wastewater treatment system upgrades.

DHCD – The majority of this increase was for appropriations to the Virginia Housing Trust Fund and to expand broadband access (Virginia Telecommunication Initiative).

VIPA – Growth was because of consolidation of several entities, including the former IEIA, into VIPA and funding for new initiatives that began in FY21.

DHR – Growth was primarily because of increased funding for battlefield preservation.

DVS – Funding has increased throughout the study period because of new programs and facilities, including eight new field offices, the Virginia Veteran and Family Support program, a third cemetery, and a suicide and opiate use prevention program; increases in staff and facility support for the Virginia War Memorial; and projects within the National Museum of the United States Army in Fairfax County.

ELECT– Growth was primarily for appropriations to replace federal funds for improving voting systems and voter access with state funds and for voter education and notification of district changes.

VEDP – Growth was for funding to expand and rebrand the Virginia Jobs Investment Program; support Virginia exporters through several grant programs; develop and fund the Business Ready Sites program and customized workforce recruitment and training incentive program; and fully fund the Virginia International Trade Strategic Plan.

The non-general fund budgets of nine agencies grew as fast, or faster, than the overall non-general fund budget of 83% during the 10-year period. The combined growth of the 10 fastest-growing agencies, except for DMAS, made up only a small percentage of total non-general fund growth during the time period (Table 10).

TABLE 10

10 agencies with the fastest growth rate in non-general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	<u>Non-general fund appropriation</u>		<u>Non-general fund growth</u>		
		FY15	FY24	\$	%	% of total
1	DHRM	\$8.0	\$107.8	\$99.8	1254%	0.4%
2	DOE (central office)	42.7	344.3	301.6	707	1.3
3	Treasury	11.1	55.1	44.0	396	0.2
4	DHCD	57.4	235.0	177.6	309	0.7
5	DMAS	4,787.0	16,797.8	12,010.9	251	50.2
6	DCR	56.4	146.8	90.4	160	0.4
7	DOA	24.9	57.8	32.9	132	0.1
8	DVS	47.1	101.3	54.2	115	0.2
9	DCJS	53.6	108.6	55.0	103	0.2
10	DBVI	45.6	82.9	37.2	82	0.2
Top 10 agencies, subtotal		\$5,133.8	\$18,037.4	\$12,903.6	251%	53.9%
Other agencies, subtotal		\$23,605.8	\$34,625.8	\$11,020.0	47%	46.1%
Total non-general fund budget		\$28,739.5	\$52,663.2	\$23,923.7	83%	100.0%

SOURCE: DPB data on appropriations, 2015 and 2024.

NOTE: Excludes capital appropriations. Top 10 list excludes central appropriations (which includes federal ARPA funds), 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 beginning in FY19 because of the technical change to appropriate lottery prizes. 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

DHRM – The increase was primarily because of appropriations beginning in FY19 for workers’ compensation risk management claims and administrative costs in accordance with the federal Department of Health and Human Services guidelines for recording internal service funds.

DOE (central office) – Growth was primarily because responsibility for the federal Child Care Development Fund grant was transferred from DSS to DOE.

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 (FY19) and increased premiums for aircraft and watercraft insurance (FY23).

DHCD – Growth was primarily to adjust federal appropriation of proceeds from the Regional Greenhouse Gas Initiative for the Housing Innovations in Energy Efficiency program.

DMAS – The increase was because of the upward adjustment of federal funding to account for increased Medicaid utilization and inflation from the latest forecast.

DCR – Growth was primarily because of the appropriation of proceeds from the Regional Greenhouse Gas Initiative for the Community Flood Preparedness Fund.

DOA – Growth was primarily to align the appropriation for the Cardinal Financials System (internal service fund) with projected operating expenses.

DVS – This increase was mostly to operate and staff new veterans care facilities in FY20 and in FY22.

DCJS – Growth was mostly due to additional federal funding for a grant program that provides services to victims of crime in FY19 and after.

DBVI – Growth was mostly due to an increase in appropriations for the Virginia Industries for the Blind in FY21 to reflect increases in business due to the COVID-19 pandemic for providing personal protective equipment.

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

General fund appropriations declined for only two agencies over the 10-year period, not adjusted for inflation: DHRM (-9%) and the Combined District Courts. The appropriations of 13 other agencies grew slower than inflation (31.7%), including

- Department of Small Business and Supplier Diversity,
- Science Museum of Virginia,
- Institute for Advanced Learning and Research,
- Department of Planning and Budget,
- Virginia Museum of Fine Arts,
- Department of Accounts,
- Department of the Treasury,
- Fort Monroe Authority,
- Division of Legislative Services,
- Virginia School for the Deaf and the Blind,
- Auditor of Public Accounts,
- Department for the Blind and Vision Impaired, and
- Circuit Courts.

All but five of these agencies (VMFA, DOA, Treasury, Fort Monroe Authority, and DBVI) also experienced total budget growth that was less than inflation.

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 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.

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, FY15 and FY24 (\$M)

FY15				FY24			
Rank	Agency	Total	% of total	Rank	Agency	Total	% of total
1	DMAS ^a	\$8,633.8	18%	1	DMAS ^a	\$22,673.9	27%
2	DOE (Direct aid)	7,022.4	15	2	DOE (Direct aid)	10,998.6	13
3	VDOT	4,673.4	10	3	VDOT	8,450.3	10
4	UVA ^b	2,586.5	6	4	UVA ^b	4,249.5	5
5	DSS	1,961.6	4	5	DSS	2,363.6	3
6	VCCS	1,654.1	4	6	Va Tech	1,664.0	2
7	Va Tech	1,239.9	3	7	DOC	1,646.9	2
8	DOC	1,145.6	2	8	VCCS	1,506.7	2
9	VCU	1,079.4	2	9	DBHDS	1,434.2	2
10	DBHDS	1,006.7	2	10	VCU	1,400.0	2
Top 10 agencies, subtotal		\$31,003.3	66%	Top 10 agencies, subtotal		\$56,387.8	68%
Other agencies, subtotal		\$15,976.3	34%	Other agencies, subtotal		\$26,914.3	32%
Total operating budget		\$46,979.6	100%	Total operating budget		\$83,302.0	100%

SOURCE: DPB data on appropriations, 2015 and 2024.

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 sum because of rounding.

^a Includes \$8,437.5M in FY15 and \$22,335.5M in FY24 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, FY15 and FY24 (\$M)

FY15				FY24			
Rank	Agency	Total	% of total	Rank	Agency	Total	% of total
1	DOE (Direct aid)	\$5,405.4	30%	1	DOE (Direct aid)	\$8,928.1	29%
2	DMAS ^a	3,846.8	21	2	DMAS ^a	5,876.1	19
3	DOC	1,073.2	6	3	DOC	1,438.1	5
4	Treasury Board	672.1	4	4	DBHDS	1,399.0	5
5	DBHDS	656.4	4	5	Treasury Board	973.1	3
6	Comp. Board	649.9	4	6	Comp. Board	824.7	3
7	VCCS	397.2	2	7	DCR	556.6	2
8	DSS	392.4	2	8	DSS	521.1	2
9	VSP	249.4	1	9	Econ Dev Incentives	403.5	1
10	CSA	219.1	1	10	VSP	395.5	1
Top 10 agencies, subtotal		\$13,561.9	74%	Top 10 agencies, subtotal		\$21,315.8	70%
Other agencies, subtotal		\$4,678.1	26%	Other agencies, subtotal		\$9,323.1	30%
Total general fund budget		\$18,240.0	100%	Total general fund budget		\$30,638.8	100%

SOURCE: DPB data on appropriations, 2015 and 2024.

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 sum because of rounding.

^a Includes \$3,781.5M in FY15 and \$5776.3M in FY24 for Medicaid Services and CHIP.

TABLE C-3
10 agencies with largest non-general fund appropriations, FY15 and FY24 (\$M)

FY15				FY24			
Rank	Agency	Total	% of total	Rank	Agency	Total	% of total
1	DMAS	\$4,787.0	17%	1	DMAS	\$16,797.8	32%
2	VDOT	4,661.2	16	2	VDOT	8,190.3	16
3	UVA	2,453.4	9	3	UVA	4,038.6	8
4	DOE (Direct aid)	1,617.0	6	4	DOE (Direct aid)	2,070.5	4
5	DSS	1,569.2	5	5	DSS	1,842.5	3
6	VCCS	1,256.9	4	6	Va Tech	1,388.4	3
7	Va Tech	1,070.3	4	7	VCU	1,082.7	2
8	VCU	885.7	3	8	ABC	1,066.7	2
9	GMU	771.0	3	9	GMU	1,037.6	2
10	ABC	598.0	2	10	DRPT	864.4	2
Top 10 agencies, subtotal		\$19,669.8	68%	Top 10 agencies, subtotal		\$38,379.5	73%
Other agencies, subtotal		\$9,069.7	32%	Other agencies, subtotal		\$14,283.6	27%
Total non-general fund budget		\$28,739.5	100%	Total non-general fund budget		\$52,663.2	100%

SOURCE: DPB data on appropriations, 2015 and 2024.

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

^a Includes \$4,656.0M in FY15 and \$16,559.3M in FY24 for Medicaid Services and CHIP. ^b Excludes UVA-Wise but includes the medical center.

Appendix D: Virginia's operating appropriations, FY15–FY24

Virginia's total operating budget appropriations totaled \$83.3 billion in FY24 (Table D-1). The total operating budget grew 6.8 percent per year, on average, during the 10-year period, primarily because of growth in non-general fund appropriations.

TABLE D-1
Virginia's operating appropriations, FY15–FY24 (\$M)

Fiscal year	General fund		Non-general fund		Total	
	Amount	% change	Amount	% change	Amount	% change
2015	\$18,240	---	\$28,740	---	\$46,980	---
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%
2021	22,720	2.0%	44,774	11.1%	67,495	7.9%
2022	25,802	13.6%	57,363	28.1%	83,165	23.2%
2023	29,684	15.0%	51,381	-10.4%	81,065	-2.5%
2024	30,639	3.2%	52,663	2.5%	83,302	2.8%
Change 2015–2024	\$12,399	68.0%	\$23,924	83.2%	\$36,322	77.3%
Average annual change		6.0%		7.4%		6.8%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Operating funds only; excludes capital appropriations.

Virginia received \$18 billion in federal COVID-19 relief funds in FY20 and FY21 through the Coronavirus Preparedness and Response Supplemental Appropriations Act; the Families First Coronavirus Response Act; and the Coronavirus Aid, Relief, and Economic Security Act. These funds were appropriated or allocated to various state agencies and programs but are not included in the FY20 and FY21 operating budget amounts in the appropriations act (Table D-1) because a different process was used to appropriate these funds than is typical. The General Assembly authorized the governor to appropriate funds to state agencies, institutions of higher education, and other permissible entities in the 2020 Appropriation Act (Chapter 1289) and directed the governor how to appropriate remaining federal relief funds in the 2021 Appropriation Act (Chapter 552, Special Session I). The vast majority of the funds were provided to 10 programs each year (Table D-2).

TABLE D-2
10 programs or services with largest federal COVID-19 relief appropriations, FY20 and FY21

Federal COVID-19 relief appropriations, FY20			
Rank	Program or service name	Total (\$M)	% of total
1	Unemployment insurance services	4,088.8	76%
2	Financial assistance to localities: pandemic response	644.6	12
3	Federal assistance to local education programs	299.7	6
4	Higher ed: financial assistance for E&G services	76.3	1
5	Emergency response and recovery ^a	56.4	1
6	Higher education: auxiliary enterprises	39.0	1
7	State health services ^b	38.7	1
8	Higher ed: student financial assistance	29.8	1
9	Housing assistance services	15.5	0
10	Higher ed: institutional support	15.1	0
Top 10 programs/services, subtotal		\$5,304.0	98%
Other programs/services, subtotal		\$107.2	2%
Total federal COVID-19 relief appropriations		\$5,411.2	100%

Federal COVID-19 relief appropriations, FY21			
Rank	Program or service name	Total (\$M)	% of total
1	Unemployment insurance services	\$8,392.0	67%
2	Financial assistance to localities: pandemic response	1,047.9	8
3	Federal assistance to local education programs	606.9	5
4	Housing assistance services	579.9	5
5	Higher ed: Financial assistance for E&G services	367.2	3
6	Emergency response and recovery ^a	260.4	2
7	Payments for special/unanticipated expenditures ^c	206.2	2
8	Financial assistance for self-sufficiency programs/services	157.4	1
9	Rebuild Virginia	145.0	1
10	Communicable disease prevention and control	144.7	1
Top 10 programs/services, subtotal		\$11,907.5	95%
Other programs/services, subtotal		\$677.4	5%
Total federal COVID-19 relief appropriations		\$12,584.9	100%

SOURCE: DPB website.

NOTE: FY20 and FY21 amounts exclude funds that were legislatively appropriated through a general appropriation act (Chapter 1289 or 552) and included in operating budget totals.

^a Emergency response efforts by VDEM. ^b Includes COVID-19 response activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS. ^c Includes additional expenditures primarily for hazard pay and PPE for personal care attendants and reimbursing hospitals and nursing homes for COVID-19 related costs.

The General Assembly included \$9.2 billion in appropriations of federal COVID-19 relief funds from the American Rescue Plan Act of 2021 (ARPA) in the FY22 operating budget (\$83.2 billion in total) in Item 479.20 (central appropriations). Like prior COVID-19 relief funding distributions, local school divisions and the unemployment assistance program were among the top recipients of ARPA funds (Table D-3).

TABLE D-3
10 service categories with largest federal ARPA appropriations, FY22

Rank	Service category	Total (\$M)	% of total
1	Direct aid to public education	\$1,974.27	21%
2	Unemployment assistance services	1,456.12	16
3	Child care grants	794.10	9
4	Broadband initiatives	709.24	8
5	Higher education emergency relief	667.28	7
6	Emergency rental assistance	465.51	5
7	Grants to localities	316.88	3
8	Sewer and wastewater treatment facilities	305.75	3
9	Education – local school division ventilation systems	257.00	3
10	Rebuild VA	250.00	3
Top 10 service categories, subtotal		\$6,661.6	72%
Other service categories, subtotal		\$2,537.1	28%
Total federal ARPA appropriations		\$9,198.7	100%

SOURCE: DPB website.

NOTE: Of the ARPA funds appropriated, \$3.2 billion were from the State and Local Recovery Fund, \$222 million were from the Capital Project Fund, and \$5.7 billion were Elementary & Secondary School Emergency Relief and other grants. The FY22 total operating budget also included another \$282.5 million in federal COVID-19 relief funds appropriated directly to DOE and VDH that are not included in this table.

The General Assembly included \$1.1 billion in appropriations of federal COVID-19 relief ARPA funds in the FY23 operating budget (\$81.1 billion in total) in Item 486 (central appropriations). Like prior COVID-19 relief funding distributions, sewer and wastewater treatment facilities, local school divisions, and the unemployment assistance program were among the top recipients of ARPA funds (Table D-4).

TABLE D-4
10 service categories with largest federal ARPA appropriations, FY23

Rank	Service category	Total (\$M)	% of total
1	Sewer and wastewater treatment facilities	\$298.2	28%
2	Direct aid to public education	147.6	14
3	Grants to VDH ^a	144.7	14
4	Public health initiatives ^b	109.0	10
5	DBHDS mental health services ^c	103.6	10
6	Law enforcement grants	75.0	7
7	Medicaid and DSS redeterminations	38.1	4
8	Expand DHCD Main Street and derelict structures program	31.6	3
9	Small community drinking water systems	25.2	2
10	Unemployment assistance	17.6	2
Top 10 service categories, subtotal		\$990.5	94%
Other service categories, subtotal		\$67.8	6%
Total federal ARPA appropriations		\$1,058.3	100%

SOURCE: DPB.

NOTE: The total is \$4.65 million higher than the appropriation for disaster planning and operations (Item 486) because the DPB director authorized the transfer of \$4.65 million from FY24 to FY23 pursuant to the authority granted in Section 4-1.03 c.5. of the Appropriation Act. The FY23 total operating budget (\$82 billion) also included another \$380 million in federal COVID-19 relief funds appropriated directly to agencies such as VDH and DOE that are not included in this table.

^a Includes various funding from grants other than the State and Local Recovery fund to VDH primarily for crisis response, epidemiology and lab testing, and vaccine preparedness. ^b Primarily includes funds for DMAS to pay hospitals for COVID-19 related expenses and for health and human services agencies to modernize information systems and digitize health records. ^c Primarily includes funds for mental health treatment centers and community-based services.

The General Assembly appropriated the remaining federal COVID-19 relief ARPA funds in FY24 (\$143 million in appropriations) in Item 486 (central appropriations). The vast majority of the funding was for grants to VDH (\$51 million), public health initiatives (\$50 million), small community drinking water systems (\$25 million), and direct aid to public education (\$10 million).

Appendix E: Virginia's appropriations for internal services FY15–FY24

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. Starting in FY15, agencies with internal service funds began receiving non-general fund appropriation amounts for the cost of goods and services provided to other agencies. Prior to FY15, they received a sum sufficient appropriation to account for the goods and services provided.

TABLE E-1

Virginia's appropriations for internal services grew at slower rate than the non-general fund budget, FY15–FY23 (\$M)

Agency	Services provided to other agencies	Total appropriations		Avg annual growth		% of total growth
		FY15	FY24	\$	%	
DHRM	Administration of health insurance	\$1,236.5	\$1,688.7	\$50.2	3.7%	1.9%
VITA	IT services	347.1	475.5	14.3	4.0	0.5
DOA	Payroll and other financial services	24.1	56.8	3.6	10.8	0.1
DGS	Real estate, procurement, transportation	164.0	187.8	2.6	1.5	0.1
Sec. of administration	Commonwealth data sharing platform	--	5.3	0.9	30.6	--
Total non-general fund budget, internal services		\$1,771.9	\$2,414.0	\$71.3	3.6%	2.7%
Total non-general fund budget		\$28,739.5	\$52,663.2	\$2,658.2	10.7%	100.0%

SOURCE: DPB data on appropriations, 2015 to 2024.

NOTE: FY15 total non-general fund appropriations, internal services include \$290,000 fund for SCHEV, which received appropriations between FY12 and FY16. In FY21, total non-general fund appropriations, internal services began including \$2.6 million for the secretary of administration. Appropriations not adjusted for inflation. Numbers may not sum 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, FY15–FY24 (\$M)

Rank	Agency	Total appropriation		Average annual growth		% total growth
		FY15	FY24	\$	%	
1	DMAS	\$8,633.8	\$22,673.9	\$1,560.0	11%	39%
2	DOE (Direct aid)	7,022.4	10,998.6	441.8	5	11
3	VDOT	4,673.4	8,450.3	419.7	7	10
4	Higher education	9,879.8	13,489.1	401.0	4	10
5	DBHDS	1,006.7	1,664.0	73.0	6	2
6	DCR	125.6	703.4	64.2	31	2
7	ABC	598.0	1,066.7	52.1	7	1
8	VDH	641.2	1,066.7	47.3	6	1
9	DSS	1,961.6	2,363.6	44.7	2	1
10	DHCD	102.5	474.2	41.3	31	1
Top 10 agencies, subtotal		\$34,645.0	\$62,950.5	\$3,145.1	7%	78%
Other agencies, subtotal		\$12,334.6	\$20,351.5	\$890.8	8%	22%
Total operating budget		\$46,979.6	\$83,302.0	\$4,035.8	7%	100%

TABLE F-2 (Table 4 with higher education agencies grouped)
10 agencies with the highest growth amount in general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	General fund appropriation		Average annual growth		% total growth
		FY15	FY24	\$	%	
1	DOE (Direct aid)	\$5,405.4	\$8,928.1	\$391.4	6%	28%
2	DMAS	3,846.8	5,876.1	225.5	5	16
3	Higher education	1,667.9	2,931.4	140.4	7	10
4	DBHDS	656.4	1,399.0	82.5	9	6
5	DCR	69.1	556.6	54.2	43	4
6	DOC	1,073.2	1,438.1	40.5	3	3
7	Treasury Board	672.1	973.1	33.4	4	2
8	VDOT	12.2	260.0	27.5	80	2
9	DEQ	45.5	264.9	24.4	42	2
10	DHCD	45.1	239.2	21.6	23	2
Top 10 agencies, subtotal		\$13,493.8	\$22,866.5	\$1,041.4	6%	76%
Other agencies, subtotal		\$4,746.2	\$7,772.3	\$336.2	6%	24%
Total general fund budget		\$18,240.0	\$30,638.8	\$1,377.6	6%	100%

TABLE F-3 (Table 8 with higher education agencies grouped)
 10 agencies with the highest growth amount in non-general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	Non-general fund appropriation		Average annual growth		% total growth
		FY15	FY24	\$	%	
1	DMAS	\$4,787.0	\$16,797.8	\$1,334.5	15%	50%
2	VDOT	4,661.2	8,190.3	392.1	7	15
3	Higher education	8,211.9	10,557.7	260.6	3	10
4	ABC	598.0	1,066.7	52.1	7	2
5	DOE (direct aid)	1,617.0	2,070.5	50.4	3	2
6	DRPT	511.2	864.4	39.2	7	1
7	VDH	480.5	820.5	37.8	7	1
8	DOE (central office)	42.7	344.3	33.5	53	1
9	DSS	1,569.2	1,842.5	30.4	2	1
10	DHCD	57.4	235.0	19.7	44	1
Top 10 agencies, subtotal		\$22,536.0	\$42,789.7	\$2,250.4	7%	85%
Other agencies, subtotal		\$6,203.5	\$9,873.5	\$407.8	11%	15%
Total non-general fund budget		\$28,739.5	\$52,663.2	\$2,658.2	7%	100%

TABLE F-4 (Table 9 with higher education agencies grouped)
 10 agencies with the fastest growth rate in general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	General fund appropriation		General fund growth		
		FY15	FY24	\$	%	% of total
1	VDOT	\$12.2	\$260.0	\$247.8	2036%	2%
2	DCR	69.1	556.6	487.4	705	4
3	Econ. dev. incent. payments	61.8	403.5	341.6	553	3
4	DEQ	45.5	264.9	219.4	482	2
5	DHCD	45.1	239.2	194.1	431	2
6	VIPA	8.5	42.4	33.9	398	0
7	DHR	5.1	19.9	14.8	293	0
8	DVS	11.1	36.8	25.7	232	0
9	ELECT	8.7	26.3	17.7	204	0
10	VEDP	20.4	50.1	29.7	146	0
Top 10 agencies, subtotal		\$287.5	\$1,899.6	\$1,612.1	561%	13%
16	Higher education	1,667.9	2,931.4	140.4	8%	1%
Other agencies, subtotal		\$17,952.6	\$28,739.3	\$10,786.7	60%	87%
Total general fund budget		\$18,240.0	\$30,638.8	\$12,398.8	68%	100%

TABLE F-5 (Table 10 with higher education agencies grouped)
10 agencies with the fastest growth rate in non-general fund appropriations, FY15–FY24 (\$M)

Rank	Agency	Non-general fund appropriation		Non-general fund growth		
		FY15	FY24	\$	%	% of total
1	DHRM	\$8.0	\$107.8	\$99.8	1,254%	0%
2	DOE (central office)	42.7	344.3	301.6	707	1
3	Treasury	11.1	55.1	44.0	396	0
4	DHCD	57.4	235.0	177.6	309	1
5	DMAS	4,787.0	16,797.8	12,010.9	251	50
6	DCR	56.4	146.8	90.4	160	0
7	DOA	24.9	57.8	32.9	132	0
8	DVS	47.1	101.3	54.2	115	0
9	DCJS	53.6	108.6	55.0	103	0
10	DBVI	45.6	82.9	37.2	82	0
Top 10 agencies, subtotal		\$5,133.8	\$18,037.4	\$12,903.6	251%	54%
29	Higher education	\$8,211.9	\$10,557.7	\$260.6	3%	1%
Other agencies, subtotal		\$23,605.8	\$34,625.8	\$11,020.0	47%	46%
Total non-general fund budget		\$28,739.5	\$52,663.2	\$23,923.7	83%	100%

TABLE F-6 (Table 5 with higher education agencies grouped)
10 largest program increases in total appropriations, FY15–FY24 (\$M)

Rank	Program	Total appropriation		Avg. annual growth		% total growth
		FY15	FY24	\$	%	
1	Medicaid program services	\$8,148.6	\$21,745.4	\$1,510.8	12%	37%
2	State education assistance programs ^a	6,136.7	9,814.9	408.7	6	10
3	Highway construction programs	1,521.6	4,744.0	358.0	14	9
4	Higher education	8,382.2	11,137.4	306.1	3	8
5	State health services ^b	2,004.8	3,074.9	118.9	5	3
6	Personnel management services ^c	1,635.3	2,469.3	92.7	5	2
7	Financial assistance to localities (transportation)	879.2	1,455.0	64.0	6	2
8	Land and resource management	55.6	600.0	60.5	57	1
9	Highway system maintenance and operation	1,580.6	2,087.1	56.3	3	1
10	Alcoholic beverage merchandising	579.6	1,039.8	51.1	7	1
Top 10 programs, subtotal		\$30,924.2	\$58,167.8	\$3,027.1	7%	75%
Other programs, subtotal		\$16,055.4	\$25,134.2	\$1,008.8	7%	25%
Total operating budget		\$46,979.6	\$83,302.0	\$4,035.8	7%	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, FY15–FY24 (\$M)

Rank	Program	<u>General fund appropriation</u>		<u>Avg. annual growth</u>		<u>% total growth</u>
		FY15	FY24	\$	%	
1	State education assistance programs ^a	\$5,391.2	\$8,867.7	\$386.3	6%	28%
2	Medicaid program services	3,694.4	5,596.3	211.3	5	15
3	Higher education	1,730.9	3,184.4	161.5	7	12
4	Land and resource management	36.8	494.3	50.8	84	4
5	Economic development services	133.2	553.1	46.7	20	3
6	Financial assistance for health services ^d	287.3	604.6	35.3	9	3
7	Bond and loan retirement and redemption	672.1	973.1	33.4	4	2
8	Environmental financial assistance ^e	9.8	209.9	22.2	319	2
9	DBHDS central office managed community and individual health services ^f	--	158.1	17.6	59	1
10	Fin. assist. for sheriff's offices and regional jails	431.2	583.3	16.9	3	1
Top 10 programs, subtotal		\$12,386.9	\$21,224.8	\$982.0	6%	71%
Other programs, subtotal		\$5,853.2	\$9,414.0	\$395.7	6%	29%
Total general fund budget		\$18,240.0	\$30,638.8	\$1,377.6	6%	100%

Tables F-1 through F-7.

SOURCE: DPB data on appropriations, 2015–2024.

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

^a Excludes federal funds for K–12 education, which has a separate program code. Accounts for state funding for K–12 education only and includes appropriations to “State Education Programs,” a temporary program code used in the 2022–2024 budget ^b Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS. ^c Includes the state internal services fund for employee health benefits. ^d Includes funding for services provided by community services boards. ^e Includes funding for several DEQ administered programs or funds, such as the Enhanced Nutrient Removal Certainty Program to help localities upgrade water treatment facilities. ^f Includes funding for services to transition and serve individuals residing in state mental health institutions or training facilities in the community.

TABLE F-8
Growth of higher education agencies, FY15–FY24 (\$M)

Rank	Agency	Total appropriation		Average annual growth		% total growth	Overall rank
		FY15	FY24	\$	%		
1	UVA	\$2,586.5	\$4,249.5	\$184.8	6%	5%	4
2	Va Tech	1,239.9	1,646.9	45.2	3	1	9
3	GMU	907.2	1,305.1	44.2	4	1	11
4	VCU	1,079.4	1,400.0	35.6	3	1	17
5	JMU	512.9	706.6	21.5	4	1	22
6	ODU	391.5	565.7	19.4	4	0	26
7	CWM	357.9	480.3	13.6	3	0	29
8	SCHEV	90.7	206.5	12.9	10	0	30
9	RU	192.8	265.3	8.1	4	0	37
10	NSU	154.8	226.5	8.0	4	0	39
11	UMW	109.8	166.6	6.3	5	0	40
12	VSU	166.8	216.3	5.5	3	0	42
13	CNU	141.5	189.3	5.3	3	0	43
14	LU	119.2	166.0	5.2	4	0	44
15	VMI	75.9	104.8	3.2	4	0	56
16	EVMS	24.4	49.8	2.8	9	0	59
17	UVA-Wise	43.6	64.4	2.3	5	0	63
18	Richard Bland	14.1	26.0	1.3	7	0	76
19	So Va Higher Ed Ctr	4.4	9.5	0.6	11	0	94
20	New College Institute	3.1	4.5	0.2	5	0	111
21	SW Va Higher Ed Ctr	9.3	5.3	(0.4)	15	0	158
22	VCCS	1,654.1	1,434.2	(24.4)	-1	-1	166
Total higher ed agencies		\$9,879.8	\$13,489.1	\$401.0	4%	10%	
Total operating budget		\$46,979.6	\$83,302.0	4,035.8	7%	100%	

SOURCE: DPB data on appropriations, 2015–2024.

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, FY15–FY24

Rank (growth) ^c	Agency	<u>Undergraduate enrollment</u> ^a			<u>Tuition</u> ^b		
		FY15	FY24	Avg annual change	FY15	FY24	Avg annual change
76	Richard Bland	1,528	2,595	7.0%	\$5,058	\$8,847	6.8%
4	UVA	16,460	17,589	0.7	12,998	18,808	4.2
29	CWM	6,299	6,963	1.1	17,656	25,041	4.0
40	UMW	4,167	3,611	-1.5	10,252	14,559	4.0
22	JMU	19,144	21,006	1.0	9,662	13,576	3.9
43	CNU	5,096	4,407	-1.6	11,646	16,351	3.9
39	NSU	5,356	5,510	0.6	7,452	9,910	3.3
11	GMU	22,342	28,277	2.7	10,382	13,815	3.2
63	UVA-W	2,182	1,906	-1.3	8,868	11,779	3.2
26	ODU	20,115	17,736	-1.4	9,250	12,262	3.2
56	VMI	1,700	1,560	-0.9	15,518	20,484	3.2
44	LU	4,572	3,222	-3.7	11,580	15,200	3.1
37	RU	8,885	5,704	-4.7	9,360	12,286	3.1
17	VCU	23,751	21,480	-1.1	12,398	16,233	3.1
9	VT	24,247	30,504	2.6	12,017	15,476	2.9
42	VSU	4,498	4,829	1.1	8,002	9,755	2.2
Total (without VCCS)		170,342	176,899	0.4%	n.a.	n.a.	n.a.
Average (without VCCS)		10,646	11,056	0.4%	\$10,756	\$14,649	3.5%
162	VCCS	183,443	151,034	-2.1%	\$4,080	\$4,758	2.1%

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 Eastern Virginia Medical School.

^a Includes a headcount of all in-state and out-of-state undergraduate students enrolled in the fall of the 2014–2015 and 2023–2024 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.)

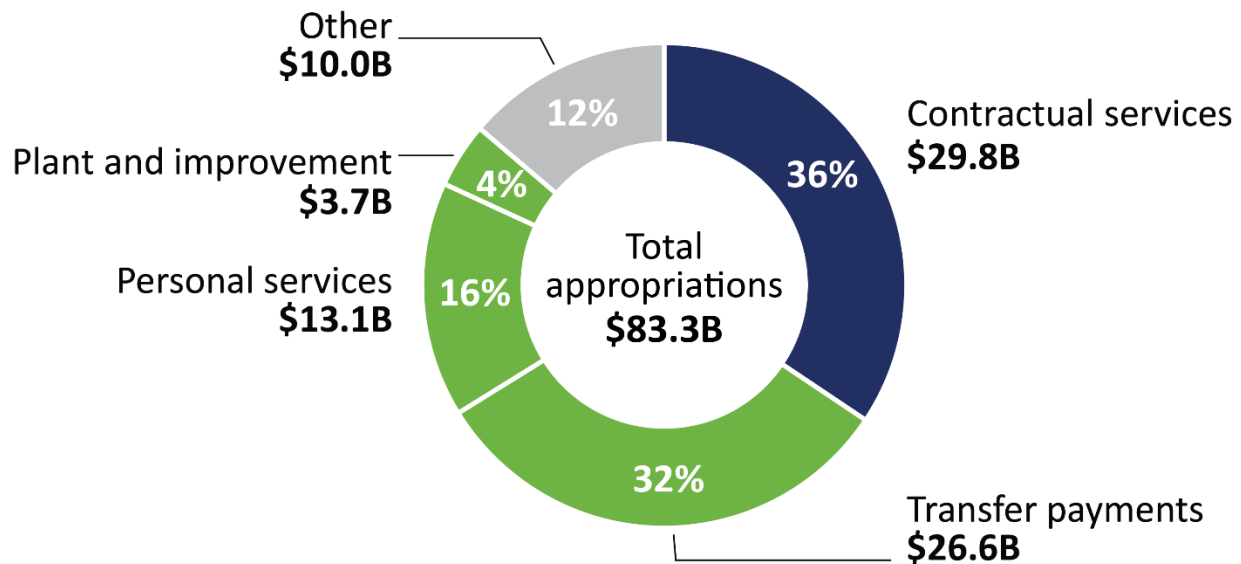
n.a., not applicable.

Appendix G: Virginia's appropriations by category of use

The majority of Virginia's appropriations are for contractual services (36%), 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 16% of total appropriations are for personal services such as employee salaries, wages, and benefits.

FIGURE G-1

Majority of Virginia's appropriations are for contractual services and transfer payments (FY24)



SOURCE: DPB data on 2024 appropriations by major object code from Chapter 1, 2024 Acts of Assembly, Special Session I.

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 do not include 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-three percent of total budget growth between FY15 and FY24 was for contractual payments for health-care services provided through Medicaid and CHIP. Salaries and employee health benefits contributed to 7% of budget growth during the period.

TABLE G-1

10 subobject areas with the highest growth amount in total appropriations, FY15–FY24 (\$M)

Rank	Subobject	Total appropriation		Avg. annual growth		% total growth
		FY15	FY24	\$	%	
1	Contractual services: Medicaid and CHIP	\$8,530.2	\$20,454.0	\$1,324.9	10%	33%
2	Employee salaries ^a	6,143.8	7,989.6	205.1	3	5
3	Medical services	64.3	1,880.7	201.8	165	5
4	Plant and equipment: transportation	1,682.7	3,434.2	194.6	10	5
5	Contractual services: transportation	676.6	1,938.9	140.3	17	3
6	Employee health benefits	2,228.7	3,138.8	101.1	4	3
7	Payments to substate entities ^b	1,464.5	2,370.7	100.7	6	2
8	Supplies and materials ^c	1,741.7	2,624.7	98.1	5	2
9	Contractual services: higher education	701.2	1,458.8	84.2	9	2
10	Categorical aid to local govts. and constit. officers	2,197.2	2,772.3	63.9	33	2
Top 10 subobject areas, subtotal		\$25,430.8	\$48,062.8	\$2,514.7	8%	62%
Other subobject areas, subtotal		\$21,548.8	\$35,239.2	\$1,521.2	8%	38%
Total operating budget		\$46,979.6	\$83,302.0	\$4,035.8	7%	100%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Appropriations not adjusted for inflation. Numbers may not add 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 Virginia receives and appropriates is accounted for in the federal trust fund category. However, nearly all of the federal funds for VDOT, DRPT, VEC, and Virginia's higher education institutions, and some of the federal grant funds for DCJS and ELECT, 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. Federal funds for COVID-19 relief are included in FY20 through FY24 as noted in Appendix D.

TABLE H-1
Federal funding in Virginia's budget, by agency, FY15–FY24 (\$M)

Agency	Fund category	Appropriation		Average annual growth	
		FY15	FY24	\$M	%
DRPT	Commonwealth Transportation	\$37.8	\$82.2	\$4.9	11%
VDOT	Commonwealth Transportation	1,581.1	2,420.4	93.3	5
Higher education institutions	Higher Education Operating	1,402.2	1,061.6	(37.8)	-2
VEC	Trust and Agency	134.9	153.6	2.1	2
DCJS, ELECT, VDOT	Trust and Agency	15.4	7.4	(0.9)	15
All others	Federal Trust	7,080.8	18,626.6	1,282.9	14
Total federal funds		\$10,252.2	\$22,351.8	\$1,344.4	11%
Total non-general funds		\$28,739.5	\$52,663.2	\$2,658.2	7%

SOURCE: DPB data on appropriations, 2015–2024.

NOTE: Appropriations not adjusted for inflation. Numbers may not sum because of rounding. Federal Trust includes some federal funds for VDOT.

Appendix I: The basis of Virginia's budget

Virginia's budget operates within a legal framework that includes the Constitution of Virginia, the Code of Virginia, and the Appropriation Act. It is proposed by the governor in the form of a budget bill and is amended and approved by the General Assembly. The final budget bill is approved and signed into law by the governor. Everything in the state budget stems from this process by the state's elected officials.

Budget cycle

Virginia's budget operates on a two-year cycle known as a biennium. Each biennial budget is passed and amended by the General Assembly three times. The General Assembly approves the initial budget act for the upcoming biennium in even numbered years along with amendments and adjustments to the prior biennial budget (known as the caboose bill). During odd-numbered years, the General Assembly approves amendments for the first and second fiscal years of the biennium. JLARC's state spending report covers the last six biennial budgets, with each budget cycle spanning three General Assembly sessions (Table I-1).

Budget terminology

Appropriations

An appropriation can be considered a limit on spending, or a spending ceiling, that is authorized by the General Assembly and approved by the governor. Expenditures may be made only if the agency or program has an appropriation (legal authority) to do so. In addition, appropriations are payable in full only if sufficient revenues are available to pay all appropriations in full. A non-general funded program or agency must have both an appropriation and sufficient cash within the state treasury to expend the funds.

This report primarily focuses on appropriations. Unless otherwise noted, appropriations used in this report are the final appropriations approved (voted on and adopted) by the General Assembly and the governor. This includes all legislative changes made to appropriations during a biennium, such as second year changes to first year amounts and the caboose bill. Administrative adjustments made to appropriations subsequent to the adoption of the Appropriation Act are not included. The Appropriation Act authorizes the governor, under certain conditions, to make limited adjustments to appropriations.

Expenditures

Expenditures are actual amounts spent or transferred by state agencies and certified by the Department of Accounts. In addition to agency spending, expenditures include financial assistance to localities for personal property tax relief and deposits made to the Revenue Stabilization Fund. Expenditures also include payments made on capital projects in a given year, regardless of when appropriations were made to the projects. Expenditures may vary from appropriations because of

To learn more about Virginia's budget, visit the official state budget websites:

Legislative information: Virginia State Budget
budget.lis.virginia.gov

Virginia Department of Planning and Budget
dpb.virginia.gov/budget/budget.cfm

administrative adjustments to the legislative appropriation amount, as authorized in the Appropriation Act, and because of changes in the amount of revenue collected from what was assumed in the Appropriation Act.

TABLE I-1
Virginia's biennial budget cycle over the past five biennia

FYs covered by budget	Session year	Budget bill
2022–2024 biennium budget		
FY23–FY24	2024	Final caboose bill amendments to FY24
	2023	Mid-cycle biennial budget amendments to FY23 and FY24
	2022	Initial biennial budget
2020–2022 biennium budget		
FY21–FY22	2022	Final caboose bill amendments to FY22
	2021	Mid-cycle biennial budget amendments to FY21 and FY22
	2020	Initial biennial budget
2018–2020 biennium budget		
FY19–FY20	2020	Final caboose bill amendments to FY20
	2019	Mid-cycle biennial budget amendments to FY19 and FY20
	2018	Initial biennial budget
2016–2018 biennium budget		
FY17–FY18	2018	Final caboose bill amendments to FY18
	2017	Mid-cycle biennial budget amendments to FY17 and FY18
	2016	Initial biennial budget

2014–2016 biennium budget

FY15–FY16	2016	Final caboose bill amendments to FY16
	2015	Mid-cycle biennial budget amendments to FY15 and FY16
	2014	Initial biennial budget

Functions and programs

Virginia’s budget is based on a program structure, a mechanism intended to uniformly identify and organize the state’s activities and services. Under this structure, services that the state provides are classified in three levels: functions, programs, and agencies.

Functions represent the broadest categories of state government activities. Virginia government activities are grouped by the following seven broad operating functions:

- education,
- administration of justice,
- individual and family services,
- resource and economic development,
- transportation,
- general government, and
- enterprises.

Budget programs include funding directed to specific objectives such as developing or preserving a public resource, preventing or eliminating a public problem, or improving or maintaining a service for the public. Programs are grouped by function and may appear in several agencies. First adopted by Virginia in the mid-1970s, program budgeting is an attempt to avoid the excessive detail of line-item budgets by combining logical groupings of government activities into broader “programs.”

Programs are more specific than the broad government functions and may appear in several agencies. For example, the budget program “state health services” within the broad individual and family services function includes the provision of direct health-care services to individuals and families through state-operated facilities, including services relating to child development, drug and alcohol abuse, geriatric care, inpatient medical, maternal and child health, mental health, intellectual disabilities, outpatient medical, technical support and administration, and other services. This program is included in several agencies, including the University of Virginia Medical Center, Virginia Commonwealth University, the Department of Behavioral Health and Developmental Services, and the Department of Veterans Services. The “administrative and support services” program combines a wide variety of discrete services, including architectural and engineering services, food and dietary services, physical plant services, human resources, information technology services, and others. Administrative and

support services can be found across many different agencies. As of 2023, Virginia had 221 budget programs.

State “agency” defined

An agency represents the major unit of operational and budgetary control and administration of state services. Agencies are generally thought of as including a set of programs under the purview of an agency head who is typically appointed by the governor, along with staff, who implement the agency’s programs.

There are, however, differing notions about what constitutes a state agency and how many there are in Virginia. The state accounting and budgeting system essentially regards anything assigned an agency code to be equivalent to a state agency, although such codes are often merely a matter of administrative convenience. For example, appropriations for agency codes 720 (central office), 790 (grants to localities), 792 (mental health treatment centers), 793 (intellectual disability training centers), and 794 (Virginia Center for Behavioral Rehabilitation) must be combined to arrive at a budget total for the Department of Behavioral Health and Developmental Services.

Agency codes are sometimes used to enter a new program or activity into the state financial system and ensure budget control. For example, “central appropriations” is assigned an agency code of 995 even though it is not an actual agency. For purposes of this report, the number of agency codes in the 2024 Appropriation Act (179 agency codes) was adjusted for duplication and to exclude various financial accounts (Table I-2). The resulting count was 158 agencies.

TABLE I-2
Number of state agencies, FY24

Unique agency codes in 2023 Appropriation Act	179
Codes assigned to DBHDS facilities & programs	5
Codes assigned to UVA Academic Division (207) & Medical Center (209)	2
Codes assigned to William & Mary (204) and VIMS (268)	2
Codes assigned to Department for Aging and Rehabilitative Services (262) and Woodrow Wilson Rehab Center (203)	2
Codes assigned to Department for the Blind and Vision Impaired (702) and Rehab Center for the Blind and Vision Impaired (263)	2
Codes assigned to councils, commissions and boards under the Division of Legislative Services	12

Codes assigned to various financial activities ^a	3
DOA transfer payments (162) ^b	
Central appropriations (995)	
Interstate Organization Contributions (921)	

Total number of state agencies	158
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SOURCE: 2024 Appropriation Act, Special Session I (Chapter 1); Department of Planning and Budget.

NOTE: Total number of state agencies is calculated by subtracting the number of codes assigned from the number of unique agency codes, ensuring that the principal agency is correctly counted. (For example, from 179, subtract 5 for DBHDS facilities and programs and add back 1 for the overall agency.) Many prior agency codes that were assigned to councils, commissions, and boards under the Division of Legislative Services are no longer in existence or were assigned directly to the division and are no longer separate.

^a The three agency codes assigned to various financial activities were not included in the total number of state agencies for FY24.

^b The Department of Accounts has a separate line item for transfer payments, such as the Revenue Stabilization Fund (program 735).

General and non-general funds

State revenues and appropriations are grouped into two categories, depending on their origin: general and non-general funds. The state's general fund consists primarily of revenue from income and sales taxes that is not restricted in any way and is used for the widely varied purposes of government. Non-general funds derive from many diverse sources and are restricted to certain specified uses.

General and non-general funds comprised 37 and 63 percent, respectively, of the FY24 Virginia budget. The expenditure of non-general funds is controlled by their authorizing statute—thus, more than half the state budget is determined by statute rather than through the appropriation process. This ensures that child support payments, for example, are spent for child support and not some other purpose. It also means that growth in more than half the budget is determined by factors other than the annual appropriation process.

Appendix J: Major uses of non-general funds, FY24

The eight categories of non-general funds are listed below, along with the five largest budget programs (by dollar amount) that receive appropriations from each fund.

Agency	Programmatic purpose	\$(M)
Dedicated Special Revenue Funds		
DMAS	Medicaid program services	\$1,658.8
VDOT	Financial assistance to localities for ground transportation	884.5
DOA – transfer payments	Financial assistance to localities - general	505.0
VDOT	Highway construction programs	178.1
DRPT	Financial assistance for public transportation	159.4
Total, top 5		\$3,385.8
Top 5 as percentage of this non-general fund category		80%
Debt Service Funds		
GMU	Higher education: auxiliary enterprises	\$54.1
JMU	Higher education: auxiliary enterprises	42.3
VCU	Higher education: auxiliary enterprises	33.9
ODU	Higher education: auxiliary enterprises	26.5
UVA	Financial assistance for educational and general (E&G) services	22.8
Total, top 5		\$179.6
Top 5 as percentage of this non-general fund category		49%
Trust & Agency Funds		
DOE (direct aid)	State education assistance programs	\$834.7
VEC	Workforce systems services	701.7
VDOT	Highway construction programs	497.1
VDOT	Non-toll supported transportation debt service	264.5
DHRM	Personnel management services	91.9
Total, top 5		\$2,389.9
Top 5 as percentage of this non-general fund category		83%
Enterprise Funds		
ABC	Alcoholic beverage merchandising	\$1,039.8
Admin. of Health Insurance	Personnel management services	587.5
Virginia Lottery	Disbursement of lottery prize payments	350.0
Commonwealth Savers	Investment, trust, and insurance services	250.0
Virginia Lottery	State lottery operations	168.7
Total, top 5		\$2,396.0
Top 5 as percentage of this non-general fund category		92%

Agency	Programmatic purpose	\$(M)
Higher Education Operating Funds		
UVA	State health services	\$2,411.4
VA Tech	E&G programs	679.2
UVA	E&G programs	664.2
UVA	Financial assistance for E&G services	544.2
VCCS	E&G programs	543.1
Total, top 5		\$4,842.1
Top 5 as percentage of this non-general fund category		47%
Federal Trust Funds		
DMAS	Medicaid program services	\$12,556.7
DOE (direct aid)	Federal education assistance programs	1,123.3
Central appropriations	Disaster planning and operations	1,053.6
VDH	Communicable disease prevention and control	451.5
DSS	Financial assistance for local social services staff	394.9
Total, top 5		\$15,580.1
Top 5 as percentage of this non-general fund category		85%
Commonwealth Transportation Funds		
VDOT	Highway construction programs	\$3,554.9
VDOT	Highway system maintenance and operations	2,087.1
DRPT	Financial assistance for public transportation	591.1
VDOT	Financial assistance to localities for ground transportation	549.0
VDOT	Administrative and support services	310.0
Total, top 5		\$7,092.2
Top 5 as percentage of this non-general fund category		84%
Special revenue		
DSS	Child support enforcement services	\$700.1
VPA	Administrative and support services	135.1
VDH	Community health services	117.4
DHCD	Housing assistance services	95.3
SCC	Regulation of business practices	80.9
Total, top 5		\$1,129.0
Top 5 as percentage of this non-general fund category		58%

SOURCE: 2024 Appropriation Act (Chapter 1) data from Department of Planning & Budget.

NOTE: Operating appropriations only. Numbers may not sum because of rounding.



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919 East Main Street Suite 2101 Richmond, VA 23219