

Key Budget Policy Choices

Comparing the introduced, House, Senate, and conference budgets



The General Assembly approved the conference budget for 2026-2028 (FY27–28). The charts summarize key General Fund changes proposed by former Gov. Youngkin, the House, Senate, and conferees compared to the current budget. FY 2026 funding vetoed in May 2025 is excluded from the baseline.

Totals for FY27 & FY28 budget

All dollar figures represent proposed combined FY27 and FY28 changes in General Fund spending. NGF = non-general funds

	Introduced	House	Senate	Conference
Revenue est.	\$67,381.0m	\$68,618.6m	\$69,303.3m	\$70,344.5m
Carryforward	\$2,124.7m	\$2,316.4m	\$2,816.4m, incl. expected \$500m FY26 surplus	\$2,316.4m
Other resource	\$1,784.6m	\$1,940.0m	\$1,981.6m	\$2,627.2m
Unapprop.	\$305.4m	\$15.2m	\$17.6m	\$179.9m

Proposals for FYs 27 & 28 compared to current budget

Tax Policy Choices								
Fed. conform	via HB29/SB29; FY27-28 impacts							
Charitable deduct. floors	Conforms (corp, 1% ; indiv., 0.5%)	\$99.8m	Same as introduced	\$99.8m	Same as introduced	\$99.8m	Same as introduced	\$99.8m
Misc. changes	Conforms	\$33.4m	Same as introduced	\$33.4m	Same as introduced	\$33.4m	Same as introduced	\$33.4m
Large breaks for businesses	Mostly conforms	-\$376.1m	Deconforms		Deconforms		Deconforms	
Itemized Deduct. Limit	Conforms; repeals Pease	-\$54.0m	Deconforms; maintains Pease		Deconforms; maintains Pease		Deconforms; maintains Pease	
Business int. deduction	Conforms to calc change	-\$30.8m	Conforms; cuts disallowed to 20%	\$144.4m	Conforms; cuts disallowed to 20%	\$144.4m	Conforms; cuts disallowed to 20%	\$145.3m
Opport. Zones	Conforms	-\$4.1m	Same as introduced	-\$4.1m	Same as introduced	-\$4.1m	Same as introduced	-\$4.1m
New individual income tax loopholes	Allows car loan interest, overtime & tip income deduct (25% of fed. in TY26, 50% eff. TY27)	-\$271.8m	Not included		Not included		Not included	
Standard deduction	Makes SD of \$8,750 for single filers/ \$17,500 for joint filers permanent		Same as introduced		Increases to \$9,200 single/ \$18,400 joint until 2030	-\$159.4m	Increases to \$9,200 /\$18,400 (TY27), \$9,300/\$18,600 until TY30	-\$171.0m
EITC	Makes 20% refundable perm.		Same as introduced		Extends 20% refund. to 2030		Extends 20% refund. to 2030	
Market-based sourcing	Changes sales factor calc. for corp. inc. tax (eff. TY27)	-\$29.1m	Not included		Not included		Not included	
Data Center Sales & Use Tax (SUT) exemption	Extends sunset 15 years; could be used thru 2065 based on facility size/employment agreement		Maintains sunset; bars co-located CO ₂ emitting generators eff. FY28; ties to clean energy standards eff. FY30	Unknown	Ends exemption eff. FY27; directs some rev to WMATA Cap. Fund; tranfers add'l \$118m to K-12 & \$292m to transpo	\$977.1m	Creates electricity use tax thru Jul 2028; caps at \$600m/yr; directs jt. subcomm. study by 12/15/26	\$1.2B

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Tax Policy Choices				
Tax rebates, nonrefund.	Not included	Not included	Provides one-time (\$100 sing./\$200 jt) -\$499.0m	Not included
Cannabis excise tax	Not included	Not included	Assumes revenue from cannabis excise tax (SB542) \$71.1m	Assumes retail market & excise tax rev; add'l \$18m incl. in transfers \$35.0m
State prop.	Rev. not assumed	Assumes sale \$35.0m	Rev. not assumed	Assumes sale \$44.8m
Sports bets	Not included	Not included	Assumes reforecast \$30.0m	Adjusts forecast \$25.0m
Short-term lodging	Not included	Not included	Raises tax 3% → 4%; generates NGF for WMATA Cap. Fund	Not included
Local SUT	Change not included	(No budget amendment, House passed HB334)	Allows voter-approved SUT up to 1% for school construction	Allows voter-approved SUT up to 1% for school construct. (or public transpo for PD8)

Labor & Compensation				
State & state-supported locals salary	Funds 2% raise ea. yr for state empl. & 2% for faculty (incl. adjs), GTAs & locals \$402.9m	Same as introduced \$402.9m	Funds 3% raises for state employees (incl. higher ed) & 2% for locals \$560.7m	Funds 3.5% raises for state employees (incl. higher ed) & locals \$713.9m
State employ. health insurance	Adjusts Rx benefits; funds state share of prem. increases \$243.5m	Same as introduced; adds add'l benefits \$244.2m	Same as introduced; adds add'l benefits \$244.7m	Funds one-time deposits and updated premiums \$582.4m
K-12 salary	Funds state share of 2% raise each yr \$381.7m	Same as introduced \$381.7m	Funds state share of 3% raise each yr \$575.0m	Funds state share of 4% raise each yr \$769.6m
Minimum wage	Adjusts state pay for inflation-related increases \$1.8m	Adjusts state pay (HB1) \$16.3m	Adjusts pay (SB1); funds other home care worker raises \$49.4m	Adjusts pay per leg.; funds other home care worker raises \$49.4m
Collective bargaining	Not included	Creates Relations Board \$20.0m	Creates Relations Board \$6.5m	Not included
Paid leave	Not included	Authorizes PFML loan (HB1207); funds labor enforce. incl. paid sick \$12.2m	Authorizes PFML loan (SB2); funds labor enforcement, incl. paid sick \$7.7m	Authorizes PFML loan (SB2/HB1207); funds labor enforce., incl. paid sick \$10.1m
DOC, facility	Increase not included	Increase not included	Funds \$1k bonus \$7.8m	Funds \$1k bonus \$7.8m
Office of AG	Increase not included	Funds compression adjust. \$7.1m	Funds compression adjust. \$7.1m	Funds compression adjust. \$7.1m
CA paralegals	Increase not included	Increase not included	Increases salaries \$3.3m	Increases salaries \$3.3m
Guardian AL	Increases hourly \$3.0m	Increases hourly \$6.0m	Increase not included	Increases hourly \$4.5m
Senate leg. staff	Increase not included	Increase not included	Funds full 2nd LA benefits \$3.0m	Increase not included
Lawmakers	Increase not included	Increases pay to \$45,000 eff. 2028 \$2.1m	Increases pay to \$45,000 eff. 2028 \$2.1m	Increases pay up to \$50,000 eff. 2028 \$2.1m

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Health Care				
Medicaid reimburse. rates	Pauses inflation updates to provider rates -\$238.2m	Pauses inflation adjust.; reqs rehab hospitals rate update; defers nursing home update to Jul 2030 -\$238.2m	Pauses inflation adjust.; reqs new rehab hospitals rate update; delays nursing home update to Jul 2028 -\$238.2m	Pauses inflation adjust.; reqs rehab hospital rate update; gives one-time nursing home reimburse. increase & delays update to Jul 2030 -\$203.2m
Medicaid insurers (MCO)	Requires review and adjustments of payment -\$45.8m	Requires pymt review & adjust; reduces MCO profit -\$76.2m	Requires pymt review & adjust; funds MCO review -\$44.8m	Requires pymt review & adjust; funds MCO review reduces MCO profit -\$75.2m
FAMIS	Cuts prenatal -\$29.5m	Maintains prenatal	Maintains prenatal	Maintains prenatal
Medicaid statewide PBM	Delays statewide pharmacy benefit manager (PBM) contract to 2027	Delays to Jul 2027; provides \$ & staff; captures savings -\$1.3m	Delays PBM contract to July 2027	Delays contract to Jan 2028; funds implementation \$2.2m
H.R. 1: Work reporting support	Not included	Requires Secs of HHR & Labor to provide work support; funds outreach \$0.5m	Sets up work req task force	Reqs Secs of HHR & Labor to provide work support; sets up task force; funds outreach & workforce training \$3.5m
Abortion services	Removes language allowing some state-funded abortions	Change not included	Change not included	Change not included
Crisis Services	Cuts community stabiliz. services; limits mobile unit time & reimbursement -\$108.0m	Limits community stabiliz. svc time until srvc end (2028); limits crisis svc. time & reimburse. -\$84.0m	Same as introduced; asks CSBs to model “no barriers approach” for ECO & TDOs -\$108.0m	Same as introduced; asks CSBs to model “no barriers approach” for ECO & TDOs -\$108.0m
DD Waivers	Increases rates per DOJ settlement \$59.3m	Same as introduced \$59.3m	Increases rates and services \$81.7m	Increases rates and services \$81.7m
Applied Behavioral Analysis services	Limits to 20 hr/wk & requires autism diagnosis for services -\$67.6m	Limits to 20 hr/wk; allows provisional autism diagnosis for kids ≤5 -\$58.0m	Same as introduced -\$67.6m	Limits to 20 hr/wk; allows 1-yr provisional autism diagnosis for kids ≤5 -\$58.0m
Marcus Alert	Removes language mandating certain reqs to establish program in localities	Removes lang.; increases funds to enact in all Va CSBs \$15.6m	Removes lang.; adds funds to enact in all CSBs by Jul 2028 & add eval prog. \$11.7m	Removes lang.; funds statewide implementation support \$11.4m
Safety net facilities	Increase not included	Increases free clinic funds \$10.0 m	Increases free clinic funds \$10.0m	Increases free clinic & FQHC funds \$15.0m
ACA premiums	Not included	Funds 2027 reduction program (138%-200% FPL) \$79.1m	Replaces expired federal; 2026 target; <400% FPL priority \$200.0m	Funds 2027 reduction program (138%-250% FPL) \$150.0m
Public health (PH)	Not included	Boosts VDH-led PH svcs & Ryan White prog.; creates child vaccine workgroup \$45.0m	Boosts VDH-led PH svcs & Ryan White prog.; creates child vaccine workgroup \$33.5m	Boosts VDH-led PH svcs & Ryan White prog.; creates child vaccine workgroup \$55.4m

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K-12 Education				
Per-pupil for divs	FY27: \$9,477 FY28: \$9,620	FY27: \$9,876 FY28: \$9,683	FY27: \$9,629 FY28: \$9,955	FY27: \$9,725 FY28: \$9,932
Updated data	Updates funding; reduces VRS \$214m from lower rates \$543.8m	Same as introduced \$543.8m	Updates, incl. data center reform; has \$214m VRS reduct. \$705.2m	Updates funding; reduces VRS \$214m from lower rates \$553.9m
Salary, SOQ instruct. & support staff	Funds state share of 2% raise each yr \$381.7m	Same as introduced \$381.7m	Funds state share of 3% raise ea. yr; reqs JLARC report \$575.0m	Funds state share of 4% raise ea. yr; reqs JLARC report \$769.6m
Flexible funding	Increase not included	Provides one-time funds if 2% div raises & MOE \$400.4m	See Lottery-funded PPA below	Provides one-time flexible per-pupil \$ \$60.0m
Students with disabilities	Funds IEP enhancements \$2.0m	More than doubles flex. add-on; funds IEP enhancements \$150.4m	Increases flex. add-on; funds IEP enhancements \$27.6m	More than doubles flex. add-on; funds IEP enhancements \$150.4m
SISNA	Expansion not included	Expands eligibility \$10.0m	Expansion not included	Expands eligibility \$10.0m
Low income add-on weight	Increase not included	One-time \$100m in flex funding above	Boosts conc. max; plus \$20m Lottery \$98.7m	Boosts concentration max \$28.9m
Construction (also see Literary)	Adds \$127m casino tax to School Construct. Fund; 2-yr est. \$347m	Make \$127m casino transfer (sales tax option passed House, HB334)	Makes \$127m casino transfer; allows local sales tax for construction	Makes \$127m casino transfer; allows sales tax for constr. (plus public transpo in PD8)
Lottery and Literary	Transfers \$172m Literary to School Construct. Fund; ends Literary set-aside for construction loans	Ends Literary Fund set-aside for construction loans	Transfers \$172m Literary to School Construct. Fund; provides up to \$50m Literary for construction loans	Same as introduced
	Supplants w/ Lit. -\$285.0m	Supplants w/ Lit. -\$457.0m	Supplants w/ Lit. -\$235.0m	Same as intro. -\$285.0m
	Backfills GF for lower Lottery forecast \$35.2m	Backfills GF for lower Lot., adjusted for Dec revenues \$20.2m	Backfills GF, adds \$60m flex PPA from skill games \$35.2m	Backfills GF for lower Lottery forecast \$25.2m
Schl improve.	Change not included	Requires plan & reporting	Change not included	Requires plan & reporting
Breakfast	Increase not included	Increase not included	Ups reimburse. 22¢ \$17.6m	Ups reimburse. 22¢ \$17.6m
Comm. Schools	Increase not included	Increase not included	Increases Planning Grant \$ \$5.0m	Increases Planning Grant \$ \$5.0m
Joint Subcomm.	Increase not included	Provides funds & data collection for implement. plan \$0.3m	Supports new funding formula development RFP \$1.3m	Supports new funding formula development RFP \$1.3m
LCI	Changes not included	Strikes error correction language	Adds data center equip. starting FY29	Clarifies error correction language
Finance system	Funding not included	Funding not included	Funds financial sys.; allows unspent \$ for assessments \$50.0m	Funding not included
Other funding	Provides small targeted increases \$1.4m	Funds bills & targeted increases, incl. restorative practices (\$70k) \$11.2m	Implements bills & targeted increases \$29.0m	Implements bills & targeted increases; incl. restorative practices (\$70k) \$29.4m

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Early Childhood Care & Education				
Shift from VPI to Child Care Subsidy Program	Moves \$138m VPI to CCSP to increase slots. VPI funding is increased due to rebenchmarking (included in K-12 technical updates)	Moves \$138m VPI to CCSP to add slots; allows \$ shift to cut waitlists. VPI funding rises due to rebenchmarking (included in K-12 technical)	Same as introduced	Same as introduced; adds class-size flexibility
Digital wallet	Funds set-up & maintenance \$1.0m	Not included	Not included	Not included
Employer match	Pilots employer match to digital wallets \$1.0m	Funds public-private cost-sharing for <125% AMI \$25.0m	Funds public-private cost-sharing; state match for <85% SMI \$50.0m	Funds state match for <100% SMI (or AMI w/ approval) \$25.0m
Subsidy cliff	Change not included	Change not included	Funds subsidy phaseout >85% SMI \$3.6m	Change not included
Other				
Capital	Provides \$2.66B in cash & debt auth.; incl. \$890m GF cash, \$539m NGF cash, \$1.1B state-supported debt & \$124m other debt \$890.0m	Provides \$2.62B in cash & debt auth.; incl. \$884m GF cash, \$516m NGF cash, \$1.1B state-supported debt & \$112m other debt \$884.0m	Provides \$3.25B in cash & debt auth.; incl. \$1.34B GF cash, \$678m NGF cash, \$1.1B state-supported debt & \$124m other debt \$1,338.2m	Provides \$3.38B in cash & debt auth.; incl. \$1.47B GF cash, \$740m NGF cash, \$1.1B state-supported debt & \$112m other debt \$1,467.1m
Contingency funds	Creation not included	Creates Federal Uncertainty Contingency Fund in case of federal funding reduction \$200.0m	Creates reserve for higher than expected Medicaid costs \$90.0m	Creates Federal Uncertainty (\$225m), Medicaid reserve (\$350m), & enviro monitoring (\$100m) funds \$675.0m
Health funds super-deposit	Does not make superdeposit	Makes superdeposit for state employ. fund \$80.0m	Does not make superdeposit	Makes retiree & employee funds deposits \$293.6m
Drinking & ground water	Reduces drinking water funding -\$4.5m	Reduces drinking water funding; funds PFAS plan & groundwater study -\$3.0m	Funds drinking water projects incl. Portsmouth & Richmond & PFAS monitoring; creates groundwater studies \$59.6m	Funds drinking water projects incl. Portsmouth & Richmond & PFAS monitoring; creates groundwater studies & data center regs \$59.1m
WQIF & wastewater projects	Provides WQIF funds above mandatory deposit; stormwater funds for localities w/ separate systems \$79.7m	Provides funds for stormwater & wastewater treatment (incl. Richmond CSO & Ches. Bay) & connection project \$283.4m	Provides addtl funds, incl. for stormwater, Hampton Roads, Richmond, & Dahlgren wastewater projects \$334.7m	Provides add'l funds, incl. for stormwater, Ches. Bay, Richmond, & Dahlgren wastewater treatment & connection project \$323.1m

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Policing & Criminal Legal System				
Public defenders	Increase not included	Increase not included	Funds 45 support staff positions \$7.4m	Funds 45 support staff positions \$7.4m
Safer Communities Program	Change not included	Transfers \$20m GF from Op Ceasefire to program; expands eligibility	Increases funds; prohibits SRO use; add'l violence reduct. grant \$ \$25.1m	Transfers \$20m GF from Op Ceasefire to program, expands eligibility; add'l violence reduct. grant \$ \$14.1m
Domestic Violence & SA Programs	Change not included	Offsets fed. cuts for Victims of Crime Act grants \$12.0m	Change not included	Increases grant funding for unmet needs \$6.0m
Sheriff offices	Supports 71 deputy & 18 admin support positions \$9.2m	Increase not included	Provides funds for admin positions \$1.4m	Increases min # of deputy sheriffs per office to 10 \$1.4m
Body worn cams	Increase not included	Funds purchase for level 5 facilities \$2.2m	Funds purchase for level 4 & 5 facilities \$2.8m	Funds purchase for level 4 & 5 facilities \$2.8m
Temp & Emer. Custody Order transpo	Provides one-time funds to reimburse local LEAs \$2.0m	Funding not included	Same as introduced \$2.0m	Funding not included
SROs	Change not included	Adjusts funds based on use -\$4.5m	Adjusts funds based on use; transfers \$14m from SRO grant fund to GF -\$9.1m	Adjusts funds based on use; transfers \$10m from SRO grant fund to GF -\$9.0m
Court date reminders	Not included	Funds system (HB885) \$1.7m	Not included	Not included
Marijuana sentencing	Change not included	Funds modification support (HB26) \$1.6m	Funds modification support (SB62) \$1.6m	Funds modification support SB62/HB26 \$1.6m
Earned sentence credit	Change not included	Funds system upgrade (HB361) \$0.8m	Change not included	Funds system upgrade (HB361) \$0.8m
Rights restoration	Not included	Funds restore upon release (HB964) \$0.2m	Provide funds (SB162) \$0.05m	Implements HB964/SB162 \$1.4m
Court debt repayment	Change not included	Funds community service payment option (HB16) \$0.2m	Change not included	Funds community service payment option (HB16) \$0.2m
Fines & fees bills	Change not included	Funds IT costs related to bills (HB268, HB17 & HB1142) \$0.07m	Funds IT costs related to bill (SB180) \$0.07m	Funds IT costs related to HB17/ SB180 \$0.07m
Fines & Fees Study	Not included	Not included	Not included	Creates workgroup to study court fines & fees and provide rec's & report to GA
Reentry	Not included	Not included	Not included	Directs DOC to improve programming, partner w/ external orgs & creates workgroup to report to GA (HB1280)

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Social Services								
Supplement. Nutrition Assistance Program (SNAP)	Backfills federal admin cuts in H.R.1	\$100.4m	Backfills federal admin cuts in H.R.1	\$152.7m	Same as introduced	\$100.4m	Same as introduced	\$100.4m
	Not included		Funds benefit cost share (HR1) using 10%+ error rate	\$211.0m	Funds benefit cost share (HR1) using 8-10% error rate	\$135.0m	Funds benefit cost share (HR1) using 8-10% error rate	\$135.0m
	Funds salary increases & 14 new positions to address error rate	\$3.6m	Same as introduced	\$3.6m	Funds salary incr.; addresses error rate w/ 14 new positions, eval. of local rates, task force & contract	\$5.6m	Funds salary incr.; addresses error rate w/ 14 new positions, eval. of local rates, task force & contract	\$5.6m
	Not included		Not included		Not included		Provides funds to help people subject to work reporting	\$3.0m
Child Protective Services	Creates & funds centralized intake system	\$32.7m	Creates & funds centralized intake system	\$25.6m	Funds study supported by SB640	\$1.0m	Funds centralized intake system & study	\$3.5m
Local Dept. of Social Services	Boosts salary floor	\$6.9m	Same as introduced	\$6.9m	Same as introduced	\$6.9m	Same as introduced	\$6.9m
	Funds state oversight & takeover of certain offices	\$3.4m	Same as introduced	\$3.4m	Same as introduced	\$3.4m	Funds state oversight & some takeovers; requires annual financial report	\$3.4m
	Not included		Creates statewide workforce support	\$1.2m	Not included		Creates statewide workforce support	\$0.6m
Child Advo. Centers	Supplants GF w/ \$3.2m TANF \$\$	-\$3.2m	Reduces GF; increases TANF \$\$ for CACs by \$3.2m	-\$1.2m	Reduces GF; increases TANF \$\$ for CACs by \$6.2m	-\$0.2m	Reduces GF; increases TANF \$\$ for CACs by \$6.2m	-\$3.2m
Housing								
Va housing funds	Not included		Creates fund (HB820), directs workgroup, adds Trust Fund deposit	\$37.5m	Makes add'l deposit to Trust Fund, \$20.6m for mixed-income pilot program (SB490)	\$50.0m	Makes add'l trust fund deposit; directs work group; funds mixed-income pilot (\$20m)	\$60.0m
Homeless services	Increase not included		Boosts funding for rapid rehousing & Continuum of Care (CoC) leads	\$14.0m	Transfers \$9.1m from LIEEP fund to city of Charlottesville for transitional housing		Increases funds for rapid rehousing, CoC lead agencies; funds Cville transition. housing/ life-skills facility	\$14.0m
Eviction reduction	Increase not included		Increases Program support	\$10.0m	Increases Program support	\$13.0m	Increases program support	\$11.5m
Residential dev. infra.	Not included		Funds FY27 pilot (HB196)	\$5.0m	Not included		Not included	
Local Trust	Not included		Gives funds to PWC	\$5.0m	Not included		Gives funds to PWC	\$5.0m