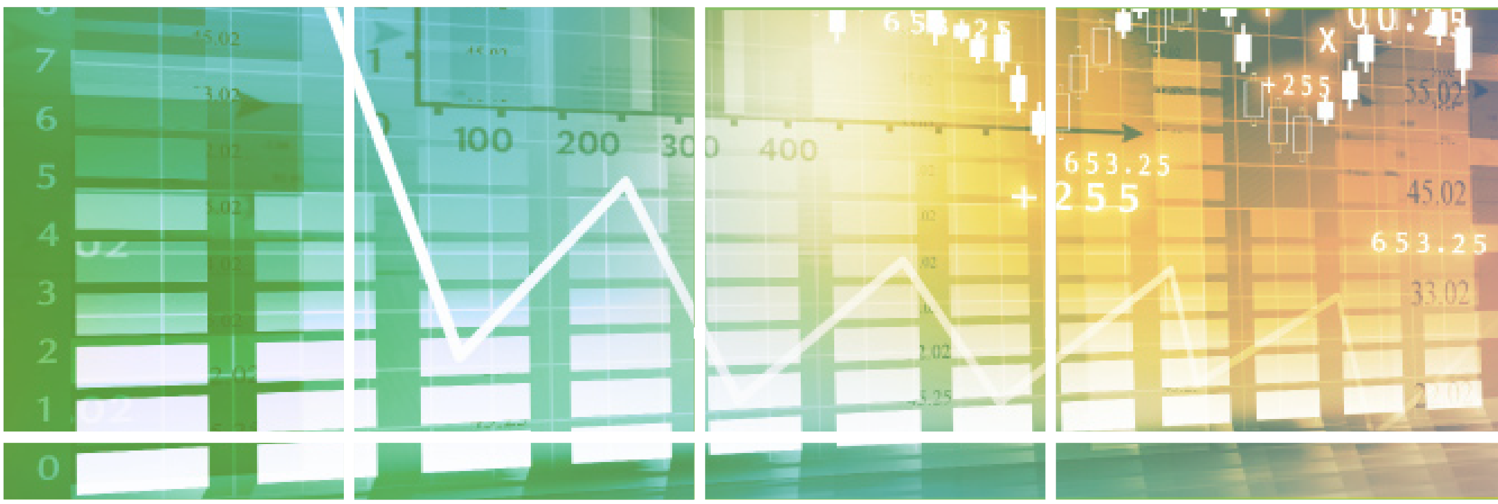
Commonwealth of Virginia
October 10, 2017

Report to the Governor and the General Assembly of Virginia

# State Spending: 2017 Update



JLARC
JOINT LEGISLATIVE AUDIT
AND REVIEW COMMISSION

### JLARC staff for this report
Kimberly Sarte, Associate Director for Ongoing Oversight and Fiscal Analysis
Paula Lambert
Brittany Utz

Information graphics: Nathan Skreslet



**JLARC Report 498**



http://jlarc.virginia.gov

# Contents

**Tables and figures**

# Abbreviations

| | |
|---|---|
| ABC | Department of Alcoholic Beverage Control |
| CNU | Christopher Newport University |
| CWM | College of William & Mary |
| DARS | Department of Aging and Rehabilitative Services |
| DBA | Department of Business Assistance |
| DBHDS | Department of Behavioral Health & Developmental Services |
| DBVI | Department for the Blind & Vision Impaired |
| DCE | Department of Correctional Education |
| DCJS | Department of Criminal Justice Services |
| DCR | Department of Conservation and Recreation |
| DEM | Department of Emergency Management |
| DEQ | Department of Environmental Quality |
| DGS | Department of General Services |
| DHRM | Department of Human Resource Management |
| DJJ | Department of Juvenile Justice |
| DMA | Department of Military Affairs |
| DMAS | Department of Medical Assistance Services |
| DOA | Department of Accounts |
| DOC | Department of Corrections |
| DOE | Department of Education |
| DPB | Department of Planning & Budget |
| DRPT | Department of Rail and Public Transportation |
| DSS | Department of Social Services |
| DVS | Department of Veterans Services |
| EVMS | Eastern Virginia Medical School |
| FAMIS | Family Access to Medical Insurance Security |
| GMU | George Mason University |
| HERI | Higher Education Research Initiative |
| IEIA | Innovation and Entrepreneurship Investment Authority |
| JMU | James Madison University |

JDRDC ........ Juvenile and Domestic Relations District Courts
LU ........ Longwood University
NSU ........ Norfolk State University
ODU ........ Old Dominion University
RU ........ Radford University
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
VA529 ........ Virginia 529 College Savings Plan
VA Tech ........ Virginia Tech
VEC ........ Virginia Employment Commission
VEDP ........ Virginia Economic Development Partnership
VCCS ........ Virginia Community College System
VCU ........ Virginia Commonwealth University
VDH ........ Virginia Department of Health
VDOT ........ Virginia Department of Transportation
VMFA ........ Virginia Museum of Fine Arts
VMI ........ Virginia Military Institute
VPA ........ Virginia Port Authority
VRS ........ Virginia Retirement System
VSDB ........ Virginia School for the Deaf & Blind
VSDBH ........ Virginia School for the Deaf & Blind at Hampton
VSP ........ Virginia State Police
VSU ........ Virginia State University

# Summary: State Spending: 2017 Update

## WHAT WE FOUND

- Over the past decade, Virginia's operating budget increased by more than $16 billion (45%)—a 19% increase in general funds and a 68% increase in non-general funds. A variety of economic factors and policies contributed to this growth. Virginia's population grew by 7% from 2008 to 2016, inflation increased by 12%, and Virginia's personal income increased by 30%.
- Adjusted for growth in population and inflation, the total budget grew by 21% over the 10-year period; non-general funds increased by 40%; and general funds decreased by 1%.
- When general funds declined during the past decade, the total budget continued to increase due to the growth in non-general funds. While the annual average increase in general funds over this time period was 2%, the average annual increase in non-general funds was 6%.
- Total budget growth was concentrated within three major areas: health care, education, and transportation. Nine budget programs (of 215 total programs) within these areas accounted for 60% of total budget growth.
- The 10 largest state agencies (out of 148) accounted for 66% of the total state budget in FY17 and approximately 64% of all budget growth between FY08 and FY17. The agency that experienced the most growth in total appropriations over the past decade was DMAS.
- Growth in general and non-general fund appropriations was concentrated in a few large state agencies over the past 10 years. DMAS and the Treasury Board had the highest growth amount in general funds. DMAS and VDOT had the highest non-general fund growth amounts over this time period.
- The general fund appropriations for 50 agencies either grew more slowly than inflation or declined.

### 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 prior five biennia, 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 FY 1981 and FY16. This report is the 17th in the series and focuses on trends in the state's operating budget during the past 10 years, from FY08 through FY17.

# State Spending: 2017 Update FY08–FY17

The budget is a complex instrument that channels money from many different sources to a variety of state functions and programs. It is perhaps the single most important statement of policies and priorities for the state. In FY17, Virginia's budget totaled over $52 billion and included 148 agencies and 215 programs.

Virginia's fiscal condition affects the budget and is driven by numerous factors. Virginia's population growth is faster than that of the majority of states (18th fastest from 2006 to 2016), which increases the number of residents paying taxes and requiring public services. Economic factors also influence the budget. For example, from FY08 to FY16, inflation-adjusted total personal income grew at a slightly faster rate than the nation as a whole, and unemployment remained below the national average.

**In some cases, 2017 data was not available,** so JLARC staff used the most recent data that was available.

Virginia's budget growth varied over the past decade, in part reflecting these factors. Total budget growth was slower at the start of the decade due to the Great Recession, falling as low as 0.3% in FY10. Growth rates picked up starting in FY11, in part due to increased revenue collections and an infusion of federal stimulus funds. This higher level of growth has generally continued in recent years through FY17.

## JLARC's annual report on state spending

The Joint Legislative Audit and Review Commission (JLARC) produces a report each year on Virginia state spending over the previous 10-year period. (See Appendix A.) The report identifies the largest and fastest growing agencies and programs in the state budget, and analyzes long-term changes in state spending. This year's report focuses on trends in the state's operating budget from FY08 to FY17.

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

## Non-general fund appropriations drove budget growth

Virginia's budget has grown over time. The total budget grew by 45% between FY08 and FY17. Even in years of recession, and when the state general fund has declined, total state budget appropriations have increased due to growth in non-general fund appropriations. This trend continued over the past decade. Total annual budget growth from FY08 to FY17 averaged 4.2%, despite reduced general fund appropriations at the beginning of this period (Table 1).

General fund appropriations grew by an average of 2% annually between FY08 and FY17. From FY08 through FY10, general fund appropriations declined by $2.2 billion, or 13%, due to revenue reductions experienced during the Great Recession. The general fund returned to positive growth in FY11 (4.5%), and hit its pre-recession level in FY13.

**General fund appropriations declined five times since FY1981:**
FY1992
FY02
FY08–FY10

FY08 to FY10 was the first time since the early 1960s that the general fund declined in two or more consecutive years.

**TABLE 1**
**Virginia's operating appropriations, FY08–FY17 ($M)**

| | General fund | | Non-general fund | | Total | |
|---|---|---|---|---|---|---|
| **Fiscal year** | **Amount** | **% change** | **Amount** | **% change** | **Amount** | **% change** |
| 2008 | $16,960 | --- | $19,044 | --- | $36,004 | --- |
| 2009 | 16,192 | −4.5 % | 20,865 | 9.6 % | 37,057 | 2.9 % |
| 2010 | 14,785 | −8.7 | 22,380 | 7.3 | 37,165 | 0.3 |
| 2011 | 15,457 | 4.5 | 23,525 | 5.1 | 38,983 | 4.9 |
| 2012 | 16,342 | 5.7 | 24,009 | 2.1 | 40,351 | 3.5 |
| 2013 | 17,116 | 4.7 | 25,559 | 6.5 | 42,675 | 5.8 |
| 2014 | 17,705 | 3.4 | 25,619 | 0.2 | 43,324 | 1.5 |
| 2015 | 18,240 | 3.0 | 28,740 [a] | 12.2 | 46,979 | 8.4 |
| 2016 | 18,961 | 4.0 | 30,586 | 6.4 | 49,547 | 5.5 |
| 2017 | 20,114 | 6.1 | 32,073 | 4.9 | 52,187 | 5.3 |
| **2008–2017 change** | **$3,154** | **18.6 %** | **$13,029** | **68.4 %** | **$16,183** | **44.9 %** |
| **Average annual change** | | **2.0 %** | | **6.0 %** | | **4.2 %** |

SOURCE: Appropriation Acts.
NOTE: Operating funds only; excludes capital appropriations.
[a] $1.8 billion of this increase reflects the non-general fund budget including a specific appropriation amount for internal service funds starting in FY15.

**Appropriations**, rather than agency expenditures, are depicted throughout this report.

Growth in general fund appropriations continued through the end of the decade, increasing by an average of 4.4% in the past three years.

Non-general fund appropriations continued to grow over the past decade for various reasons. Average annual growth in non-general funds during the period was 6%. Federal funds increased, as did revenue from tuition payments at colleges and universities and child support enforcement payments. Some of these increases were expressly intended to offset declining general funds. For example, the federal government provided an infusion of funds to states in FY10 to offset declines in state funding for education, health care, and other activities.

**Internal service funds** are a mechanism to recoup costs incurred by one agency when performing services or procuring goods on behalf of other agencies. Before FY15, internal service funds were shown as a *sum sufficient* in the Appropriation Acts.

FY14 was the smallest year of growth in non-general fund appropriations over the past decade, followed by FY15, which was the largest year of growth. The relatively small level of growth in FY14 was primarily a result of slower growth in higher education operating appropriations (largely derived from tuition and fees) and reduced unemployment insurance payments. The large increase (12.2%) in non-general funds in FY15 was mainly due to a change in budget policy related to internal service funds. For the first time, the FY15 budget included a specific appropriation amount for internal service funds. This change in accounting created a one-time increase in non-general funds; otherwise the FY15 increase would have been 5.3%, a rate similar to the average annual change in non-general funds over the time period.

# Growth in population, inflation, and the economy provide context for budget trends

Changes in population and demographics provide insight into the state's budget. Virginia's population increased by 7.4% from 2008 to 2016 (Table 2). Changes to two population groups in particular—older residents and school-age children—affect the provision of state services and state spending because these groups typically require more services than the general population. Between 2008 and 2016, the number of Virginians 65 years of age and older grew more than four times faster than the overall population. During the same period, the number of Virginians under the age of 18 grew more slowly than the overall population.

**TABLE 2**

**Key demographic and economic changes in Virginia, 2008–2017**

| Indicator | 2008 | 2017 (except as noted) | Percentage change |
|---|---|---|---|
| **Population**[a] | | | |
| Total | 7,833,496 | 8,411,808[e] | 7.4% |
| Ages 65 and over | 930,374 | 1,228,744[e] | 32.1 |
| Under 18 years old | 1,838,361 | 1,870,123[e] | 1.7 |
| **Economy** | | | |
| Inflation (Consumer Price Index)[b] | 100.0 | 111.9 | 11.9 |
| Virginia GDP ($B) | $401.5 | $500.8[e] | 24.7 |
| Total employment (non-farm, June) | 3,780,200 | 3,961,900 | 4.8 |
| Total state personal income ($B) | $358.0 | $464.1 | 29.6 |
| Median home sales price (June) | $260,000[a] | $288,000[a] | 10.8 |
| Total taxable property ($B) | $1,138.6 | $1,172.4[f] | 3.0 |
| Average weekly wages | $908 | $1,055[a e] | 16.2 |
| **State finances**[c] | | | |
| State operating budget ($B) | $36.0 | $52.2 | 44.9 |
| State general fund budget ($B) | $17.0 | $20.1 | 18.6 |
| Total number of state employees (salaried)[d] | 103,884 | 106,190 | 2.2 |
| Average state employee salary | $41,976 | $48,576 | 15.7 |
| Taxable sales ($B) | $89.8 | $100.2[f] | 11.6 |

SOURCE: U.S. Census Bureau; U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Department of Agriculture; various state agencies; Virginia Association of Realtors.

NOTE: Dollars not adjusted for inflation.

[a] Estimated.

[b] 2008 CPI rebased to 100.

[c] On a fiscal year basis.

[d] Includes salaried faculty at higher education institutions.

[e] 2016.

[f] 2015.

Adjusting for inflation also helps explain underlying budget variation. Inflation increased by 12% from FY08 through FY17 as measured by the change in the consumer price index. This means that the state budget would have had to increase by that percentage just to maintain the same service levels as in FY08. Adjusted for inflation, Virginia's total budget increased by 29% over the period, the non-general fund budget increased by 50%, and the general fund budget increased by 6% (Figure 1). Adjusted for both inflation and population growth, the total budget increased by 21%; non-general fund appropriations increased by 40%; and general fund appropriations decreased by 1%.

Annual trends in the budget also differed by funding source. General fund appropriations varied throughout the period, but FY17 levels remain close to the 10-year per capita average of $2,224 (Figure 2). Unlike general fund appropriations, non-general fund and total appropriations for FY17 were higher than the 10-year per capita averages of $3,249 and $5,472, respectively. The FY17 amounts are closer to the 10-year average if the budgetary change to internal service funds is excluded from the calculation.

Economic growth affects budget growth, as a strong economy leads to increasing revenue. Virginia's economic growth was lower than the nation's growth for most years of the 10-year period under review. This is due in part to reductions in federal spending over time.

**In total federal spending per capita, Virginia ranked 11th** among the states in federal fiscal year 2015, the most recent year for which data is available.

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

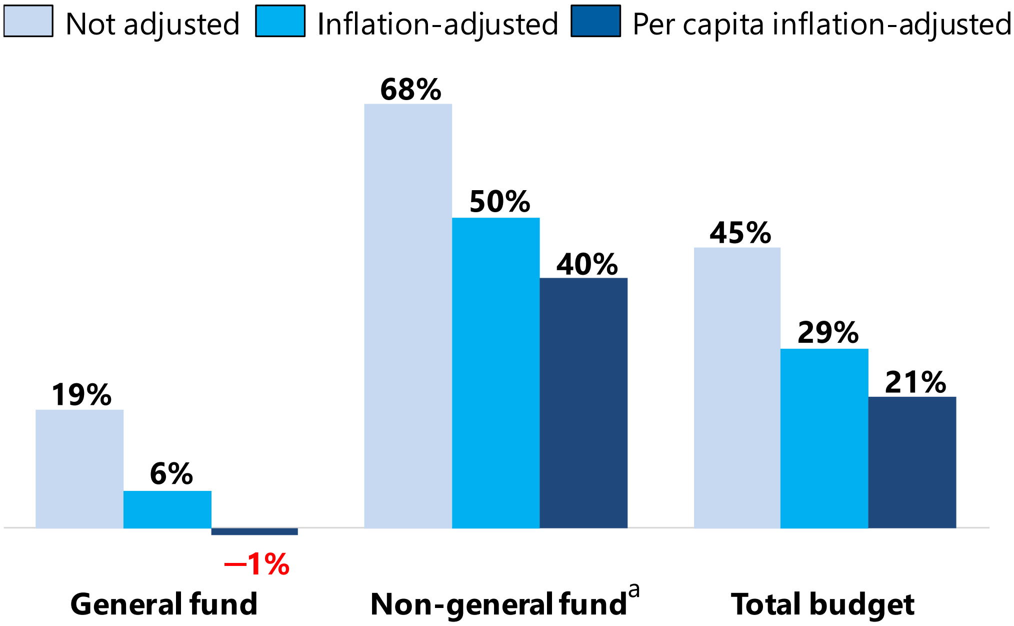
Several key economic indicators can be used to compare Virginia's economic growth to the nation's growth over the past decade:

- **Virginia's gross domestic product** (GDP) grew at a slower rate than the U.S. GDP. Virginia's GDP grew by 11.5%, adjusted for inflation, from 2008 to 2016, while U.S. GDP grew by 15.9% over the same period.
- **Virginia's personal income per capita** grew less than the national average. Adjusted for inflation, personal income per capita grew by 5.0% in Virginia, compared to the nationwide inflation-adjusted growth of 7.8% from 2008 to 2016.
- **Virginia's labor force** grew less than the national average. Total employment grew by 4.8% from 2008 to 2017. In comparison, nationwide employment grew by about 6.3% from 2008 to 2017.

The **NASBO report focused on expenditures, including capital spending,** while the majority of this report focuses on final operating appropriations, excluding capital.

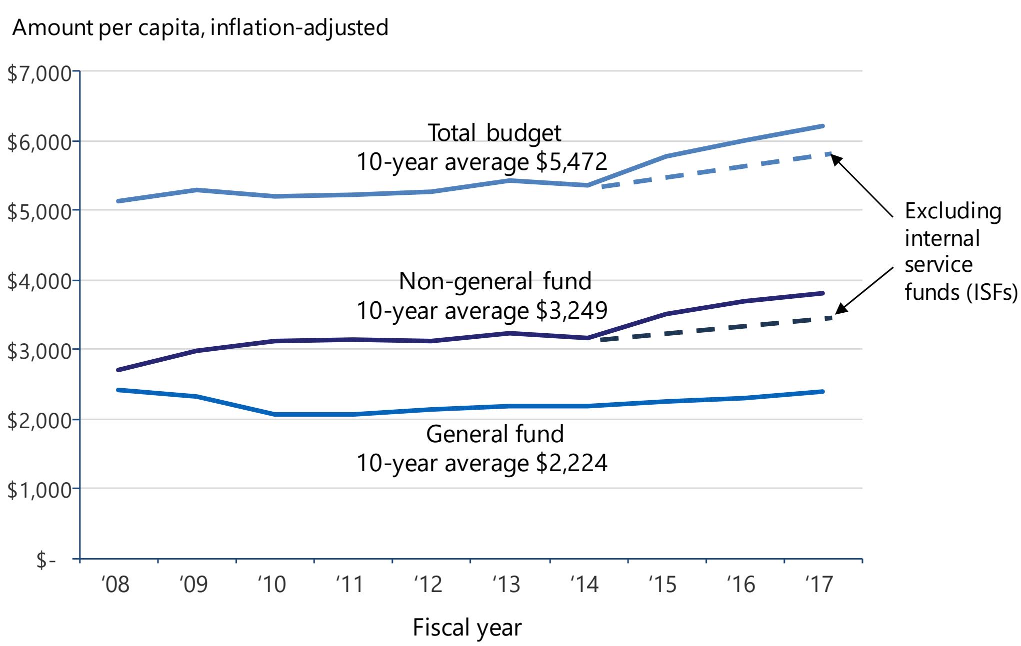
Virginia's per capita inflation-adjusted budget growth over the past decade is slightly above the 50-state average according to spending data from the National Association of State Budget Officers (NASBO). Virginia's spending growth of 15% ranked 15th among the 50 states, adjusted for inflation and population growth. Appropriation data for the 50 states is unavailable, but data on state expenditures was collected by NASBO from FY06 through FY15. When compared to regional spending growth, Virginia's growth was within the range of other states. Spending growth ranged from a high of 21% in Maryland to a low of −34% in West Virginia over this time period.

**FIGURE 1**
**Change in appropriations adjusted for inflation and population growth, FY08–FY17**




SOURCE: Appropriation Acts; U.S. Census Bureau; U.S. Bureau of Labor Statistics.
[a] Increases in non-general funds reflect the budget including a specific appropriation amount for ISFs starting in FY15.

**FIGURE 2**
**Non-general fund growth as main driver of overall budget growth, FY08–FY17**




SOURCE: Appropriation Acts; U.S. Census Bureau; U.S. Bureau of Labor Statistics.
NOTE: Per capita, inflation adjusted.

## Agency workload, policy decisions, and federal funding affect budget trends

**Medicaid costs** are largely driven by the program's enrollment, which grew from 746,939 in 2008 to 1,125,242 in 2017.

Outside of economic and demographic factors, additional factors affected state budget trends over the past decade. Changes in state agency workload can affect the state budget. Virginia's budget also fluctuated with state policy decisions, and in some cases local decisions, to expand, reduce, or modify programs and activities. For example, in FY12, $200 million in general funds was used to support the goals of the higher education "Top Jobs" legislation. In addition, $382 million in general funds was provided over FY15 and FY16 to help pay off unfunded pension liabilities at the Virginia Retirement System. Other programs, such as the state's share of the Standards of Quality payments to public schools, funding for Medicaid payments and utilization, and payments for the securitization of the Tobacco Master Settlement Agreement's annual revenue stream occur automatically, as mandated by the Constitution of Virginia or by law.

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

Federal funds and policy decisions can affect state spending. Federal trust funds grew slightly as a portion of Virginia's budget during the 10-year period under review. At the beginning of the period, federal trust funds accounted for $5.0 billion or 14% of the state budget. By FY17, Virginia's federal trust funds increased to $7.9 billion or 15% of the state budget.

Most federal funding requires a state funding match, which varies by program. In some cases, continued participation in a federal program requires substantial state funding. Medicaid is the largest federal program in the Virginia budget, with $4.6 billion in federal funds (58% of all federal trust funds in Virginia's budget) and a total budget of $9.3 billion in FY17. The state match rate for Medicaid was about 50% for most of the decade under review.

State spending has increased because of mandatory enhancements to some federal programs, including some Medicaid-funded services and early intervention services for children. Other state spending increases are attributable to agency compliance with federal regulatory changes designed to achieve goals such as workplace safety and environmental protection.

## Non-general funds continue to grow faster than the general fund

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 hovered at 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 grew by 68% over the past 10 years, outpacing the 19% growth in the general fund. Non-general funds now account for about 61% of the total state budget (Table 3).

For **major uses of non-general funds**, see Appendix J (online only): jlarc.virginia.gov/state-spending2017.asp.

The inclusion of non-general funds in the budget can be traced to the requirement in the Constitution of Virginia that state spending occur only through appropriations made by the General Assembly. The general fund budget tends to receive more attention than the non-general fund portion, in part because the use of non-general funds is governed by statute and requires fewer decisions during each year's General Assembly session. Nevertheless, funds from all sources, including pass-through payments such as child support, are included in the state budget and appropriated before they are spent.

The state budget draws upon hundreds of sources of revenue that are grouped into 10 broad categories, nine of which are non-general fund revenue sources (Table 3). Growth in all categories of non-general funds exceeded the general fund's growth rate of 19%, except the special revenue fund, which grew 0.1% from FY08 to FY17.

To a large extent, growth in non-general fund appropriations reflects trends in the specific activities that generate non-general fund revenue, such as the issuance of bonds, increased product sales (by the Department of Alcoholic Beverage Control and Virginia Lottery, for example), payments for college tuition and child support, and payments received from local governments and the federal government. Growth in these sources drives increases in the state budget.

The non-general fund categories with the largest growth amounts in appropriations over the past decade were higher education operating and federal trust. A technical change to the budgeting of internal service funds, starting with FY15, appeared as a large increase to non-general funds. Collectively, these three funds account for over 60% of the increase in non-general fund appropriations between FY08 and FY17. Although these funds constitute the majority of the non-general fund increase, several smaller funds experienced much faster growth rates (Table 3).

## TABLE 3
## Non-general fund growth by category, FY08–FY17 ($M)

| | Total appropriation | | Total growth | | |
|---|---|---|---|---|---|
| Non-general fund category | FY08 | FY17 | $ | % of FY17 budget | % |
| Dedicated Special Revenue | $717.7 | $1,885.2 | $1,167.4 | 3.6% | 163% |
| Enterprise | 879.3 | 1,565.9 | 686.6 | 3.0 | 78 |
| Trust and Agency | 1,360.0 | 2,392.2 | 1,032.2 | 4.6 | 76 |
| Higher Education Operating | 5,147.3 | 8,541.2 | 3,393.9 | 16.4 | 66 |
| Federal Trust | 5,046.1 | 7,929.0 | 2,882.9 | 15.2 | 57 |
| Highway Maintenance & Construction | 3,883.8 | 5,586.0 | 1,702.2 | 10.7 | 44 |
| Debt Service | 243.7 | 329.5 | 85.8 | 0.6 | 35 |
| Special Revenue | 1,765.5 | 1,767.2 | 1.7 | 3.4 | <1 |
| Internal Service | --- | 2,077.1 | 2,077.1 | 4.0 | --- |
| **Non-general funds** | **$19,043.4** | **$32,073.2** | **$13,029.8** | **61.5%** | **68%** |
| **General fund** | **16,960.3** | **20,113.7** | **3,153.4** | **38.5** | **19%** |
| **Total (all funds)** | **$36,003.7** | **$52,186.9** | **$16,183.2** | **100.0%** | **45%** |

SOURCE: 2008 and 2017 Appropriation Acts and the Commonwealth Accounting Policies and Procedures Manual.
NOTE: Appropriations not adjusted for inflation. Numbers may not add due to rounding.

**Non-general fund categories**

**Dedicated Special Revenue –** Funds appropriated from fees and payments restricted to the related activity (e.g., the state's safe drinking water revolving fund, game protection, solid waste management permit fees, nursing scholarship and loan repayment funds, the Northern Virginia and Hampton Roads transportation funds, and the Virginia communication sales and use tax).

**Enterprise –** Funds for self-supporting governmental activities that provide goods and services to the general public (e.g., sales of lottery tickets, alcoholic beverage sales at Virginia's ABC stores, and prepaid tuition contracts purchased through VA529).

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

**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 received for college or university operations.

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

**Highway Maintenance & Construction –** All revenues designated for highway operations, maintenance, construction, and related activities generated from fuel and motor vehicle taxes, excluding toll facilities. Includes federal funding for highway construction.

**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.

**Special Revenue –** Revenues derived from restricted taxes and other special (non-general) revenue sources (e.g., child support payments, Medicaid and Medicare reimbursement payments, and the transfer of operating income from Virginia International Terminals to VPA).

**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).

## Most budget growth occurs in a few state agencies

A few large agencies accounted for most of the budget throughout the past decade. The five largest agencies in FY08 as measured by total appropriations were also the largest in FY17 (Table 4). These five agencies accounted for over 50% of Virginia's budget in both years.

The majority of Virginia's budget growth was concentrated in five agencies: 53% of all budget growth occurred in DMAS, VDOT, UVA, VCCS, and DOE (direct aid to local school divisions). Agencies with the largest growth in dollar terms generally are also those with the largest appropriations. Four of the five agencies with the highest growth (Table 5) are also among the top five in total appropriations (Table 4), and there is additional overlap among other large agencies.

Most of the growth in general fund appropriations was concentrated in a few agencies (Table 6). General fund revenues and appropriations are intended for the general purposes of government and are not dedicated or restricted to a specific use. General 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. Four agencies received more than $100 million each in new general funds between FY08 and FY17 and accounted for most of the overall growth in general fund appropriations, with DMAS comprising 60% of that increase.

After accounting for the 10 agencies with the highest general fund growth, the remaining agencies account for only 10% of the total general fund growth over the 10-year period. This can be partially explained by large general fund declines in several agencies, including VDOT and DCJS. DOE (direct aid to local school divisions) is not among the agencies with the highest 10-year growth amount in general funds, diverging from the trend in previous years. This is partly due to a technical budgetary change in FY09 that reclassified lottery funds as non-general funds.

Non-general fund budget growth was less concentrated than general fund budget growth. The top 10 agencies in terms of non-general fund budget growth account for 65% of total non-general fund growth (Table 7). Within the top 10 agencies, DMAS, VDOT, UVA, VCCS, and DOE (direct aid to local school divisions) account for 53% of non-general fund growth. DMAS tops the list for non-general fund growth amounts, as it does in total budget growth and general fund budget growth.

## TABLE 4
## 10 agencies with the largest appropriations, FY08 and FY17 ($M)

| FY08 | | | | FY17 | | | |
|---|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **Total** | **% of total** | **Rank** | **Agency** | **Total** | **% of total** |
| **1** | DOE (Direct Aid) | $6,693.5 | 19% | **1** | DMAS [a] | $9,923.4 | 19% |
| **2** | DMAS [a] | 5,662.7 | 16 | **2** | DOE (Direct Aid) | 7,373.9 | 14 |
| **3** | VDOT | 3,812.2 | 11 | **3** | VDOT | 5,780.1 | 11 |
| **4** | UVA [b] | 2,020.5 | 6 | **4** | UVA [b] | 2,973.3 | 6 |
| **5** | DSS | 1,813.9 | 5 | **5** | DSS | 2,023.0 | 4 |
| **6** | DOC | 1,026.2 | 3 | **6** | VCCS | 1,740.5 | 3 |
| **7** | Va Tech | 917.4 | 3 | **7** | Va Tech | 1,321.1 | 3 |
| **8** | VCCS | 895.8 | 2 | **8** | DOC | 1,192.5 | 2 |
| **9** | DBHDS | 895.2 | 2 | **9** | VCU | 1,112.9 | 2 |
| **10** | VCU | 829.4 | 2 | **10** | DBHDS | 1,092.9 | 2 |
| **Top 10 agencies, subtotal** | | **$24,566.7** | **68%** | **Top 10 agencies, subtotal** | | **$34,533.7** | **66%** |
| **Other agencies, subtotal** | | **11,437.0** | **32** | **Other agencies, subtotal** | | **17,653.2** | **34** |
| **Total operating budget** | | **$36,003.7** | **100%** | **Total operating budget** | | **$52,186.9** | **100%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes capital appropriations, the Personal Property Tax Relief program, and the Administration of Health Insurance program. Appropriations not adjusted for inflation. Numbers may not add due to rounding.
[a] Includes $5,529.3 million in FY08 and $9,602.6 million in FY17 for Medicaid Services and the Children's Health Insurance Program (CHIP).
[b] Excludes UVA-Wise, but includes the medical center.

## TABLE 5
## 10 agencies with the highest growth amount in total appropriations, FY08–FY17 ($M)

| | | Total appropriation | | Total growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| **1** | DMAS [a] | $5,662.7 | $9,923.4 | $4,260.7 | 75% | 26% |
| **2** | VDOT | 3,812.2 | 5,780.1 | 1,968.0 | 52 | 12 |
| **3** | UVA [b] | 2,020.5 | 2,973.3 | 952.8 | 47 | 6 |
| **4** | VCCS | 895.8 | 1,740.5 | 844.7 | 94 | 5 |
| **5** | DOE (Direct Aid) | 6,693.5 | 7,373.9 | 680.4 | 10 | 4 |
| **6** | Va Tech | 917.4 | 1,321.1 | 403.7 | 44 | 2 |
| **7** | GMU | 621.3 | 986.5 | 365.2 | 59 | 2 |
| **8** | Treasury Board | 416.5 | 771.3 | 354.9 | 85 | 2 |
| **9** | VCU | 829.4 | 1,112.9 | 283.5 | 34 | 2 |
| **10** | DSS | 1,813.9 | 2,023.0 | 209.1 | 12 | 1 |
| **Top 10 agencies, subtotal** | | **$23,683.1** | **$34,006.0** | **$10,323.0** | **44%** | **64%** |
| **Other agencies, subtotal** | | **12,320.6** | **18,180.9** | **5,860.2** | **48%** | **36** |
| **Total operating budget** | | **$36,003.7** | **$52,186.9** | **$16,183.2** | **45%** | **100%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes capital appropriations and DOA transfer payments. Agencies that receive internal service funds are also excluded because increases are largely due to the FY15 budget including a specific amount for those funds. Appropriations not adjusted for inflation. Numbers may not add due to rounding. See Appendix D for additional tables with higher education agencies aggregated.
[a] Includes $5,529.3 million in FY08 and $9,602.6 million in FY17 for Medicaid Services and CHIP.
[b] Excludes UVA-Wise but includes the medical center.

## TABLE 6
## 10 agencies with the highest growth amount in general fund appropriations, FY08–FY17 ($M)

| | | General fund appropriation | | General fund growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| **1** | DMAS [a] | $2,567.2 | $4,450.9 | $1,883.7 | 73% | 60% |
| **2** | Treasury Board | 405.2 | 722.1 | 316.9 | 78 | 10 |
| **3** | DBHDS | 535.7 | 749.1 | 213.4 | 40 | 7 |
| **4** | DOC | 961.7 | 1,129.4 | 167.7 | 17 | 5 |
| **5** | DCR | 50.3 | 119.0 | 68.7 | 137 | 2 |
| **6** | VSP | 207.6 | 268.3 | 60.7 | 29 | 2 |
| **7** | Compensation Board | 617.9 | 667.5 | 49.6 | 8 | 2 |
| **8** | JDRDC | 66.1 | 95.4 | 29.3 | 44 | 1 |
| **9** | General District Courts | 83.5 | 111.3 | 27.8 | 33 | 1 |
| **10** | Circuit Courts | 86.0 | 113.7 | 27.7 | 32 | 1 |
| **Top 10 agencies, subtotal** | | **$5,581.2** | **$8,426.7** | **$2,845.5** | **51%** | **90%** |
| **Other agencies, subtotal** | | **11,379.1** | **11,687.0** | **307.9** | **3%** | **10** |
| **Total general fund budget** | | **$16,960.3** | **$20,113.7** | **$3,153.4** | **19%** | **100%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes capital appropriations and central appropriations. Appropriations not adjusted for inflation. Numbers may not add due to rounding. See Appendix D for tables with higher education agencies aggregated.
[a] Includes $2,502.0 million in FY08 and $4,354.3 million in FY17 for Medicaid Services and CHIP.

## TABLE 7
## 10 agencies with the highest growth amount in non-general fund appropriations, FY08–FY17 ($M)

| | | Non-general fund appropriation | | Non-general fund growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| **1** | DMAS [a] | $3,095.5 | $5,472.5 | $2,377.0 | 77% | 18% |
| **2** | VDOT | 3,662.4 | 5,740.1 | 2,077.8 | 57 | 16 |
| **3** | UVA [b] | 1,858.6 | 2,822.8 | 964.3 | 52 | 7 |
| **4** | VCCS | 481.3 | 1,303.9 | 822.7 | 171 | 6 |
| **5** | DOE (Direct Aid) [c] | 925.9 | 1,698.6 | 772.7 | 83 | 6 |
| **6** | Va Tech | 718.4 | 1,130.9 | 412.5 | 57 | 3 |
| **7** | GMU | 470.1 | 827.8 | 357.7 | 76 | 3 |
| **8** | VCU | 614.7 | 893.1 | 278.4 | 45 | 2 |
| **9** | ABC | 475.5 | 680.3 | 204.8 | 43 | 2 |
| **10** | DSS | 1,410.6 | 1,607.2 | 196.6 | 14 | 2 |
| **Top 10 agencies, subtotal** | | **$13,712.9** | **$22,177.3** | **$8,464.4** | **62%** | **65%** |
| **Other agencies, subtotal** | | **5,330.5** | **9,895.9** | **4,565.4** | **86%** | **35** |
| **Total non-general fund budget** | | **$19,043.4** | **$32,073.2** | **$13,029.8** | **68%** | **100%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes capital appropriations and DOA transfer payments. Agencies that receive internal service funds are also excluded because increases are largely due to the FY15 budget including a specific amount for those funds. Appropriations not adjusted for inflation. Numbers may not add due to rounding. See Appendix D for tables with higher education agencies aggregated.
[a] Includes $3,027.2 million in FY08 and $5,248.4 million in FY17 for Medicaid Services and CHIP.
[b] Excludes UVA-Wise, but includes the medical center.
[c] In FY08, lottery proceeds supporting Direct Aid were classified as general funds. Starting in FY09, they are classified as non-general funds.

## General and non-general fund budget growth varies by agency

The total general fund and non-general fund budgets grew by 19% and 68%, respectively, between FY08 and FY17. Growth rates at individual agencies varied significantly over the 10-year period.

### Some agencies saw notable growth in general fund appropriations

The 10 fastest growing state agencies—as measured by the change in general fund appropriations between FY08 and FY17—had general fund growth rates of 43% or more, far exceeding the overall general fund growth rate of 19% over the 10-year period (Table 8). The agencies that experienced the highest growth in the amount of general funds received (Table 6) did not necessarily grow at the fastest rates. For example, the Department of Corrections received the fourth largest increase in general funds (around $168 million over the past decade) but was not among the 10 agencies with the largest percentage increase in general fund appropriations over the period. Additionally, most of the agencies that experienced the fastest growth rate in general funds were relatively small, with six of the 10 having less than $25 million in general fund growth over the 10-year period.

**TABLE 8**
**10 agencies with the fastest growth rate in general fund appropriations, FY08–FY17 ($M)**

| | | General fund appropriation | | General fund growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **% of total** | **%** |
| **1** | DVS | $5.8 | $17.0 | $11.2 | <1% | 194% |
| **2** | DCR | 50.3 | 119.0 | 68.7 | 2 | 137 |
| **3** | Treasury Board | 405.2 | 722.1 | 316.9 | 10 | 78 |
| **4** | IEIA | 6.2 | 11.1 | 4.9 | <1 | 78 |
| **5** | DMAS | 2,567.2 | 4,450.9 | 1,883.7 | 60 | 73 |
| **6** | Magistrate System | 20.8 | 32.5 | 11.7 | <1 | 56 |
| **7** | VEDP | 17.0 | 25.5 | 8.5 | <1 | 50 |
| **8** | VSDB | 7.2 | 10.6 | 3.4 | <1 | 48 |
| **9** | JDRDC | 66.1 | 95.4 | 29.3 | 1 | 44 |
| **10** | Combined District Courts | 18.4 | 26.3 | 7.9 | <1 | 43 |
| **Top 10 agencies, subtotal** | | **$3,164.1** | **$5,510.4** | **$2,346.3** | **74%** | **74%** |
| **Other agencies, subtotal** | | **13,796.2** | **14,603.3** | **807.1** | **26** | **6%** |
| **Total general fund budget** | | **$16,960.3** | **$20,113.7** | **$3,153.4** | **100%** | **19%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Includes agencies with general fund appropriations of at least $5 million in FY08. Excludes capital appropriations and central appropriations. Appropriations not adjusted for inflation. Numbers may not add due to rounding. See Appendix D for tables with higher education agencies aggregated.

**Explanation of general fund growth in Table 8**

**DVS –** This increase can be attributed to several factors, including the expansion of benefit services through opening eight additional field offices and establishing Virginia Veteran and Family Support, opening a third cemetery and performing a higher volume of burial services, as well as greater staff and facility support to accommodate higher attendance at the Virginia War Memorial.

**DCR –** Most of this growth was the result of a $61.7 million increase in deposits from the Water Quality Improvement Fund in FY17. Deposits from this fund are generally one-time in nature and are dependent on whether the state experiences a revenue surplus. The majority ($46 million) of this increase was allocated to Agricultural Best Management Practices Cost Share Assistance, DCR's largest program. This program first received a separate appropriation in FY13 and is used to support various practices in erosion reduction and livestock stream exclusion, in accordance with Virginia's Watershed Implementation Plan.

**Treasury Board –** Almost all of this increase was due to an increase in debt service payments related to debt authorizations and issuances for public buildings and higher education buildings that occurred during the 10-year period under review.

**IEIA –** Over half of this increase was due to reallocating appropriations for the Commonwealth Research and Commercialization Fund to the Center for Innovative Technology under IEIA. These funds were previously appropriated to Economic Development Incentive Payments under the Secretary of Commerce and Trade.

**DMAS –** Almost all of this increase was for payments made to provide services to and on behalf of Medicaid recipients. This was largely due to increasing enrollment, increased use of services, and increased costs. Increased enrollment following the Great Recession and passage of the Patient Protection and Affordable Care Act contributed to an increase in Medicaid-eligible recipients.

**Magistrate System –** This growth was mostly due to increased funding in FY09 ($3.6 million) and FY10 ($4.3 million) for additional personnel and information technology enhancements in the statewide magistrate system. The additional funding supported the hiring of new magistrates, the implementation of a new magistrate training program, and the expansion of the use of videoconferencing technology.

**JDRDC and Combined District Courts –** This growth was mostly due to increased appropriations to the Criminal Fund, which is used to cover the legal representation and court costs associated with cases involving indigent defendants. The JDRDC and Combined District Courts are two of the five judicial branch agencies that receive appropriations to the Criminal Fund.

**VEDP –** This growth can be attributed to additional appropriations to (1) expand and rebrand the Virginia Jobs Investment Program, (2) implement recommendations of the Virginia Sustained Growth Study, and (3) support Virginia exporters through the Going Global Defense Initiative, the Virginia International Trade Alliance, and the State Trade and Export Promotion grant programs.

**VSDB –** This increase reflects a $2.4 million increase in instruction and residential support costs after the closure of the VSDB at Hampton and consolidation with the VSDB at Staunton in July 2008. FY08 figures include only appropriations for VSDB at Staunton.

### Several agencies experienced significant growth in non-general fund appropriations

Non-general funds grew by 68% from FY08 to FY17 and comprised approximately 61% of the state budget in FY17. The agencies that experienced the highest growth in the amount of non-general funds received (Table 7) did not necessarily grow at the fastest rates. For example, DMAS received the largest increase in non-general funds (more than $2 billion over the past decade) but was not among the 10 agencies with the fastest growth rate in non-general funds over the period (Table 9). The Virginia Community College System is the only agency in the top 10 for both amount of growth and rate of growth in non-general fund appropriations (Tables 7 and 9).

**TABLE 9**
**10 agencies with the fastest growth rate in non-GF appropriations, FY08–FY17 ($M)**

| | | Non-general fund appropriation | | Non-general fund growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **% of total** | **%** |
| **1** | Treasury Board | $11.3 | $49.2 | $38.0 | <1% | 337% |
| **2** | VCCS | 481.3 | 1,303.9 | 822.7 | 6 | 171 |
| **3** | VPA | 80.0 | 201.1 | 121.0 | 1 | 151 |
| **4** | VMFA | 9.1 | 22.2 | 13.1 | <1 | 144 |
| **5** | DBVI | 32.6 | 71.1 | 38.5 | <1 | 118 |
| **6** | DVS | 27.8 | 60.7 | 32.9 | <1 | 118 |
| **7** | DMA | 29.8 | 57.1 | 27.3 | <1 | 92 |
| **8** | DCR | 26.4 | 50.3 | 23.9 | <1 | 91 |
| **9** | DJJ | 5.5 | 10.3 | 4.8 | <1 | 87 |
| **10** | LU | 54.4 | 101.3 | 46.9 | <1 | 86 |
| **Top 10 agencies, subtotal** | | **$758.1** | **$1,927.2** | **$1,169.1** | **9%** | **154%** |
| **Other agencies, subtotal** | | **18,285.3** | **30,146.0** | **11,860.7** | **91** | **65%** |
| **Total non-general fund budget** | | **$19,043.4** | **$32,073.2** | **$13,029.8** | **100%** | **68%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Includes agencies with non-general fund appropriations of at least $5 million in FY08. Excludes executive offices, capital appropriations, central appropriations, and DOA transfer payments. Agencies that receive internal service funds and the VA529 program are also excluded because increases are largely due to the FY15 budget including a specific amount for these funds. Appropriations not adjusted for inflation. Numbers may not add due to rounding. (See Appendix D for tables with higher education agencies aggregated.)

**Explanation of non-general fund growth in Table 9**

**Treasury Board –** This increase was due to an increase in the capital fee charged to out-of-state students to offset debt service payments for higher education buildings and federal interest rate subsidies related to the issuance of bonds under the federal Recovery Act (2009).

**VCCS –** This increase was mostly due to an increase in tuition and fees for E&G services ($282 million) and an increase in federal student financial assistance ($408 million).

**VPA –** This increase was due to an increase in special revenue funds used to manage port facilities ($85 million), as well as acquire, construct, and maintain facilities ($38 million). In FY08, 56% of the VPA budget was from special revenue funds. By FY17, VPA's special revenue fund was over three times larger and accounted for 74% of its budget.

**VMFA –** This increase was mostly due to admissions fees and other revenue increases to VMFA's enterprise fund ($5 million), as well as private donations to support collections management; education and extension services; and operational and support services ($4 million).

**DBVI –** This growth was primarily due to increased sales and contract revenue to the Virginia Industries for the Blind ($34 million), as well as greater federal funding through Rehabilitation Services Agency Vocational Rehabilitation Grants ($3 million), in accordance with the Workforce Innovation and Opportunity Act.

**DVS –** This increase was mostly due to additional non-general funded positions to operate nursing homes for veterans. In FY08, DVS had 255 non-general fund positions within state health services and by FY17, the number of non-general fund positions had risen to 576. Revenues supporting the increase include funds from the U.S. Department of Veterans Affairs, Medicaid and Medicare, and insurance providers.

**DMA –** This growth was primarily due to increases in federal funds for defense preparedness ($23 million), including both armories and other facilities operations and maintenance. DMA currently operates 42 armories that serve as central locations for training and recruiting service members into the Virginia National Guard.

**DCR –** Most of DCR's non-general fund growth was the result of increased special revenue. In FY08, DCR's budget had approximately $3 million in dedicated special revenue; by FY17 it had $14 million in funding from specific fees (such as state park fees), licenses, and permits that support specific activities. DCR received an additional $11 million in special revenue (also generated through taxes and fees) between FY08 and FY17.

**DJJ –** This growth can be mostly attributed to an increase of over $2 million in federal funds after an agency reorganization in 2012, which eliminated the Department of Correctional Education and the Board of Correctional Education and transferred corresponding juvenile academic and technical education requirements to DJJ.

**LU –** This growth was partly due to an increase in educational and general (E&G) programs funded through student tuition and fees ($18 million). Auxiliary services (goods and services provided to students, faculty, and staff such as dining, housing, books, health services, and athletics) also increased over the 10-year period ($29 million).

## General fund appropriations declined or grew slower than inflation for some state agencies

Thirty agencies had general fund appropriations that declined over the 10-year period, 14 by 10% or more (Table 10) and the appropriations of another 20 agencies grew slower than inflation (12%). Some of these agencies still experienced total budget growth in excess of inflation because their budgets included non-general fund revenue that grew by more than their general fund appropriation over the period.

**TABLE 10**
**The 14 agencies with declines in general fund appropriations of 10% or more, FY08–FY17 ($M)**

| Agency | FY08 | FY17 | $ change | % change |
|---|---|---|---|---|
| DCE | $57.8 | $0 | –$57.8 | –100 |
| DBA | 11.5 | 0 | –11.5 | –100 |
| VSDBH | 6.6 | 0 | –6.6 | –100 |
| Sec. of Administration | 8.0 | 1.3 | –6.7 | –84 |
| VDOT | 149.8 | 40.0 | –109.8 | –73 |
| Va Commission for the Arts | 6.4 | 3.6 | –2.8 | –44 |
| DEQ | 67.8 | 40.8 | –27.0 | –40 |
| Supreme Court | 51.9 | 37.2 | –14.7 | –28 |
| HERI | 5.3 | 4.0 | –1.3 | –25 |
| DEM | 9.8 | 8.1 | –1.7 | –18 |
| Department of Elections | 10.9 | 9.3 | –1.6 | –15 |
| DGS | 23.2 | 19.7 | –3.5 | –15 |
| DCJS | 253.9 | 220.6 | –33.3 | –13 |
| Jamestown-Yorktown | 10.3 | 9.2 | –1.0 | –10 |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Includes agencies with general fund appropriations of at least $5 million in FY08. Excludes executive offices, state grants to non-state agencies, capital appropriations, and DOA transfer payments. Appropriations not adjusted for inflation. Numbers may not add due to rounding.

**Explanation of general fund declines in Table 10 (greater than 20%)**

**DCE –** This decline is the result of a reorganization approved by the General Assembly, which eliminated the DCE and transferred the responsibilities for education and training of adult inmates to the DOC.

**DBA –** This decline reflects the merger of the Department of Business Assistance and the Department of Minority Business Enterprise into the Department of Small Business and Supplier Diversity in FY15.

**VSDBH –** This decline reflects the closure of VSDB at Hampton after consolidation with VSDB at Staunton (2008).

**Sec. of Administration –** This decline reflects the elimination of financial assistance to regional noncommercial entities to provide educational, economic, and cultural programming through public television and radio. Financial assistance for educational telecommunications and financial assistance for radio reading services were also eliminated.

**VDOT –** In FY08, following the passage of the 2007 Transportation Initiative, $103 million was reallocated from the general fund to the Priority Transportation Fund to service Capital Project Revenue bonds. In subsequent years, a separate fund was created and these appropriations were reclassified as non-general funds.

**Va Commission for the Arts –** This decline is largely a result of budget cuts following the Great Recession, and additional cuts were made in FY17 to arts grants and waitlist funds for touring arts groups in response to state budget shortfalls.

**DEQ –** The vast majority of this decline was the result of a $20 million decrease in deposits from the Water Quality Improvement Fund between FY08 and FY09 as a result of state budget shortfalls. Deposits from this fund are generally one-time in nature and are dependent on whether the state experiences a revenue surplus.

**Supreme Court –** This decline reflects a FY08 budget amendment for a non-recurring general fund appropriation of $15 million to cover projected expenditures of the Criminal Fund.

**HERI –** This decline reflects changes in the approach to funding targeted research opportunities at public institutions of higher education. No appropriations were made to this entity from FY13 to FY16. Funding was reintroduced in FY17 to attract industry-sponsored research by recruiting faculty, buying equipment, and building or renovating laboratories.

**Explanation of $33 million general fund decline for DCJS**

To offset state budget shortfalls, financial assistance to localities operating police departments was reduced by $37 million in appropriations between FY08 and FY11.

## Budget growth is concentrated in programs related to core state government activities

All state appropriations (general and non-general funds) are classified according to Virginia's program budget structure. The program classification is designed for planning and analysis of the state budget and for monitoring the activities of state government. Some programs fall under a single agency, and others are distributed across multiple agencies. For example, the program called "state health services" can be found in the budgets of several different agencies. Through analysis of the program categories, policy-makers can develop a broader understanding of how funds are spent, regardless of which agency spends them. In FY17, Virginia's $52 billion budget included 215 programs.

Like growth in state agencies, most of the growth in budget programs over the 10-year period from FY08 to FY17 remained concentrated among programs relating to core functions of state government (Table 11). Of all budget growth during the 10-year period, 63% occurred in just 10 of the programs. Nine of the 10 programs are in the core functions of health care, education, and transportation.

**TABLE 11**
**10 largest program increases in total appropriations, FY08–FY17 ($M)**

| | | Total appropriation | | Total growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Program** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| **1** | Medicaid program services | $5,353.0 | $9,320.2 | $3,967.2 | 74% | 25% |
| **2** | Higher ed: Educational & general services | 3,485.2 | 4,736.3 | 1,251.1 | 36 | 8 |
| **3** | State health services [a] | 1,471.2 | 2,308.1 | 836.9 | 57 | 5 |
| **4** | Highway construction programs | 1,552.1 | 2,382.4 | 830.3 | 53 | 5 |
| **5** | Higher ed: Auxiliary enterprises | 1,010.0 | 1,705.5 | 695.5 | 69 | 4 |
| **6** | Higher ed: Student financial assistance | 366.5 | 991.0 | 624.5 | 170 | 4 |
| **7** | Financial assistance to localities (transportation) | 339.1 | 949.0 | 609.9 | 180 | 4 |
| **8** | State public education assistance [b] | 5,956.3 | 6,459.9 | 503.7 | 8 | 3 |
| **9** | Financial assistance to localities (general) | 376.8 | 834.2 | 457.4 | 121 | 3 |
| **10** | Highway system maintenance & operations | 1,257.6 | 1,674.4 | 416.9 | 33 | 3 |
| **Top 10 programs, subtotal** | | **$21,167.8** | **$31,361.0** | **$10,193.2** | **48%** | **63%** |
| **Other programs, subtotal** | | **14,835.9** | **20,825.9** | **5,990.0** | **40%** | **37** |
| **Total operating budget** | | **$36,003.7** | **$52,186.9** | **$16,183.2** | **45%** | **100%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes capital appropriations and programs that receive internal service funds. Appropriations not adjusted for inflation. Numbers may not add due to rounding. See Appendix D for tables with higher education agencies aggregated.
[a] Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS.
[b] Excludes federal funds. Federal funds for state public education assistance are accounted for in a separate program code.

# Budget growth is concentrated within certain secretariats

The secretarial system in Virginia was established by the General Assembly in 1972. In FY17, it consisted of 13 secretariats, generally reflecting the major functions of the executive branch. The Health and Human Resources and Education secretariats account for the majority of budget growth over the past decade (Table 12). The appropriation for the Finance secretariat grew by 293% over the 10-year period primarily because the $950 million personal property tax ("car tax") relief program shifted from central appropriations to Finance. Additionally, debt service, which is appropriated to the Treasury Board and falls under the Secretary of Finance, more than doubled over the past decade. Significant growth rates for the Administration and Technology secretariats reflect the technical change in the FY15 budget related to internal service funds.

Some changes in secretarial budgets are a result of agencies and programs moving between secretariats. For example, in FY06 the Department of Veterans Services was under the Secretary of Administration. In FY12, the agency was moved to the newly-created Secretary of Veterans Affairs and Homeland Security. In FY15, this secretariat was refocused and renamed the Secretary of Veterans and Defense Affairs.

**TABLE 12**
**Budget growth by secretarial area, FY08–FY17 ($M)**

| | | Total appropriation | | Total growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Secretarial area** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| **1** | Health & Human Resources | $9,550.7 | $14,448.2 | $4,897.5 | 51% | 30% |
| **2** | Education | 14,178.3 | 18,426.1 | 4,247.8 | 30 | 26 |
| **3** | Finance | 793.6 | 3,120.0 | 2,326.5 | 293 | 14 |
| **4** | Transportation | 4,705.7 | 6,988.4 | 2,282.8 | 49 | 14 |
| **5** | Administration | 908.8 | 2,901.8 | 1,993.0[b] | 219 | 12 |
| **6** | Public Safety | 2,506.1 | 2,911.0 | 405.0 | 16 | 3 |
| **7** | Technology | 62.8 | 416.1 | 353.4[c] | 563 | 2 |
| **8** | Independent Agencies | 337.9 | 583.0 | 245.1 | 73 | 2 |
| **9** | Judicial | 405.5 | 516.1 | 110.7 | 27 | 1 |
| **10** | Natural Resources | 345.0 | 441.9 | 96.8 | 28 | 1 |
| **11** | Commerce and Trade | 845.1 | 916.6 | 71.5 | 8 | <1 |
| **12** | Veterans and Defense Affairs[a] | --- | 79.7 | 79.7 | 100 | <1 |
| **13** | Agriculture and Forestry | 87.0 | 105.4 | 18.5 | 21 | <1 |
| **Total operating budget** | | **$36,003.7** | **$52,186.9** | **$16,183.2** | **45%** | **100%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Based on agency alignments shown in respective Appropriation Acts. Excludes legislative agencies, executive offices, central appropriations, and capital appropriations. Appropriations not adjusted for inflation. Numbers may not add due to rounding. See online Appendix I for historical appropriations by secretarial area.
[a] As of 2014, this secretarial area includes only the Department of Veterans Services.
[b] $1.2 billion of this increase is due to a change in the budgetary treatment of ISFs affecting state health benefit services in FY15.
[c] This increase is largely due to a change in the budgetary treatment of ISFs affecting IT services provided by VITA in FY15.

## Budget growth is affected by outstanding debt

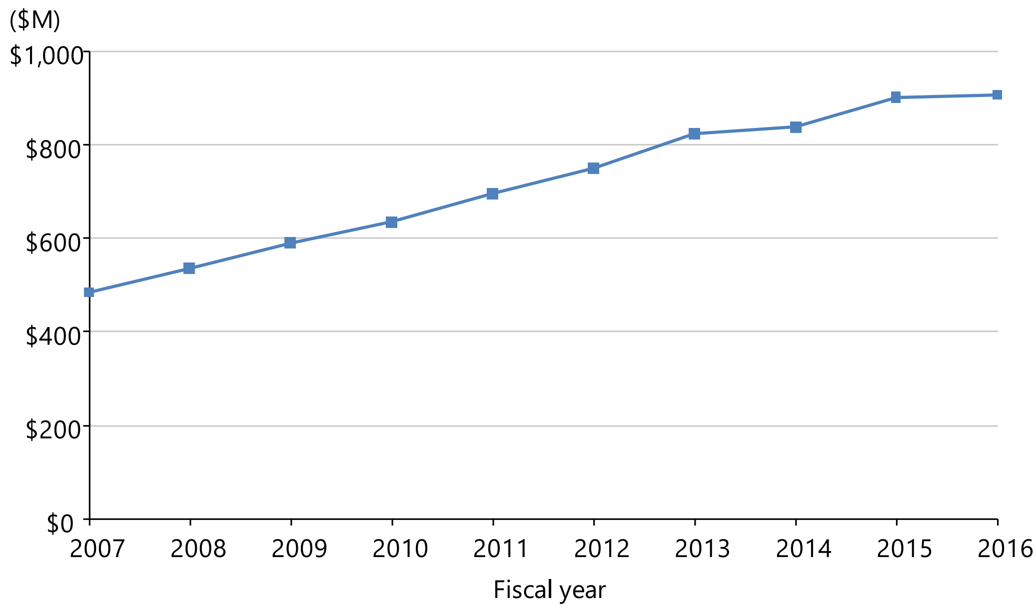
**General obligation bonds** are authorized by a majority vote of each house of the General Assembly and approved in a referendum by the voting citizens to finance capital projects. The state general fund pays the principal and interest for this debt.

Tax-supported debt service is funded through the Treasury Board and VDOT, the primary state entities designated to make payments on tax-supported debt. The state issues two types of tax-supported debt: general obligation bonds and other appropriation-supported obligations. Expenditures to cover tax-supported debt service have increased by 88% from FY07 to FY16 (Figure 3). In FY07, tax-supported debt service was $482 million, or 2.79% of the blended revenues available to fund tax-supported debt. By FY16, tax-supported debt service had increased to $904 million, or 4.44% of blended revenues. The Debt Capacity Advisory Committee has established a target level: annual debt service should be no more than 5% of blended revenues to ensure that debt service payments do not consume too much of the state's operating budget.

**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.

The increase in debt service reflects the large increase in tax-supported debt issued by the state between FY07 and FY16, when tax-supported debt rose by approximately 102% from $5.6 billion to $11.3 billion. The largest issuances of debt occurred between FY10 and FY12.

**FIGURE 3**
**Tax-supported debt service, FY07–FY16**




SOURCE: 2016 Report of the Debt Capacity Advisory Committee.
NOTE: Includes lease revenue bonds issued by the Virginia Biotech Research Park Authority, Innovative Technology Authority, and Newport News Industrial Development Authority. FY16 is the most recent year for which information is available.

The top use of tax-supported debt over the past decade was for higher education. Fifty-four percent of debt was used for capital projects and teaching and research equipment. Transportation projects funded through the transportation trust fund was the next highest use category (21%). Other uses of tax-supported debt include correctional facilities, local and regional jail reimbursements, and parks, conservation, and recreation facilities.

## Budget growth occurred in other areas of state government

Budget growth in Virginia has also resulted from policies adopted by the governor and the General Assembly. The personal property tax ("car tax") relief program began in FY1999 as a policy initiative with a general fund appropriation of $220 million. It reached a capped total of $950 million in general funds in FY07, where it has remained.

In the early 1990s, the General Assembly established the Revenue Stabilization Fund for the purpose of offsetting budget shortfalls. Each year a portion of surplus general fund revenue is obligated to the fund (Constitution of Virginia, Article X Section 8; Code of Virginia § 2.2-1829). The fund was drawn down during the Great Recession and was being re-capitalized through FY17. In FY07 the Revenue Stabilization Fund reached a high of $1.2 billion, but in FY10 it fell to $295 million as it was used to offset declines in general fund revenues. As of June 2017, the Revenue Stabilization Fund balance totaled $548.8 million.

The state offers optional health plans for local government employees, administered by the Department of Human Resource Management. This program grew 160% over the 10-year period, from $165 million in FY08 to $429 million in FY17. Funds for this program are designated as enterprise funds, essentially a mechanism to receive local government employees' health insurance premiums and employer contributions for employee health care, which are then appropriated in the budget for health insurance purposes.

# Appendix A: Study mandate

Code of Virginia

§ 30-58.3. Annual Report on State Spending.

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

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

# Appendix B: Research methods and activities

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

## Data collection

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

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

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

## 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 committees, all from the 10-year period under review. Agency-specific and program-specific studies and documents were also 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: Total federal funding in Virginia's budget ($M)

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

**TABLE C-1**
**Federal funding in Virginia's budget, by agency, FY08–FY17 ($M)**

| | | Appropriation | | Growth | |
|---|---|---|---|---|---|
| **Agency** | **Fund category** | **FY08** | **FY17** | **$** | **%** |
| VDOT | Highway Maintenance & Construction | $888.9 | $1,154.6 | $265.7 | 30% |
| Higher education institutions | Higher Education Operating | 909.0 | 1,461.7 | 552.7 | 38 |
| VEC | Trust and Agency | 214.3 | 135.4 | –78.9 | –37 |
| All others | Federal Trust | 5,046.1 | 7,929.0 | 2,882.9 | 57 |
| | **Total federal funds** | **$7,058.3** | **$10,680.7** | **$3,622.3** | **51%** |
| | **Total non-general funds** | **$19,043.3** | **$32,073.2** | **$13,029.9** | **68%** |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Appropriations not adjusted for inflation. Numbers may not add due to rounding.

# Appendix D: 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 D-1** (Table 5 with higher education agencies grouped)
**10 agencies with the highest growth amount in total appropriations, FY08–FY17 ($M)**

| | | Total appropriation | | Total growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| 1 | DMAS | $5,662.7 | $9,923.4 | $4,260.7 | 75% | 26% |
| 2 | Higher education | 7,132.6 | 10,707.5 | 3,574.9 | 50 | 22 |
| 3 | VDOT | 3,812.2 | 5,780.1 | 1,968.0 | 52 | 12 |
| 4 | DOE (direct aid) | 6,693.5 | 7,373.9 | 680.4 | 10 | 4 |
| 5 | Treasury Board | 416.5 | 771.3 | 354.9 | 85 | 2 |
| 6 | DSS | 1,813.9 | 2,023.0 | 209.1 | 12 | 1 |
| 7 | ABC | 475.5 | 680.3 | 204.8 | 43 | 1 |
| 8 | DBHDS | 895.2 | 1,092.9 | 197.7 | 22 | 1 |
| 9 | DOC | 1,026.2 | 1,192.5 | 166.4 | 16 | 1 |
| 10 | VDH | 535.4 | 697.9 | 162.5 | 30 | 1 |
| **Top 10 agencies, subtotal** | | **$28,463.6** | **$40,243.0** | **$11,779.4** | **41%** | **73%** |
| **Other agencies, subtotal** | | **7,540.1** | **11,943.9** | **4,403.8** | **58%** | **27** |
| **Total operating budget** | | **$36,003.7** | **$52,186.9** | **$16,183.2** | **45%** | **100%** |

**TABLE D-2** (Table 6 with higher education agencies grouped)
**10 agencies with the highest growth amount in GF appropriations, FY08–FY17 ($M)**

| | | General fund appropriation | | General fund growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| 1 | DMAS | $2,567.2 | $4,450.9 | $1,883.7 | 73 % | 60 % |
| 2 | Treasury Board | 405.2 | 722.1 | 316.9 | 78 | 10 |
| 3 | DBHDS | 535.7 | 749.1 | 213.4 | 40 | 7 |
| 4 | DOC | 961.7 | 1,129.4 | 167.7 | 17 | 5 |
| 5 | Higher education | 1,802.2 | 1,876.6 | 74.4 | 4 | 2 |
| 6 | DCR | 50.3 | 119.0 | 68.7 | 137 | 2 |
| 7 | VSP | 207.6 | 268.3 | 60.7 | 29 | 2 |
| 8 | Compensation Board | 617.9 | 667.5 | 49.6 | 8 | 2 |
| 9 | JDRDC | 66.1 | 95.4 | 29.3 | 44 | 1 |
| 10 | General District Courts | 83.5 | 111.3 | 27.8 | 33 | 1 |
| **Top 10 agencies, subtotal** | | **$7,297.4** | **$10,189.7** | **$2,892.2** | **40 %** | **92 %** |
| **Other agencies, subtotal** | | **9,662.9** | **9,924.1** | **261.2** | **3 %** | **8** |
| **Total GF operating budget** | | **$16,960.3** | **$20,113.7** | **$3,153.4** | **19 %** | **100 %** |

**TABLE D-3** (Table 7 with higher education agencies grouped)
**10 agencies with the highest growth amount in non-GF appropriations, FY08–FY17 ($M)**

| | | Non-GF appropriation | | Non-GF growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| 1 | Higher education | $5,330.4 | $8,830.9 | $3,500.5 | 66% | 27% |
| 2 | DMAS | 3,095.5 | 5,472.5 | 2,377.0 | 77 | 18 |
| 3 | VDOT | 3,662.4 | 5,740.1 | 2,077.8 | 57 | 16 |
| 4 | DOE (direct aid) | 925.9 | 1,698.6 | 772.7 | 83 | 6 |
| 5 | ABC | 475.5 | 680.3 | 204.8 | 43 | 2 |
| 6 | DSS | 1,410.6 | 1,607.2 | 196.6 | 14 | 2 |
| 7 | VDH | 366.3 | 529.1 | 162.8 | 44 | 1 |
| 8 | VPA | 80.0 | 201.1 | 121.0 | 151 | 1 |
| 9 | DRPT | 495.0 | 582.0 | 87.0 | 18 | 1 |
| 10 | DARS | 158.3 | 201.5 | 43.2 | 27 | <1 |
| **Top 10 agencies, subtotal** | | **$15,999.9** | **$25,543.3** | **$9,543.4** | **60%** | **73%** |
| **Other agencies, subtotal** | | **3,043.5** | **6,529.8** | **3,486.4** | **115%** | **27** |
| **Total NGF operating budget** | | **$19,043.4** | **$32,073.2** | **$13,029.8** | **68%** | **100%** |

**TABLE D-4** (Table 8 with higher education agencies grouped)
**10 agencies with the fastest growth rate in GF appropriations, FY08–FY17 ($M)**

| | | General fund appropriation | | General fund growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **% of total** | **%** |
| 1 | DVS | $5.8 | $17.0 | $11.2 | <1% | 194% |
| 2 | DCR | 50.3 | 119.0 | 68.7 | 2 | 137 |
| 3 | Treasury Board | 405.2 | 722.1 | 316.9 | 10 | 78 |
| 4 | IEIA | 6.2 | 11.1 | 4.9 | <1 | 78 |
| 5 | DMAS | 2,567.2 | 4,450.9 | 1,883.7 | 60 | 73 |
| 6 | Magistrate system | 20.8 | 32.5 | 11.7 | <1 | 56 |
| 7 | VEDP | 17.0 | 25.5 | 8.5 | <1 | 50 |
| 8 | VSDB | 7.2 | 10.6 | 3.4 | <1 | 48 |
| 9 | JDRDC | 66.1 | 95.4 | 29.3 | 1 | 44 |
| 10 | Combined district courts | 18.4 | 26.3 | 7.9 | <1 | 43 |
| **Top 10 agencies, subtotal** | | **$3,164.1** | **$5,510.4** | **$2,346.3** | **74%** | **74%** |
| 33 | Higher education | 1,802.2 | 1,876.6 | 74.4 | 2 | 4% |
| **Other agencies, subtotal** | | **11,994.0** | **12,726.7** | **732.7** | **23** | **6%** |
| **Total GF operating budget** | | **$16,960.3** | **$20,113.7** | **$3,153.4** | **100%** | **19%** |

**TABLE D-5** (Table 9 with higher education agencies grouped)
**10 agencies with the fastest growth rate in non-GF appropriations, FY08–FY17 ($M)**

| | | Non-GF appropriation | | Non-GF growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **% of total** | **%** |
| 1 | Treasury Board | $11.3 | $49.2 | $38.0 | <1% | 337% |
| 2 | VPA | 80.0 | 201.1 | 121.0 | 1 | 151 |
| 3 | VMFA | 9.1 | 22.2 | 13.1 | <1 | 144 |
| 4 | DBVI | 32.6 | 71.1 | 38.5 | <1 | 118 |
| 5 | DVS | 27.8 | 60.7 | 32.9 | <1 | 118 |
| 6 | DMA | 29.8 | 57.1 | 27.3 | <1 | 92 |
| 7 | DCR | 26.4 | 50.3 | 23.9 | <1 | 91 |
| 8 | DJJ | 5.5 | 10.3 | 4.8 | <1 | 87 |
| 9 | DOE (direct aid) | 925.9 | 1,698.6 | 772.7 | 6 | 83 |
| 10 | VRS | 47.3 | 85.5 | 38.1 | <1 | 81 |
| **Top 10 agencies, subtotal** | | **$1,195.7** | **$2,306.1** | **$1,110.4** | **9%** | **93%** |
| 12 | Higher education | 5,330.4 | 8,830.9 | 3,500.5 | 27 | 66% |
| **Other agencies, subtotal** | | **12,517.3** | **20,936.2** | **$8,418.9** | **65** | **67%** |
| **Total NGF operating budget** | | **$19,043.4** | **$32,073.2** | **$13,029.8** | **100%** | **68%** |

**TABLE D-6** (Table 11 with higher education programs grouped)
**10 largest program increases in total appropriations, FY08–FY17 ($M)**

| | | Total appropriation | | Total growth | | |
|---|---|---|---|---|---|---|
| **Rank** | **Program** | **FY08** | **FY17** | **$** | **%** | **% of total** |
| 1 | Medical program services (Medicaid) | $5,353.0 | $9,320.2 | $3,967.2 | 74 % | 25 % |
| 2 | Higher education | 6,221.3 | 8,923.2 | 2,701.9 | 43 | 17 |
| 3 | State health services [a] | 1,471.2 | 2,308.1 | 836.9 | 57 | 5 |
| 4 | Highway construction programs | 1,552.1 | 2,382.4 | 830.3 | 53 | 5 |
| 5 | Financial assistance to localities (transportation) | 339.1 | 949.0 | 609.9 | 180 | 4 |
| 6 | State public education assistance [b] | 5,956.3 | 6,459.9 | 503.7 | 8 | 3 |
| 7 | Financial assistance to localities (general) | 376.8 | 834.2 | 457.4 | 121 | 3 |
| 8 | Highway system maintenance & operations | 1,257.6 | 1,674.4 | 416.9 | 33 | 3 |
| 9 | Bond and loan retirement and redemption | 405.6 | 771.3 | 365.7 | 90 | 2 |
| 10 | Financial assistance for public transportation | 190.9 | 435.5 | 244.6 | 128 | 2 |
| **Top 10 programs, subtotal** | | **$23,123.9** | **$34,058.2** | **$10,934.4** | **47 %** | **68 %** |
| **Other programs, subtotal** | | **12,879.8** | **18,128.7** | **5,248.8** | **41 %** | **32** |
| **Total operating budget** | | **$36,003.7** | **$52,186.9** | **$16,183.2** | **45 %** | **100 %** |

Tables D-1, D-2, D-3, D-4, D-5, D-6:
SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes central and capital appropriations. Appropriations not adjusted for inflation. Numbers may not add due to rounding.
[a] Includes activities at VDH, UVA Medical Center, and at facilities operated by DBHDS and DVS.
[b] Excludes federal funds. Federal funds for state public education assistance are accounted for in a separate program code.

## TABLE D-7
## Growth of higher education agencies, FY08–FY17 ($M)

| | | Total appropriation | | Total growth | | | |
|---|---|---|---|---|---|---|---|
| **Rank** | **Agency** | **FY08** | **FY17** | **$** | **%** | **% of total** | **Overall rank** |
| 1 | UVA | $2,020.5 | $2,973.3 | $952.8 | 47% | 6% | 4 |
| 2 | VCCS | 895.8 | 1,740.5 | 844.7 | 94 | 5 | 5 |
| 3 | Va Tech | 917.4 | 1,321.1 | 403.7 | 44 | 2 | 9 |
| 4 | GMU | 621.3 | 986.5 | 365.2 | 59 | 2 | 10 |
| 5 | VCU | 829.4 | 1,112.9 | 283.5 | 34 | 2 | 13 |
| 6 | JMU | 366.0 | 549.0 | 183.0 | 50 | 1 | 17 |
| 7 | ODU | 287.5 | 431.1 | 143.6 | 50 | 1 | 21 |
| 8 | CWM | 257.4 | 383.1 | 125.7 | 49 | 1 | 23 |
| 9 | RU | 145.9 | 204.0 | 58.1 | 40 | <1 | 29 |
| 10 | VSU | 106.5 | 163.5 | 57.0 | 53 | <1 | 30 |
| 11 | LU | 85.2 | 133.1 | 47.9 | 56 | <1 | 33 |
| 12 | CNU | 104.3 | 152.0 | 47.8 | 46 | <1 | 34 |
| 13 | UMW | 87.7 | 125.4 | 37.7 | 43 | <1 | 39 |
| 14 | VMI | 53.6 | 81.0 | 27.4 | 51 | <1 | 45 |
| 15 | NSU | 147.0 | 157.2 | 10.2 | 7 | <1 | 58 |
| 16 | UVA-W | 33.5 | 43.1 | 9.6 | 29 | <1 | 61 |
| 17 | SO Va Higher Ed Ctr | 1.8 | 8.6 | 6.8 | 372 | <1 | 69 |
| 18 | Richard Bland | 10.0 | 16.2 | 6.3 | 63 | <1 | 73 |
| 19 | EVMS | 19.7 | 24.5 | 4.8 | 24 | <1 | 79 |
| 20 | SW Va Higher Ed Ctr | 6.3 | 3.1 | –3.3 | –51 | <0 | 156 |
| 21 | SCHEV | 135.8 | 98.3 | –37.6 | –28 | <0 | 171 |
| **Total higher ed agencies** | | **$7,132.6** | **$10,707.5** | **$3,574.9** | **50%** | **22%** | |
| **Total operating budget** | | **$36,003.7** | **$52,186.9** | **$16,183.2** | **45%** | **100%** | |

SOURCE: 2008 and 2017 Appropriation Acts.
NOTE: Excludes central and capital appropriations. Appropriations not adjusted for inflation. Numbers may not add due to rounding.

## TABLE D-8
## Changes in enrollment and tuition of higher education agencies, FY08–FY17

| | | Undergraduate enrollment [a] | | | Tuition [b] | | |
|---|---|---|---|---|---|---|---|
| **Rank** [c] | **Agency** | **FY08** | **FY17** | **% change** | **FY08** | **FY17** | **% change** |
| 8 | CWM | 5,792 | 6,276 | 8% | $9,164 | $21,234 | 132% |
| 18 | Richard Bland | 1,402 | 2,203 | 57 | 2,644 | 5,712 | 116 |
| 5 | VCU | 22,159 | 24,199 | 9 | 6,196 | 13,130 | 112 |
| 1 | UVA | 15,078 | 16,331 | 8 | 8,500 | 15,714 | 85 |
| 12 | CNU | 4,691 | 4,930 | 5 | 7,050 | 13,054 | 85 |
| 4 | GMU | 18,589 | 24,097 | 30 | 6,120 | 11,300 | 85 |
| 13 | UMW | 4,271 | 4,357 | 2 | 6,494 | 11,570 | 78 |
| 14 | VMI | 1,378 | 1,713 | 24 | 10,048 | 17,492 | 74 |
| 3 | Va Tech | 23,041 | 25,791 | 12 | 7,397 | 12,852 | 74 |
| 15 | NSU | 5,368 | 4,739 | –12 | 5,322 | 8,738 | 64 |
| 9 | RU | 8,023 | 8,453 | 5 | 6,176 | 10,081 | 63 |
| 6 | JMU | 16,414 | 19,548 | 19 | 6,666 | 10,390 | 56 |
| 16 | UVA-W | 1,803 | 2,221 | 23 | 6,151 | 9,539 | 55 |
| 7 | ODU | 16,066 | 19,793 | 23 | 6,528 | 10,046 | 54 |
| 11 | LU | 3,986 | 4,386 | 10 | 8,058 | 12,240 | 52 |
| 10 | VSU | 4,230 | 4,165 | –2 | 5,655 | 8,472 | 50 |
| **Total (without VCCS)** | | **152,291** | **173,202** | **14%** | **$108,169** | **$191,564** | **77%** |
| **Average (without VCCS)** | | **9,518** | **10,825** | **14%** | **$6,761** | **$11,973** | **77%** |
| 2 | VCCS | 167,164 | 170,869 | 2% | $2,404 | $4,387 | 82% |

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

[a] Includes a headcount of all in-state and out-of-state undergraduate students enrolled in the fall of the 2007-2008 and 2016-2017 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 D-7).

JLARC.VIRGINIA.GOV
919 East Main Street Suite 2101 Richmond, VA 23219