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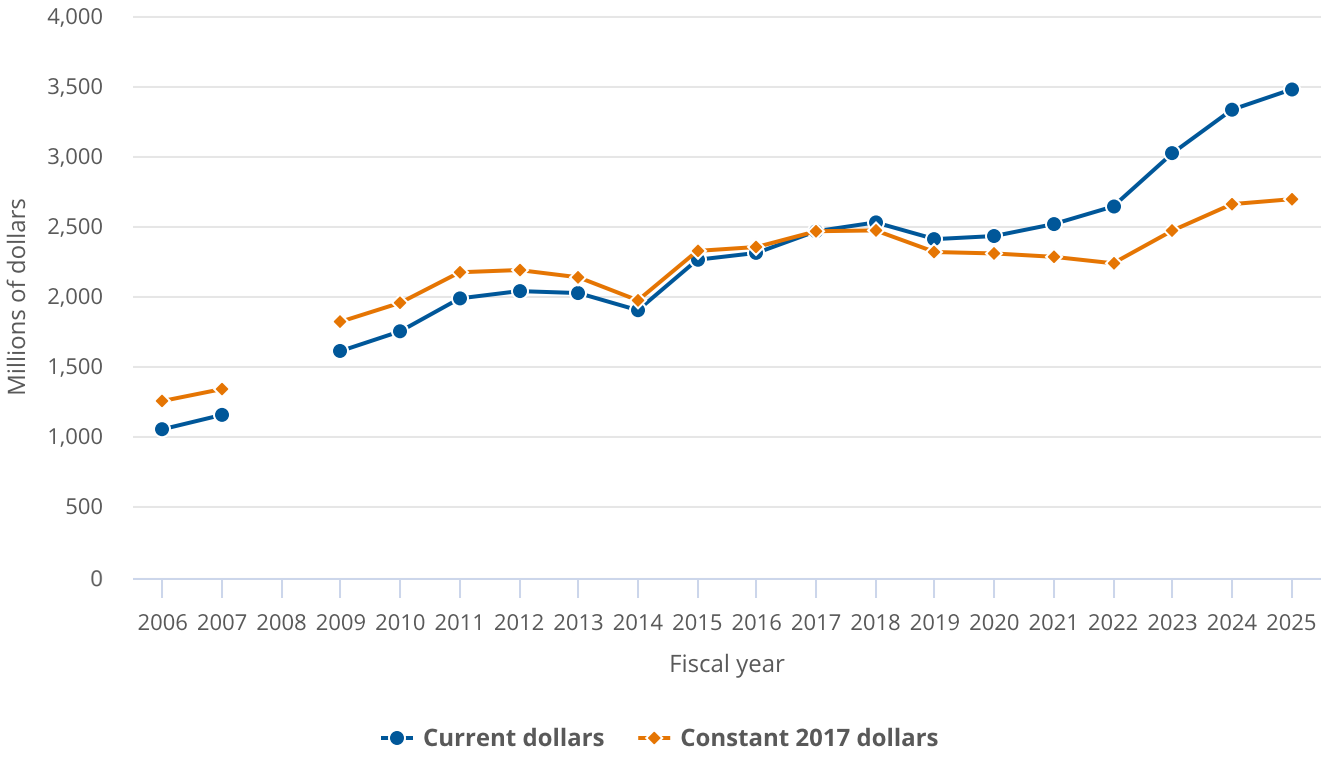
InfoBrief

State Government Agencies' Expenditures for R&D Increased 4% From FY 2024 to FY 2025

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In FY 2025, state government agencies' expenditures on research and experimental development (R&D) totaled $3.5 billion, an increase of 4.3% from the FY 2024 expenditures of $3.3 billion (figure 1).[1] However, when adjusted for inflation, state government agency R&D expenditures totaled $2.70 billion in FY 2025, an increase of 1.3% from the FY 2024 adjusted amount of $2.66 billion.[2]

Figure 1. State government expenditures for R&D: FYs 2006–25



Note(s):
No survey was conducted for FY 2008. Data include all 50 states and the District of Columbia. Puerto Rico is not included due to its classification as a U.S. territory. State R&D totals can display considerable volatility between survey years due to several national and state-specific factors. Large changes are not unusual, especially for discretionary spending items such as R&D.

Source(s):
National Center for Science and Engineering Statistics, Survey of State Government Research and Development.

Although total state government R&D expenses increased in 2025, the level of federal support to states for R&D declined by 3.1% from 2024 (table 1). This is the first decline in federal support to states since 2018.

Table 1. State agency R&D and R&D plant expenditures: FYs 2024–25

(Thousands of current dollars)

Characteristic	FY 2024	FY 2025	% change
All R&D and R&D plant expenditures	3,356,403	3,562,217	6.1
All R&D plant expenditures[a]	23,548	85,547	263.3
All R&D expenditures	3,332,854	3,476,670	4.3
R&D expenditures			
By source of funds			
Federal government	724,181	701,895	-3.1
State government and other nonfederal sources	2,608,673	2,774,775	6.4
By performer			
Intramural[b]	789,727	785,021	-0.6
Extramural	2,543,127	2,691,649	5.8
Higher education institutions	1,244,523	1,342,716	7.9
Companies and individuals	674,010	803,403	19.2
Nonprofit organizations[c]	440,821	391,943	-11.1
Other governments[d]	116,972	84,748	-27.5
All other[e]	66,802	68,838	3.0
Intramural by type of R&D			
Basic research	132,946	136,550	2.7
Applied research	611,487	600,992	-1.7
Experimental development	45,294	47,480	4.8
By government function			
Agriculture	188,179	196,197	4.3
Energy	503,270	600,441	19.3
Environment and natural resources	604,988	660,117	9.1
Health	1,454,346	1,461,442	0.5
Transportation	344,791	310,674	-9.9
Other R&D functions[f]	237,280	247,800	4.4

[a] R&D plant expenditures includes acquisition of land, facilities, major equipment, and major building renovations intended primarily for R&D use.
[b] Intramural performers includes a department's or agency's own employees who perform R&D and services performed by others in support of an internal R&D project.
[c] Nonprofit organizations includes foundations.
[d] Other governments includes federal government departments and agencies; other departments or agencies within the state; other state governments; and county, city, special district, or regional local governments.
[e] All other extramural performers includes all performers not elsewhere classified.
[f] Other R&D functions includes, but is not limited to, corrections, criminal justice, education, forensic science, labor, public safety, and social services functions.

Note(s):
Detail may not add to total due to rounding. Data include all 50 states and the District of Columbia. Puerto Rico is not included due to its classification as a U.S. territory.

Source(s):
National Center for Science and Engineering Statistics, Survey of State Government Research and Development.

This InfoBrief presents summary statistics from the FY 2025 Survey of State Government Research and Development, sponsored by the National Center for Science and Engineering Statistics (NCSES) within the U.S. National Science Foundation. Amounts reported do not include direct appropriations from state legislatures to universities, colleges, and private organizations. Data presented in this InfoBrief are in current dollars unless otherwise noted.

Summary of State Government R&D Totals

State governments' FY 2025 expenditures for both R&D and R&D plant totaled $3.6 billion (table 1). R&D accounted for 98% of these expenditures at $3.5 billion. R&D plant accounted for $86 million.[3] State governments served as the largest source of funds for agency R&D at $2.8 billion (80%), whereas federal funds accounted for $702 million (20%).[4] In FY 2024, expenditures from state government funds accounted for 78% and federal funding accounted for 22% of all state R&D expenditures.

Health-related R&D expenditures accounted for the largest share (42%) of state agencies' R&D. R&D expenditures related to environment and natural resources and to energy accounted for 19% and 17%, respectively, of total state government R&D expenditures in FY 2025. The shares of total R&D expenditures related to transportation, all other functions, and agriculture in FY 2025 were 9%, 7%, and 6%, respectively.

State Government R&D Performance

Overview

State governments are both funders and performers of R&D. Although all R&D performance is measured in terms of expenditures, not all expenditures are a measure of actual performance. For example, intramural performance of R&D is measured by the expenditures on the work of state employees within state-owned and -operated facilities. However, state government expenditures to external parties (e.g., businesses, higher education institutions, and nonprofit organizations) to conduct R&D on behalf of the funding agency, usually in the form of contracts and grants, are not a measure of performance. This funding is referred to as expenditures on extramural R&D, but these expenditures do not reflect the actual performance of R&D by these external performers. The actual performance by these recipient sectors would be measured by their respective expenditures, which are measured on other NCSES surveys.[5]

Intramural R&D Performance

Five states accounted for 68% of the $785 million in total expenditures for intramural R&D performed by state agencies in FY 2025: New York ($286 million), California ($114 million), Florida ($65 million), South Carolina ($36 million), and Washington ($35 million) (table 2). New York State's own intramural R&D expenditures accounted for 36% of all state governments' intramural R&D performance. In FY 2025, 55% ($430 million) of total state government intramural R&D expenditures came from each state's own funds, whereas 39% ($304 million) was supported by federal funds. New York State accounted for 42% ($127 million) of all intramural R&D expenditures sourced from federal funds across all states.

Table 2. State government expenditures for R&D for intramural performers, by state and source of funds: FY 2025

(Thousands of current dollars)

State	R&D expenditures for intramural performers	Federal government	Own state government	Other nonfederal governments	Nonprofit organizations	Businesses and individuals	Higher education institutions
United States[a]	785,021	303,850	429,639	8,292	20,403	20,067	2,771
California	113,615	8,037	105,433	145	0	0	0
Florida	65,257	15,997	44,172	4,596	430	4	58
New York	285,567	127,479	118,684	65	18,713	19,896	729
South Carolina	36,415	23,678	12,438	110	0	0	189
Washington	35,267	9,077	25,126	900	164	0	0

Table 2. State government expenditures for R&D for intramural performers, by state and source of funds: FY 2025

(Thousands of current dollars)

State	R&D expenditures for intramural performers	Federal government	Own state government	Other nonfederal governments	Nonprofit organizations	Businesses and individuals	Higher education institutions
All other states	248,900	119,582	123,786	2,476	1,096	167	1,795

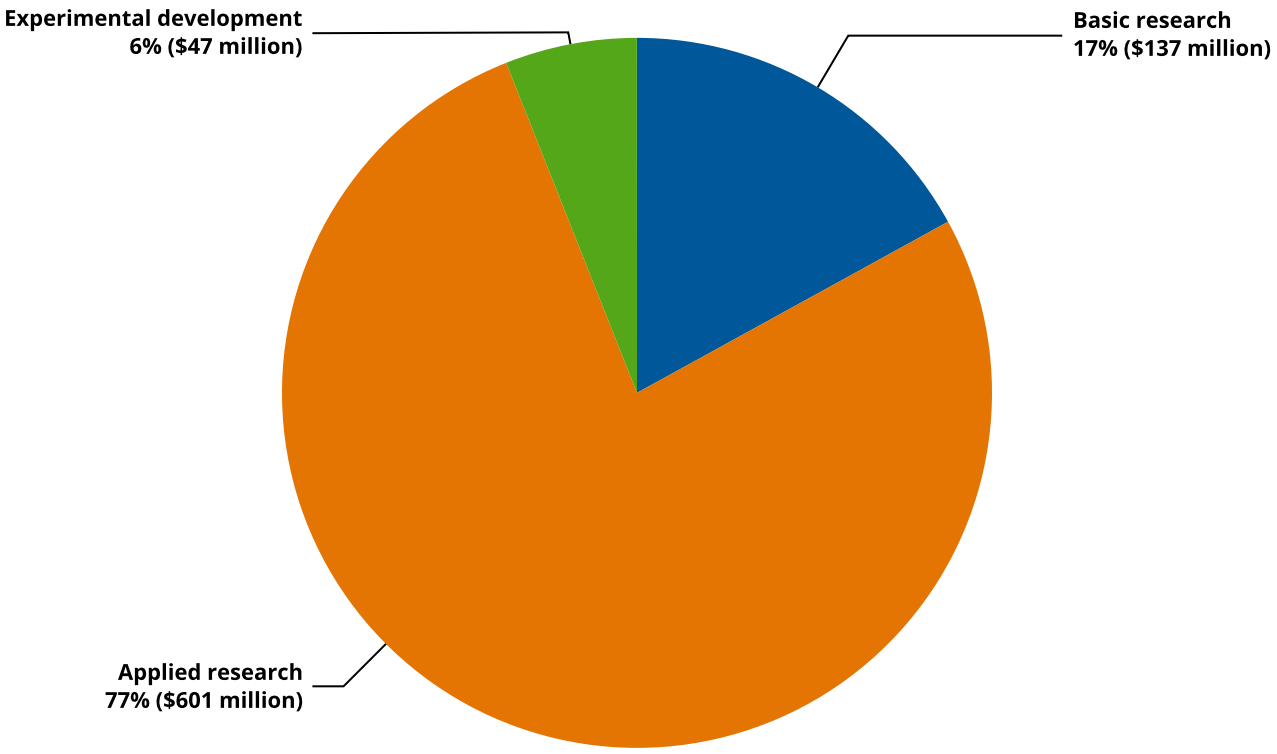
[a] U.S. total reflects all 50 states and the District of Columbia. Puerto Rico is not included due to its classification as a U.S. territory.

Note(s):
Intramural performers includes a department's or agency's own employees who perform R&D and services performed by others in support of an internal R&D project. Detail may not add to total because of rounding.

Source(s):
National Center for Science and Engineering Statistics, Survey of State Government Research and Development, FY 2025.

State government intramural R&D activities are measured by type of R&D, which has three distinct categories: basic research, applied research, and experimental development.[6] In FY 2025, 77% ($601 million) of all intramural R&D expenditures were directed toward applied research, followed by basic research at 17% ($137 million) and experimental development with 6% ($47 million) (figure 2). Applied research is defined as original investigation undertaken in order to acquire new knowledge. It is, however, directed primarily toward a specific, practical aim or objective. Given that state governments' R&D activities are intended to address practical aims and solutions to problems for the benefit of their citizenry, it is expected that intramural R&D be primarily directed toward applied research.

Figure 2. State government expenditures for intramural R&D, by type of R&D: FY 2025



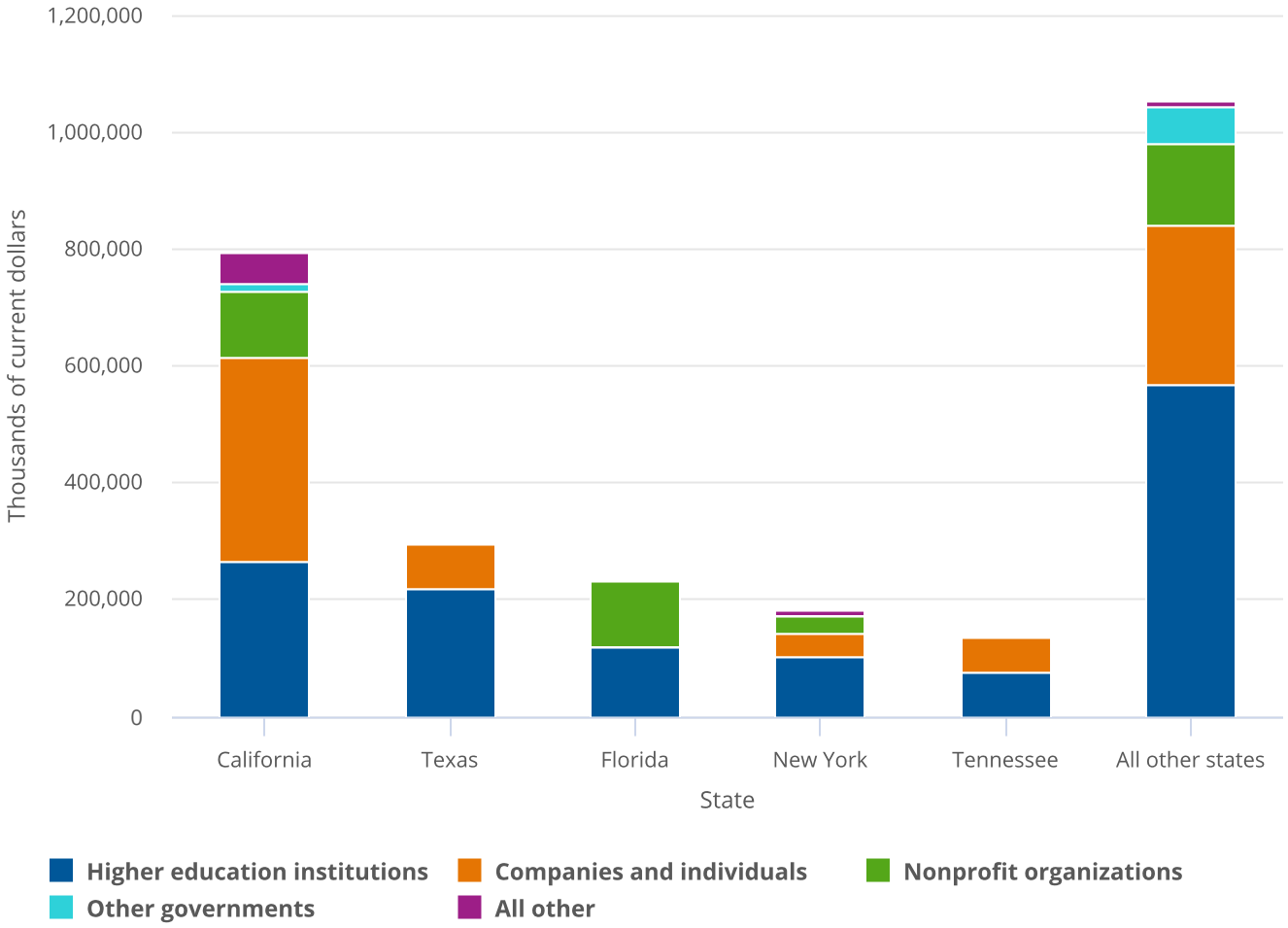
Note(s):
Data include all 50 states and the District of Columbia. Puerto Rico is not included due to its classification as a U.S. territory.

Source(s):
National Center for Science and Engineering Statistics, Survey of State Government Research and Development, FY 2025.

Extramural R&D Performance

In FY 2025, all state government expenditures for extramural performance of R&D totaled $2.7 billion. The five states with the largest amount of extramural R&D expenditures were California ($794 million), Texas ($299 million), Florida ($230 million), New York ($181 million), and Tennessee ($137 million). Combined, these state governments accounted for $1.6 billion, or 61% of all state governments' extramural R&D (figure 3).

Figure 3. State government expenditures for R&D, by state and extramural performer: FY 2025



Note(s):
Data include all 50 states and the District of Columbia. Puerto Rico is not included due to its classification as a U.S. territory. Extramural performers refers to those outside the department or agency who perform R&D. Companies and individuals includes individuals under contract for research projects. Nonprofit organizations includes foundations. Other governments includes federal government departments and agencies; other departments or agencies within the state; other state governments; and county, city, special district, or regional local governments. All other extramural performers includes all performers not elsewhere classified.

Source(s):
National Center for Science and Engineering Statistics, Survey of State Government Research and Development, FY 2025.

However, states varied in how they distributed extramural R&D. For example, Texas state agencies directed $217 million of the state's total $299 million extramural R&D toward higher education institutions, compared with $79 million to companies and individuals. By comparison, the majority of California's extramural R&D funding was distributed across three sectors, with $349 million directed toward companies and individuals, $265 million toward higher education institutions, and $112 million toward nonprofit organizations.

State Government Agencies' R&D Expenditures by Function

Overview

Whether performed by state agencies themselves or by other performers outside the agency, most states reported a broad mix of R&D related to state government functions (table 3). Of the six functional categories of state agency R&D expenditures, health-related R&D remained the largest with nearly $1.5 billion in expenditures in FY 2025, increasing 0.5% from FY 2024. R&D related to environment and natural resources remained the second-largest functional category with $660 million, followed by energy-related R&D with $600 million. Transportation-related R&D totaled $311 million, and agriculture-related R&D totaled $196 million. Other R&D—a combination of activities including but not limited to corrections, criminal justice, education, forensic science, labor, public safety, and social services—totaled $248 million in FY 2025.

Table 3. Individual state agency expenditures for R&D, by total R&D and function, for the 20 agencies with the largest expenditures: FY 2025

(Thousands of current dollars)

Agency and state	Total	Agriculture	Energy	Environment and natural resources	Health	Transportation	Other R&D functions[a]
United States[b]	3,476,670	196,197	600,441	660,117	1,461,442	310,674	247,800
Energy Commission (California)	343,660	0	343,660	0	0	0	0
Institute for Regenerative Medicine (California)	341,266	0	0	0	341,266	0	0
Cancer Prevention and Research Institute (Texas)	256,341	0	0	0	256,341	0	0
Health, Department of (Florida)	169,824	0	0	0	169,824	0	0
Mental Health, Office of (New York)	148,313	0	0	0	148,313	0	0
Roswell Park Comprehensive Cancer Center (New York)	97,948	0	0	0	97,948	0	0
Fish and Wildlife Conservation Commission (Florida)	72,520	0	0	72,520	0	0	0
Economic Development, Department of (New York)	64,430	1,550	6,237	4,000	8,807	0	43,836
Development, Department of (Ohio)	61,963	0	947	57,359	0	0	3,657
Education, Department of (Tennessee)	59,109	0		0	0	0	59,109
Health, Department of (New Jersey)	57,159	0		0	57,159	0	0
Economic and Community Development, Department of (Tennessee)	55,000	10,000	30,000	0	5,000	10,000	0
Energy Research and Development Authority (New York)	53,197	0	49,561	3,562	0	73	0
Public Utilities Commission, Executive Division (California)	52,804	0	52,804	0	0	0	0
Health, Department of (New York)	41,684	275	0	1,649	39,759	0	0
Commerce, Department of (Alabama)	34,270	0	0	30,420	3,851	0	0
Agriculture and Consumer Services, Department of (Florida)	33,901	25,001	0	8,232	668	0	0
Natural Resources, Department of (South Carolina)	33,076	0	0	33,076	0	0	0
Technology Development Corporation (Maryland)	27,698	0	0	0	27,698	0	0
Technology Institute (Maine)	26,335	6,649	442	10,547	2,219	0	6,477
All other agencies	1,446,173	152,722	116,789	438,752	302,588	300,600	134,722

[a] Other R&D functions includes, but is not limited to, corrections, criminal justice, education, forensic science, labor, public safety, and social services functions.
[b] U.S. total reflects all 50 states and the District of Columbia. Puerto Rico is not included due to its classification as a U.S. territory.

Note(s):
State agency expenditures includes funding from all sources for both intramural and extramural performers. Detail may not add to total because of rounding.

Source(s):
National Center for Science and Engineering Statistics, Survey of State Government Research and Development, FY 2025.

Agency-Specific R&D Details

Of the 554 state agencies that responded to the survey in FY 2025, the largest 20 state agencies by total expenditures accounted for 58% ($2.0 billion) of all agency R&D expenditures (table 3). Although many states invested in health-related R&D, expenditures were highly concentrated among the largest funding agencies. For example, among the 20 largest state agencies, 13 funded health-related R&D. These 13 agencies accounted for $1.2 billion (79%) of the nearly $1.5 billion total for health-related R&D, and the four largest agencies in terms of health R&D expenditures constituted 63% ($916 million) of all FY 2025 state government health-related R&D. State expenditures for energy-related R&D were even more highly concentrated: the California Energy Commission alone accounted for 52% ($344 million) of all state agencies' energy-related R&D expenditures ($660 million).

Data Sources, Limitations, and Availability

All 50 states, the District of Columbia, and Puerto Rico participated in the FY 2025 survey; 554 of the 589 surveyed agencies responded.[7] Puerto Rico is not included in the U.S. total due to its classification as a U.S. territory. Data for the FY 2025 survey were collected for NCSES by the Census Bureau under an interagency agreement.

For most states, the fiscal year begins on 1 July and ends the following 30 June. For example, FY 2025 begins on 1 July 2024 and ends on 30 June 2025. There are, however, five exceptions to the 30 June fiscal year end: New York (ends 31 March); Texas (ends 31 August); and Alabama, Michigan, and the District of Columbia (all end 30 September). Data presented in this InfoBrief are for each of the respective fiscal year periods as defined by the states.

Terms such as state, state government, and state agencies have equivalent meaning and are used interchangeably throughout this InfoBrief. The amounts reported here are for R&D expenditures of state government departments, agencies, public authorities, commissions, and other dependent entities that operate separately or somewhat autonomously from the central state government. State government R&D totals can display considerable volatility between survey years due to several national and state-specific factors. Large changes are not unusual, especially for discretionary spending items such as R&D. R&D plant expenditures can be highly variable year to year and will increase or decrease as capital projects begin or end.

Amounts reported do not include direct appropriations from state legislatures to universities, colleges, and private organizations. As a result, the $1.3 billion in FY 2025 expenditures reported by state agencies to support R&D performance by higher education institutions differs from the figure reported by universities and colleges in the NCSES Higher Education Research and Development (HERD) Survey for R&D expenditures funded by state and local government sources. This difference is because the HERD Survey includes direct state appropriations and appropriations from local governments, both of which are excluded from the Survey of State Government R&D.

Although this survey is a census of state government agencies that fund R&D and there is no sampling error, survey data are still subject to some degree of unmeasurable nonsampling error, which may include errors in classification or measurement of certain aspects of an agency's R&D. For additional information, see the section "Survey Quality Measures" within the Technical Notes of the survey.[8]

State- and agency-specific data not available in this InfoBrief are available in the full set of data tables from this survey at https://ncses.nsf.gov/surveys/state-government-research-development/. For more information, please contact NCSES.

NCSES has reviewed this product for unauthorized disclosure of confidential information and approved its release (NCSES-DRN26-048).

Notes

1 Percentages are calculated based on total dollar values, not the rounded dollar values presented in this InfoBrief.

2 In this report, dollars adjusted for inflation (i.e., constant dollars) are based on the gross domestic product (GDP) implicit price deflator (currently in 2017 dollars) as published by the Bureau of Economic Analysis at https://www.bea.gov/data/prices-inflation/gdp-price-deflator, Table 1.1.9 Implicit Price Deflators for Gross Domestic Product, accessed on 31 July 2026. Note that GDP deflators are calculated on an economy-wide scale and do not explicitly focus on R&D.

3 Expenditures for R&D do not include expenditures for R&D plant because the two are separate funding activities.

4 State sources of funding include, but are not necessarily limited to, appropriations from the state legislature; agricultural commodity assessments (checkoffs); bond funds; general funds; restricted funds; revenue funds; tobacco settlement funds; and revenue from charges, fees, or fines.

5 NCSES sponsors several surveys that measure R&D performance for various sectors of the economy. Business sector R&D performance survey results are available from the Annual Business Survey and the Business Enterprise Research and Development Survey. Higher education sector R&D performance is measured by the Higher Education Research and Development Survey. Nonprofit sector R&D performance is measured by the Nonprofit Research Activities Survey. The federal government's intramural performance of R&D is measured by the Federal Facilities Research and Development Survey and the FFRDC Research and Development Survey.

6 Basic research is defined as experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any particular application or use in view. Experimental development is defined as systematic work, drawing on knowledge gained from research and practical experience and producing additional knowledge, which is directed to producing new products or processes or to improving existing products or processes. Applied research is defined within the paragraph.

7 Data were imputed for eight agencies for this cycle because they are known to have had reported $1 million or more in R&D in previous survey cycles. Seven of the nonresponding agencies reported minor amounts of R&D in the prior year and were left as a nonresponse due to their total accounting for 0.08% of the reported total.

8 Survey Technical Notes are available at https://ncses.nsf.gov/surveys/state-government-research-development/2025#technical-notes.

Suggested Citation

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