

Key Budget Policy Choices

Comparing the General Assembly's and governor's amended budgets



The governor has released his proposed changes to the legislature's amended 2024-2026 budget (FYs 2025 and 2026). The charts below provide a summary-level assessment of key General Fund changes proposed by the General Assembly in February 2025 and the governor in March 2025 compared to the current budget.

	General Assembly	Governor
Totals for FY25 & FY26 budget		
Total GF resources	\$69,517.2m	\$69,539.3m
Official revenue est.	\$62,021.4m	\$62,001.5m
Total transfers & balances	\$7,495.8m	\$7,537.8m
Revenue Reserve Fund	Makes withdrawals; shifts combined reserve limit from temp. 20% to 15% by end of FY26 (see also Other for deposit) \$1,008.0m	Same withdrawal and limit changes as GA-passed (see also Other for deposit) \$1,008.0m

Proposals for FYs 25 & 26 compared to current budget

Dollar figures represent proposed combined FY25 and FY26 changes in general fund spending. NGF = non-general funds

Tax Policy Choices				
Income Tax Rebate Fund	Provides one-time non-refund. rebate (\$200 filing single/\$400 married, filing jointly)	-\$977.8m	Same as GA-passed	-\$977.8m
Earned Income Tax Credit	Increases refundable EITC to 20% of federal EITC thru TY26	-\$35.0m	Increases refundable EITC to 20% of federal EITC permanently	-\$35.0m
Standard deduction	Increases to \$8,750 filing single and \$17,500 married filing jointly thru TY26	-\$78.8m	Increases to \$8,750 filing single and \$17,500 married filing jointly permanently	-\$78.8m
Major Facility & R&D Credits	Extensions not included	\$19.9m	Extends sunsets for Major Business Facility Job thru FY27, R&D Expenses and Major R&D Expenses thru TY26	
Pass-Through Entity Tax	Extends PTET election through TY26		Makes PTET election and income tax credit for similar tax paid to other states permanent	
Data center SUT exemption	Directs study		Directs study; extends exemption expiration from thru FY35 to thru FY50	
Other tax credit, sales & use tax (SUT) exemption sunsets	Extends SUT exempt. for certain drill equip. & buillon/legal tender coins thru FY26; recycling equip. thru TY26; extends Housing Opp. Credit thru TY30 & increases cap by \$4m, eff. TY26	TBD	Same as GA-passed	TBD
Corporate income tax	Directs study of market-based sourcing		Same as GA-passed	
Gaming	Changes pari-mutuel tax rate to 1.39% & keeps local revenue where collected; creates live-racing fee paid to localities; allows local pari-mutuel expansion via referendum	TBD	Changes pari-mutuel tax rate to 1.30% & keeps local revenue where collected; creates live-racing fee paid to localities; creates Commission & authorizes treasury loan (allowing locality referendum vetoed)	TBD
Conformity & federal changes	Mostly rescinds rolling conformity w/ fed. tax changes; requires processes if fed action reduces fed funds or Va. tax rev \$100m+		Mostly rescinds rolling conformity with federal tax changes	

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K-12 Education				
Updated data	Reflects update	\$162.9m	Same as GA-passed	\$162.9m
Supplanting	Reduces GF w/ \$87m Lottery & \$25m Literary	-\$112.3m	Same as GA-passed	-\$112.3m
Support staff	Funds prevailing ratio of 27.9 positions per 1,000 students	\$222.9m	Funds 25.5 positions per 1,000 students	\$84.8m
Bonuses	Funds for \$1k bonus, June 2025	\$134.4m	Same as GA-passed	\$134.4m
Students w/ disabilities	Creates flexible, tiered add-on (see also VDOE systems)	\$52.8m	Same as GA-passed	\$52.8m
SOL testing	Directs extension of current contracts to Dec 2027; funds options analysis; creates workgroup	\$0.5m	Directs extension of current contracts to Dec 2027, unallots funds until costs are known; funds options analysis; creates workgroup	\$26.3m
“Off-track” & “needs intensive support” schools	Resource Hub not included; requires deploying some existing positions as reg'l specialists		Funds Resource Hub to support technical training and other supports	\$25.0m
Math initiative & grants	Funds \$10m in grants for curriculum support, etc.; funds Virtual Va courses and microcredential program; creates Task Forces	\$12.0m	Funds \$10m in grants for curriculum, reg'l network support, etc.; funds online math programming & math teacher credentialing; creates Task Force	\$12.0m
VDOE systems	Funds IEP System improvements & Learning Management System	\$10.1m	Funds IEP improvements, Learning Management System, and Visualiz. & Analytics Solution	\$15.1m
Community schools	Increases funding, expands to Community in Schools	\$2.5m	Increases funding, expands to Community in Schools	\$1.5m
Funding formula rehaul	Funds Joint Subcomm engagement & support; reverts \$1m Office balance	\$1.0m	No change from Ch. 2; vetoes GA amendments	
School construction	Appropriates \$150m from the School Construct. Fund for competitive grants		Appropriates \$200m from the School Construct. Fund for competitive grants; transfers \$50m from Literary Fund to School Construction Fund	
Private schools	Change not included		Creates voucher program at \$5k/student; allows \$5m loan to Treasury for admin costs	\$25.0m
Lab schools	Addition not included		Boosts funding, expands Fund eligibility to private & 2-year colleges	\$10.0m
Mental health services	Allows mobile clinics & contracts with mental telehealth providers		Allows mobile clinics and telehealth providers; limits services to students (removes eligibility for families and school staff); allows grants to schools to contract for community-based mental health services; bars out-of-pocket costs to students	

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Early Childhood Care and Education (ECCE)				
Child care public-private partnership	Funds shared cost (employer/state/employee) child care pilots	\$25.0m	Not included	
Early learning capital	Removes funding	-\$1.0m	Same as GA-passed	-\$1.0m
Virginia Preschool Initiative	Directs revising attendance requirements subject to review	-\$5.2m	Shifts costs to some localities by removing LCI cap eff. FY26; directs revising attend. reqs subject to review	-\$13.0m
Child care subsidy program (CCSP)	Provides \$5m ARPA boost; reverts unallotted funds; increases copays to up to 5% of income; imposes time limits for parents seeking a job; directs attendance revisions subject to review	\$0.1m	Provides \$5m ARPA boost; reverts unallotted funds; increases copays to up to 7% of income; imposes time limits for parents seeking a job; directs attend. revisions subject to review; limits enroll. of school-age children	\$15.5m
Mixed-Delivery child care	Increases copays to up to 5% of income; imposes time limits for parents seeking a job; directs attendance revisions subject to review		Increases copays to up to 7% of income; imposes time limits for parents seeking a job; directs attendance revisions subject to review	
Child care study	Directs ECCE Commission to provide recommendations on school age children & income eligibility; directs VDOE to report waitlist data		Directs ECCE Commission to provide recommendations on school age children & income eligibility; directs VDOE to report waitlist data	

Higher Education (excludes debt-funded capital projects)				
Va Military Survivors & Dependents Ed. Prog.	Provides GF funding (see also Contingent Approps in Other)	\$100.0m	Provides GF money and \$120m NGF from the Defined Benefit 529	\$90.0m
	Funds updated stipend projections	\$9.4m	Same as GA-passed	\$9.4m
Public college affordability	Boosts fin. aid, affordable access & operational support	\$80.5m	Boosts fin. aid, afford. access, & oper. support; limits tuition & certain fee increases; no impact on other req. fees	\$77.5m
HBCUs	Supports innovative partnerships	\$20.0m	Supports innovative partnerships	\$16.0m
TAG funding	Meets expected growth (\$10m) & increases HSI grants (\$1.8m)	\$11.8m	Meets expected growth	\$7.5m
Va Tech Carilion	Funds enroll. growth at School of Med.	\$6.5m	Funds enroll. growth at School of Med.	\$5.0m
Nursing grants	Funds nursing programs at some colleges	\$3.8m	Funds nursing programs at some colleges; provides tuition assist. to nursing students at Hispanic-Serving Inst., but excludes DACA students or others who are ineligible for fed. fin. aid	\$5.3m
VCU cancer research	Increase not included		Provides one-time funding	\$3.0m
New College Institute	Provides add'l funding	\$0.5m	Directs Board to develop sustainability plan w/ stakeholders; ends operations funding after FY26	
SCHEV IT	Funds CNU, W&M, NSU & UMW updates	\$15.0m	Same as GA-passed	\$15.0m
Displacement Study	Funds study on displacement of Black residents by public colleges	\$0.2m	Not included	

See Workforce Development for additional Higher Education Budget amendments

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Health Care				
Tribal health clinics, IHS	Clarifies reimbursement policy	-\$30.4m	Clarifies reimbursement policy; adds policy lang. if not approved by CMS	-\$30.4m
Critical Access Pharmacies	Not included		Creates an MCO minimum dispensing fee paid to critical access pharmacies	\$1.7m
Other Medicaid services & rates	Removes barriers to obesity meds; increases nursing home & SUD service rates; expands services	\$20.2m	Increases rate for substance use disorder services	\$1.3m
Medicaid oversight	Requires add'l financial review		Same as GA-passed	
Medicaid fund reserve	Creates workgroup		Same as GA-passed	
Public health, drinking water	Funds compliance; increases project grant funds	\$26.8m	Funds compliance; increases project grant funds, sets priority projects	\$16.8m
Health care safety net	Increases funds for free & charitable clinics and FQHCs	\$1.0m	Increases funds for free and charitable clinics & FQHCs	\$0.7m
Maternal health initiatives	Funds mobile clinics, midwife srvc, postpartum education & more	\$6.8m	Funds mobile clinics, postpartum education, and more	\$5.0m
Community Health Workers & Doulas	Increase not included		Provides add'l funds for community health workers and doulas	\$1.0m
State funding for abortion services	Change not included		Removes language that allows state-funded abortions for certain cases	
Community Service Boards	Increases funds for support coordinators	\$8.7m	Increases funds for support coordinators	\$4.4m
Marcus Alert	Increases funding	\$6.0m	Increases funding	\$2.4m
Adult psychiatric line	Provides add'l funding	\$2.3m	Same as GA-passed	\$2.3m
Housing				
Disaster funds	Funds Hurricane Helene property damage relief, future mitigation; retains RGGI funding for manufactured home parks & down payment assistance	\$50.0m	Funds Helene & recent heavy rain prop. damage relief, future mitigation; vetoes RGGI-funded pilots for manufactured home parks & down payment assistance	\$50.0m
First-time home buyer grant	Creates program, \$10k max per qualified household	\$15.0m	Not included	
Housing security	Provides support for programs and certain children (McKinney Vento)	\$1.5m	Provides support for programs and certain children (McKinney Vento)	\$1.5m
Rental assistance	Creates pilots in NOVA & Hampton Roads	\$20.0m	Not included	
Local Trust Funds	Provides funding	\$13.0m	Provides funding	\$6.5m
Urban PPP Redevelop.	Capitalizes fund	\$2.5m	Not included	
Shelters	Provides funds for Suffolk and Charlottesville shelters	\$2.0m	Provides funds for Suffolk and Charlottesville shelters	\$1.3m

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Social Services			
Funding for nonprofits	Provides funding for 6 nonprofits w/ \$5m GF & 5 nonprofits w/ \$3.1m TANF	\$5.0m	Provides funding for 5 nonprofits with \$3.1m TANF (Vetoes CASA Welcome Centers)
EBT cards	Directs DSS to study transition to chip cards		Starts transition to chip cards
Kinship service	Provides add'l expansion funding	\$0.3m	Increase not included
Workforce Development			
College & Career Ready (CCRV)	Not included		Allows G3 funds transfer to CCRV; makes 1-time \$20m transfer from G3; allows funds for noncredit VCCS Fast Forward train. & credential prog. at no cost to student or school div
New Econ. Workforce Credential	Transfers \$15m from G3 funds to New Economy program		Transfers \$15m from G3 funds to New Economy program; boosts GF support
Labor Rights			
Wage and labor protections	Increases support for wage and labor law enforcement activities	\$2.0m	Increase not included
Pd Family & Med Leave	Authorizes treasury loan to create, administer program		Authority for loan not included
Compensation			
Police and sheriffs' dispatchers salary	Provides pay step increase for state police and 6% salary increase for sheriffs' dispatchers & supervisors	\$4.1m	Same as GA-passed
Minimum wage increase	Supports increase to \$13.50/hr eff. Jan. 2026 and path to \$15 in 2027	\$2.0m	Not included
Bonus, State & state supported	Funds 1.5% bonus for employees	\$83.1m	Same as GA-passed
<i>See also K-12 Education</i>			
Transportation			
I-81	Makes 1-81 approp.; funds equity study	\$175.3m	Makes 1-81 appropriation
WMATA	Updates WMATA funding	-\$7.8m	Same as GA-passed
Electric vehicle chargers	Funds new equip. to begin inspecting chargers; supports charging in rural VA	\$2.1m	Funds new equipment to begin charger inspection
Hampton Roads transit	Makes one-time investment	\$0.2m	Not included
Tolling	Adjusts residential eligibility lang. for 100% Elizabeth River Crossing toll relief; allows fund transfer to 50% relief prog.; eliminates tolls for use of Coleman Bridge; works to exempt public transit buses from some tolling		Adjusts residential eligibility lang. for 100% Elizabeth River Crossing toll relief; allows fund transfer to 50% relief prog.; eliminates tolls for use of Coleman Bridge

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Policing and Criminal Legal System				
Temp. Detention (TDO) & Emer. Custody Orders (ECO) transportation	Reimburses local LEAs in FY25 for time spent transporting people under TDOs & ECOS	\$2.0m	Same as GA-passed	\$2.0m
Special Conservators of the Peace (SCOPS)	Increases funding	\$4.2m	Same as GA-passed	\$4.2m
Criminal sealing	Funds implement. of HB2723/SB1466	\$16.2m	Same as GA-passed	\$16.2m
Violence reduction	Funds VICTOR & intervention prog	\$5.9m	Not included	
Operation Ceasefire	Increase not included		Funds add'l attorney in NOVA	\$0.2m
School resource officers	Designates up to \$7.7m NGF from the SRO Incentive Grants Fund		Increases funding	\$5.3m
Wrongful incarceration	Funds awarded claims to 4 people	\$9.0m	Same as GA-passed	\$9.0m
Judges	Increases funding for new positions	\$0.9m	Same as GA-passed	\$0.9m
Woodrum amendment	Provides req. funds for felony bills	\$1.3m	Provides req. funds for felony bills (several Woodrum bills vetoed)	\$0.7m
Itemized billing statements	Funds system updates & costs (HB1665)	\$0.08m	Same as GA-passed	\$0.08m
Earned sentence credits	Maintains current eligibility		Limits credits to 4.5 for every 30 days served on a sentence for some people	
Federal immigration enforcement	Change not included		Requires jail officials to comply w/ ICE detainer requests & provide min. 48-hr pre-release notice; bans limits on ICE cooperation; threatens financial penalties for noncompliance	
Other				
Capital	Increases GF cash for capital projects by \$1.0B; total increase in capital of \$1.9B plus add'l debt authority for port	\$1,043.2m	Increases GF cash for capital projects by \$1.0B; total increase in capital of \$1.9B plus add'l debt authority for port	\$1,038.0m
Revenue Reserve Fund Deposit	Makes required deposit for surplus revenues collected in FY24 (See also Resources for withdrawal)	\$292.5m	Makes required deposit and \$300m voluntary deposit contingent on meeting FY25 forecast (See also Resources for withdrawal)	\$592.5m
Dept. of Taxation	Funds system replace. contingent on inclusion of e-filing option for individual income tax	\$131.0m	Same as GA-passed	\$131.0m
Richmond City Sewer Project	Directs some of req. WQIF deposit from 2024 surplus revenue toward combined sewer overflow project	\$50.0m	Same as GA-passed	\$50.0m
Contingent approps	Reserves first \$20m of FY25 surplus revenue after Rev. Stabilization Fund for VMSDEP and add'l surplus revenue for responding to any federal funding cuts		Reserves first \$431m of FY25 surplus revenue after Rev. Stabilization Fund for WQIF wastewater project matching grants	

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Economic Development				
HQ2	Reduces total advance payments	-\$13.8m	Reduces total advance payments	-\$3.8m
Business Ready Sites	Increases funding	\$20.0m	Increases funding	\$40.0m
Va Innovation Partnership Authority (VIPA)	Increase not included		Increase not included; carries forward and reappropriates remaining balances at the end of FY25	
Sports Tourism Grant Program	Funds LIV Golf League's tournament in Gainesville	\$3.0m	Funds grant program, provides \$2.5m to support golf tournament	\$3.5m
Micron Technology	Cost delayed until FY27		Same as GA-passed	
Motion Picture Opp.	Increases funds for Opportunity Fund	\$1.0m	Same as GA-passed	\$1.0m
Economic development marketing	Enhances business marketing (\$1.5m) and funds a media campaign for diverse communities (\$1.25m)	\$2.8m	Enhances business marketing (\$1m) and increases support for general media marketing (\$625k)	\$1.6m
Pulaski County site	Funds readiness improvements	\$15.0m	Funds readiness improvements	\$7.5m
Eastern Shore economic development	Funds natural gas infrastructure expansion	\$6.5m	Same as GA-passed	\$6.5m
Laboratory spaces	Funds retrofit in Roanoke for cell & gene therapy R&D and UVA lab space improvement for life sciences	\$11.5m	Same as GA-passed	\$11.5m
Portsmouth community development	Funds sanitary sewer pump station upgrades and water main improvements	\$10.3m	Provides \$4.25m for sewer pump project from WQIF and up to \$6 million for water main project from Office of Drinking Water	
Community Develop. Financial Institutions	Replenishes fund; creates revolving fund to provide low-interest loans	\$2.5m	Same as GA-passed	\$2.5m