County Executive's Recommended FY 27 Budget

Work Session #2: General Fund Expenditures

March 11, 2026

March

~~4~~	~~Public Hearing on Recommended Budget~~
~~9~~	~~Work Session~~
11	Work Session
16	Work Session
18	Work Session: Board Proposes Budget and Sets Maximum Tax Rate for Advertisement
19	Town Hall: The Center
23	Town Hall: WAHS
25	Town Hall: COB 5th Street
26	Town Hall: Yancey Community Center
30	Town Hall: Lakeside MS

April

1	Work Session (If Needed)
2	Town Hall: Albemarle HS
15	Public Hearing on CY 26 Tax Rates and Board's Proposed Budget
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FY 27 Budget Calendar

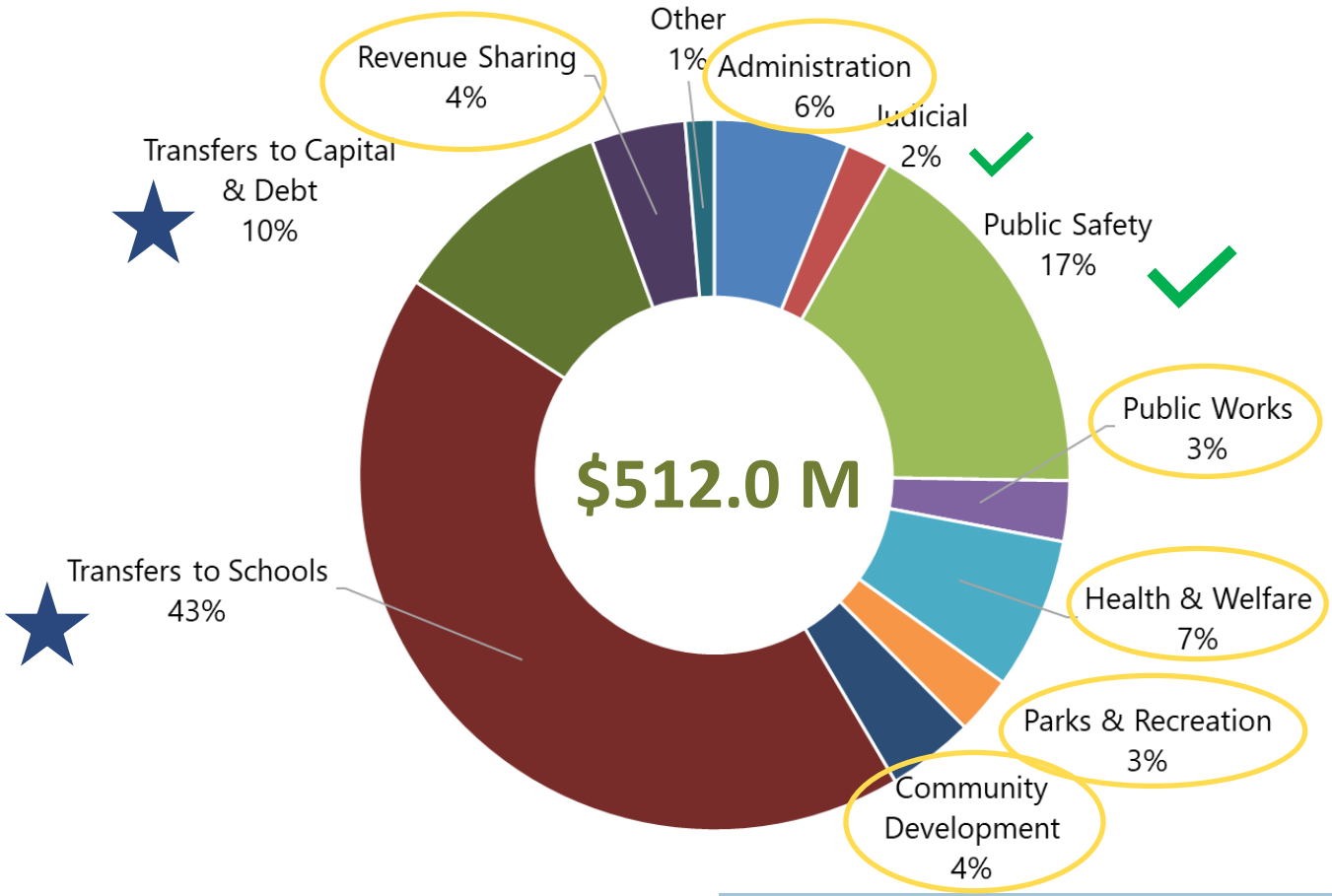
Work Session Process

- Staff present info at level of detail in between County Executive presentation & detailed budget document

- Includes many pauses for Board of Supervisors questions, dialogue and identify items for:
  - “The list” for potential adjustment and future Board discussion
  - General information

- Responses outside of work sessions are posted to the website for transparency

Six Strategic Goals



General Fund Expenditures

Agenda

General Fund Expenditures:

Non-Departmental, pages 205-215

Public Works, pages 159 - 164

Health and Welfare, including Affordable Housing Fund & Human Services Funding Process, pages 167 - 177 & 300 - 349

Break, if Board desires

Community Development including Transit and Economic Development Fund, pages 193 - 201

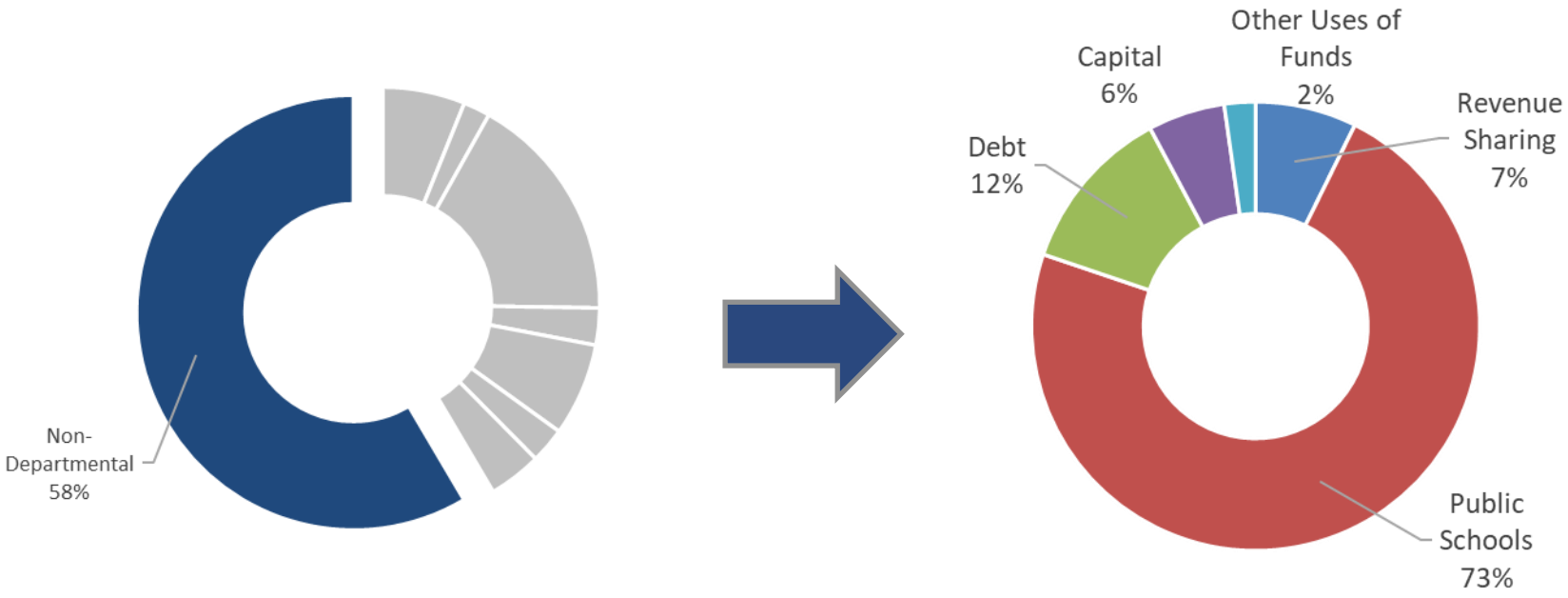
Parks, Recreation, and Culture, pages 181 – 189

Administration, pages 117 - 129

Non-Departmental

Pages 205-215

Non-Departmental
$299.5 million



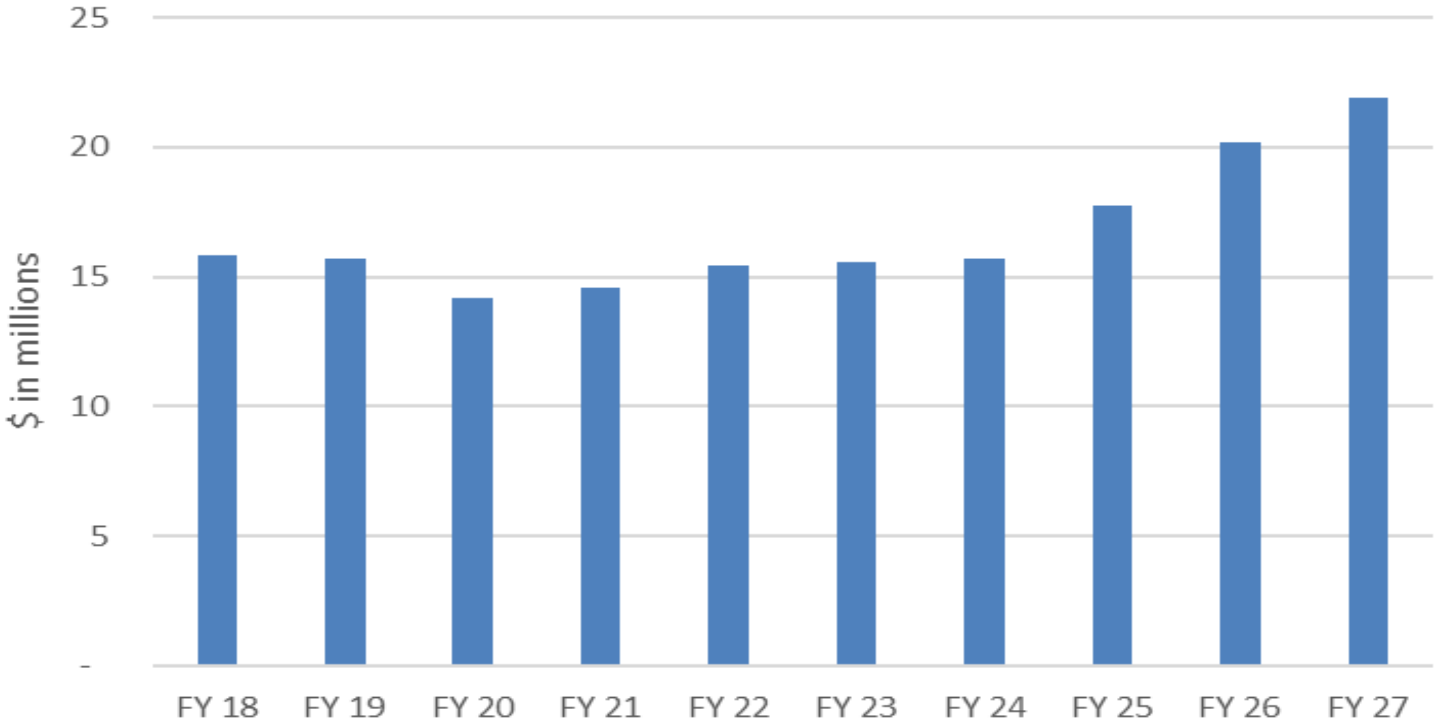
Pages 205-215

Revenue Sharing Agreement with City of Charlottesville

- Total FY 27 payment of $21.9 M, an increase of $1.7 M or 8.5%
  - Increase due primarily to growth in the County's 2024 tax base and an increase in the City's tax rate in 2024

- Historical Comparisons
  - Total increase for last three fiscal years is $6.2 M

Revenue Sharing Agreement with City of Charlottesville



Allocation of Shared Revenue

Board's Adopted Financial Management Policies (p 67)
The County shares the increase or decrease in available shared revenues among the County Government and Public Schools operating, debt service, and capital budgets.

Step 1: Calculate the increase or decrease in General Fund local tax and State non-categorical aid revenues.

Step 2: Adjust the amount from Step 1 for changes in expenses that reduce available shared revenue: City of Charlottesville revenue sharing, Tax Relief programs, Economic Development Authority tax-related performance agreements, the designated transfer to the Water Resources Fund, and the dedicated tax rate increase for public safety.

Step 3: Allocate the remainder 54% to the Public Schools operating budget, 36% to the County Government operating budget, and 10% for the joint debt service and capital budgets.

This guideline may be reviewed annually with Board of Supervisors approval.

December 3, 2025 Joint Board Meeting

How might a high school or other priority capital projects be funded?

Summary

A. Legislative Priorities: 1% sales tax referendum

B. Reprioritization of future revenue growth

C. Reprioritization of CIP

D. Evaluate unused parcels for highest and best use

E. Property taxes: rates and/or composition of tax base

Implementation of major capital projects would require combination of these options, partnership, & multi-year planning

FY 27 Recommended Adjustment to Allocation

In recognition of:

- Public Schools' significant State revenue growth
- Public Schools' increased operating costs for opening two new schools in FY 27
- Public Schools' request for increased Capital Improvement Program (CIP) funding
- Preparing for a potential unfavorable Local Composite Index in the future, or other unknown impacts

FY 27 Recommended Adjustment to Allocation

Recommended Transfers to Non-General Funds:

- +$9.0 M increase in the ongoing transfer to Public Schools
- +$2.4 M increase in the ongoing transfer to Capital & Debt Service
- +$6.4 M one-time transfer to capital projects

These Non-General Funds will be discussed further on Monday

INVESTMENT IN ACTION

Schools

SUPPORTS GOAL: 5

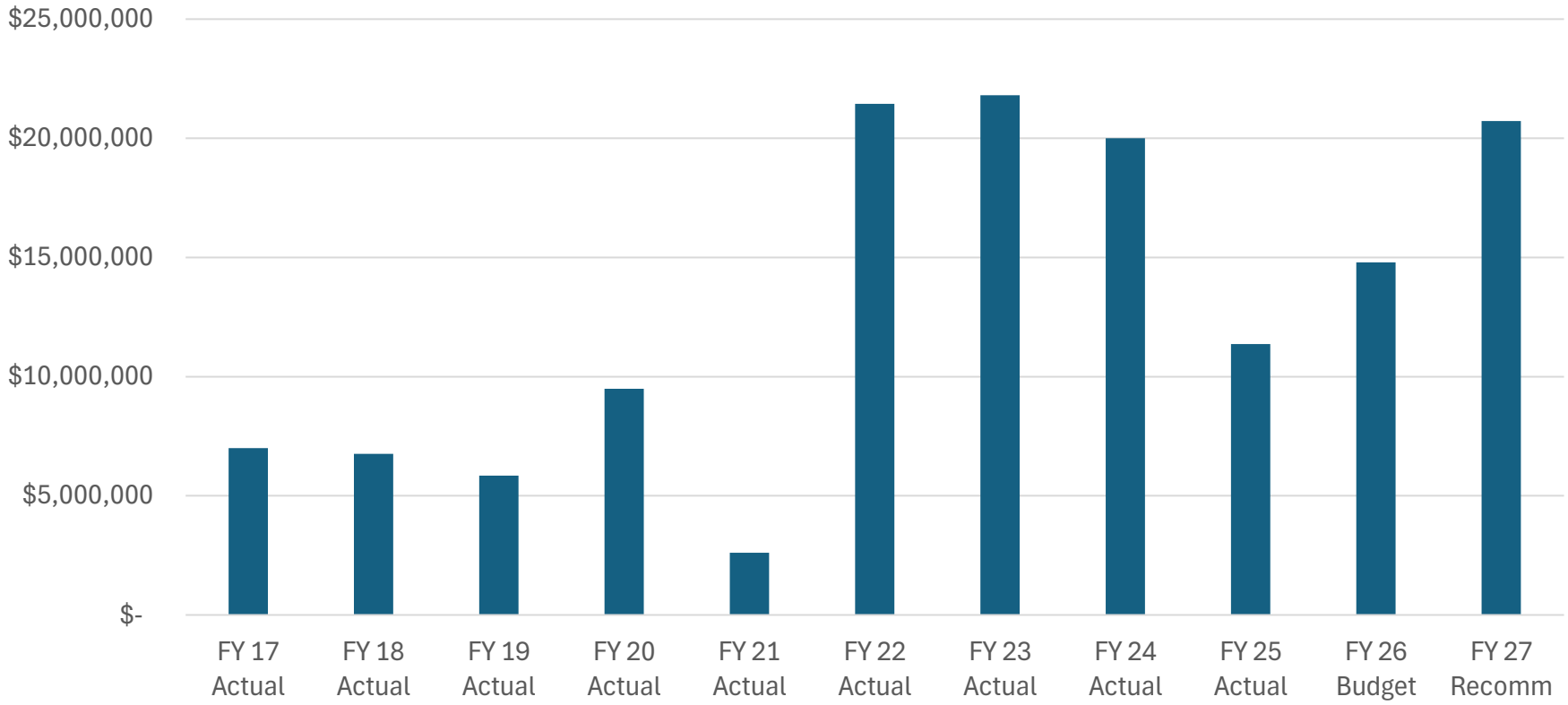
$218 M TRANSFER TO SCHOOL FUND

$9M **INCREASE IN LOCAL FUNDING**

$4.3M TO OPERATE TWO NEW SCHOOLS

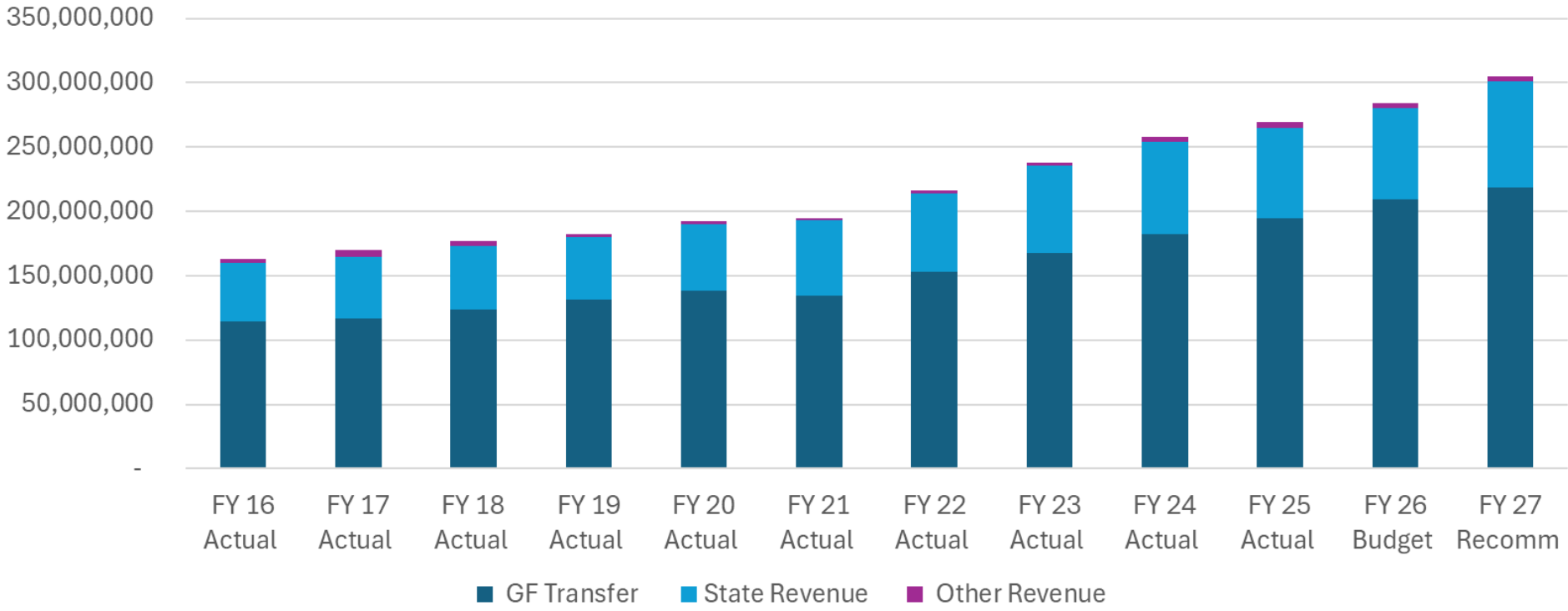
DESIGN FOR NORTHERN FEEDER PATTERN ELEMENTARY SCHOOL

Public Schools Operating Budget
Year-to-Year Increased Investment: Ongoing Revenue Sources*



** Excludes special revenue funds, use of fund balance, and FY26 $7.7 one-time transfer from County Gov*

Total Public Schools Operating Budget
Ongoing Revenue Sources*



** Excludes special revenue funds, use of fund balance, and FY26 $7.7 one-time transfer from County Gov*

Comparison of FY 27 Budgets

Draft Public School Operating Fund	County Executive's Recommended Budget
Assumes a General Fund transfer increase to Public School Operating Fund of $15.4 million	Recommends a General Fund transfer increase to Public Schools Operating Fund of $9.0 million
Balanced Public School Operating Fund on a General Fund transfer increase of $11.3 million	The recommended $9.0 million transfer increase is $2.3 million less than the amount to balance the draft Public School Operating Fund
Recommends $4.1 million to the CIP as one-time transfer • Requests CIP funding for Public School capital projects	Recommends $6.4 million directly from the General Fund to the CIP as one-time transfer, which is $2.3 million more than the Public Schools's recommended transfer for CIP • Recommends CIP funding to the "Other" category, projects TBD in future by Board of Supervisors

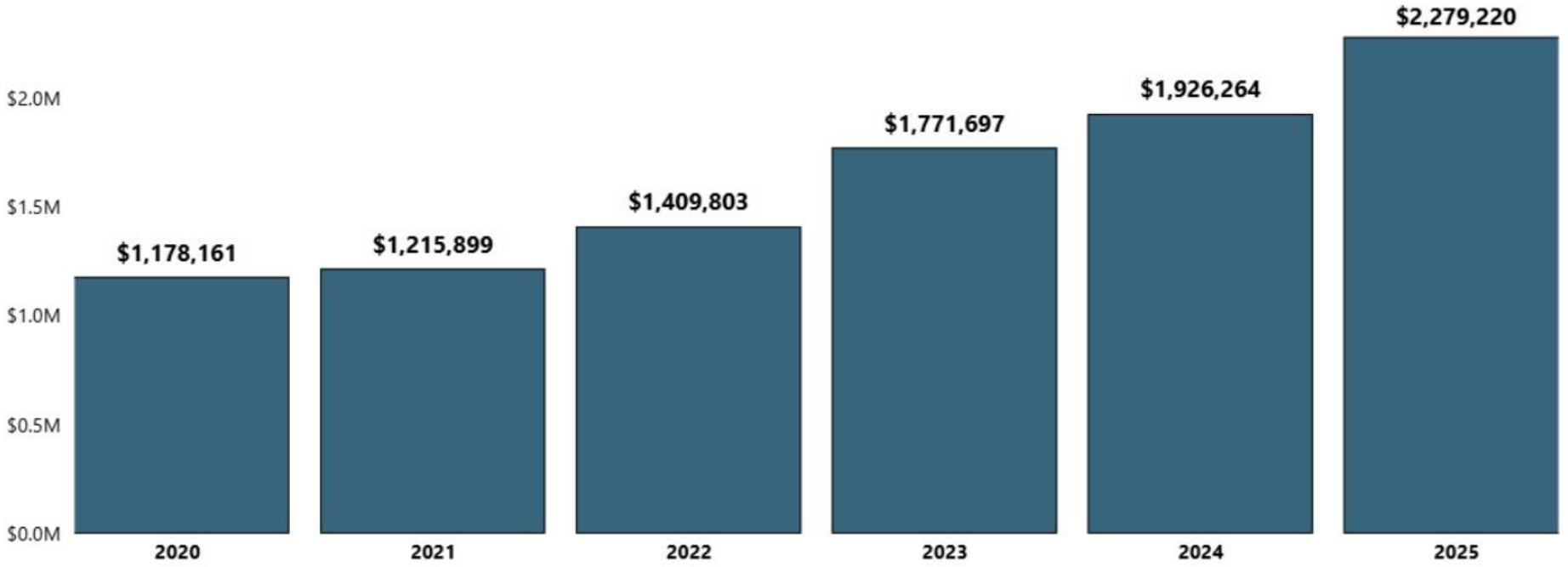
FY 27 Other Uses of Funds

Tax Relief for the Elderly and Disabled increases $476k or 20%

Criteria

- Applicant is at least 65 years old or totally and permanently disabled, medically determined
- Applicant is the title holder of the property as of January 1
- Applicant's property seeking tax relief may not be used in a business
- Applicant must meet certain income and financial net worth criteria, updated by the Board in December 2025

Total Real Estate Tax Relief Per Year



Commitment to Performance Improvement and Cost Savings

PROCESS & SYSTEMS MODERNIZATION

STAFFING & EFFICIENCY STUDIES TO ENSURE ALIGNMENT TO SERVICE DEMANDS

PERFORMANCE MEASUREMENT

-3

REDUCTION OF POSITIONS FOLLOWING RE-ENGINEERING OVER 2 YEARS

Re-Engineering

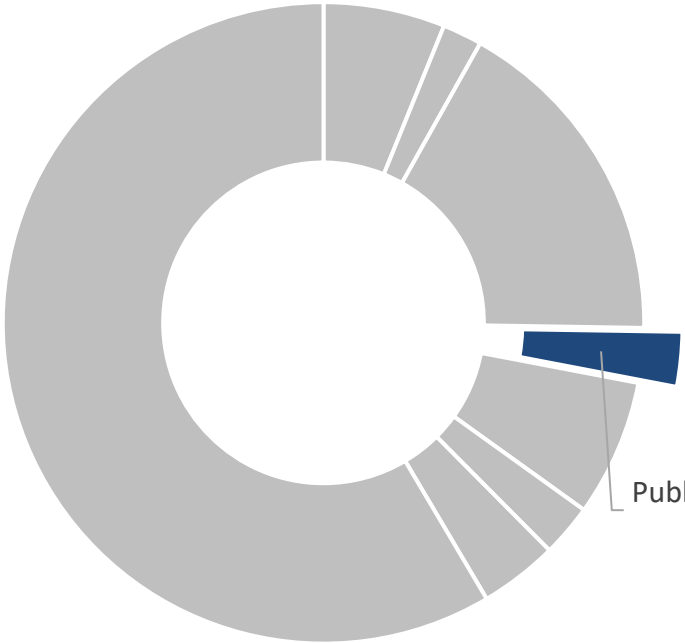
Department	Change FY25 to FY27
Human Services	(5.62)
Finance & Budget	(3.70)
Executive Leadership	(2.00)
Facilities & Environmental Services	(2.00)
Human Resources	(1.70)
Community Development	(1.50)
Board of Supervisors	(1.00)
Commonwealth's Attorney	(0.50)
Economic Development Fund (Rivanna Futures: temporary, one-time funding)	1.00
Sheriff	3.00
Police	11.00
Net Total	**(3.02)**

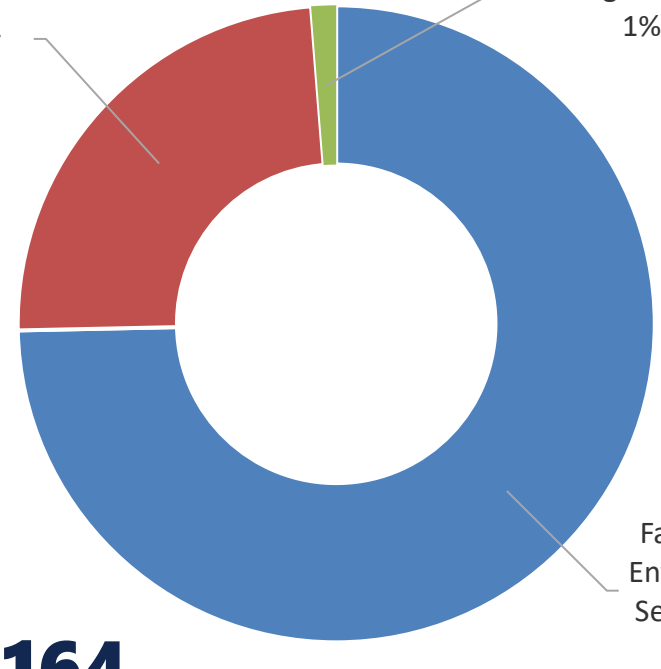
FY 27 Other Uses of Funds

- Reserve for Contingencies totals $911k
  - Ongoing Funding: $400k
  - One-time Funding: $510k

Public Works

$14.1 million





Pages 159-164

INVESTMENT IN ACTION

Facilities & Environmental Services

SUPPORTS GOALS: 2 4

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WATER RESOURCES DEDICATED REVENUE TOTALING $2.3 M

CLIMATE ACTION ONE-TIME FUNDING OF $300K

PLASTIC BAG TAX DEDICATED REVENUE TOTALING $140K

Public Works Agency Contributions

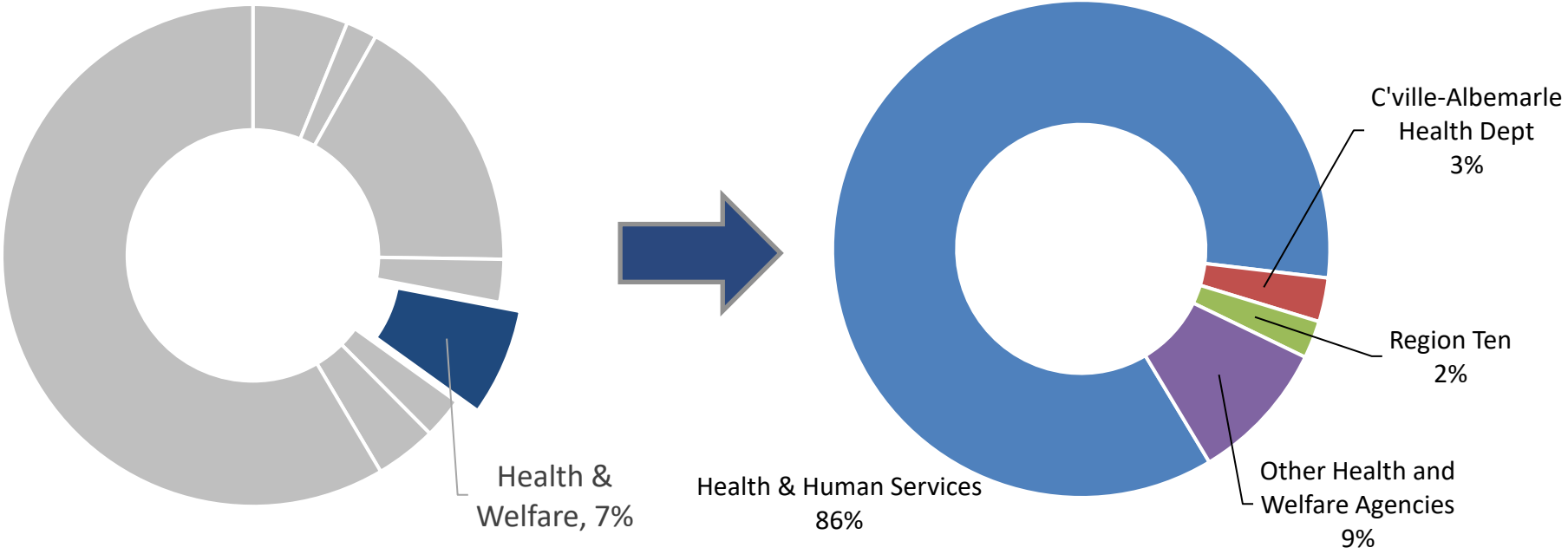
- **Rivanna Solid Waste Authority (RSWA):** increases by $492,363, based on the County's share of the regional agreement
  - Amount includes increases to some RSWA fees for services as requested by RSWA

- **Soil & Water Conservation District:** Increase of $4,292 for the County's costs of existing services.

- **Rivanna Conservation Alliance (RCA) Stream Watch:** Continues ongoing operations at $30,000

Health & Welfare

$35.4 million



Pages 167-177

INVESTMENT IN ACTION

Affordable Housing

SUPPORTS GOALS: 2 4

$5 M

AFFORDABLE HOUSING INVESTMENT FUND

DEDICATED 0.4 CENT TAX RATE + $3.7M ONE-TIME INVESTMENT

20% INCREASE TO THE ELDERLY AND DISABLED TAX RELIEF PROGRAM

INVESTMENT IN ACTION

Health and Welfare

SUPPORTS GOALS: 1 4

Albemarle County Emergency Relief Program (ACERP): Emergency assistance funding that includes a total of $360k in local funding to address urgent, one-time financial needs

Children's Services Act (CSA): Transfer to CSA increases $109k based on recent service trends

Direct Assistance: Expenditures increase $40k primarily due to increased expenses in State Adoption Assistance

INVESTMENT IN ACTION

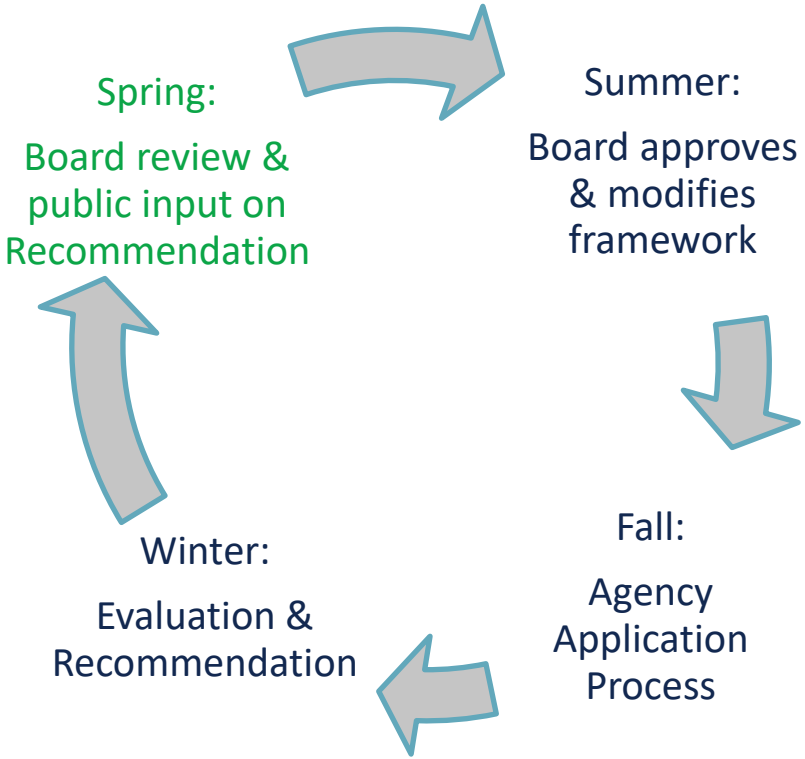
Health and Welfare

SUPPORTS GOALS: 1 4

Other Health & Welfare Agencies: Overall funding of $4.1M, an increase of $256k or 6.7%, to sustain human service programs delivered by contractual partner agencies such as:

- Albemarle Housing Improvement Program (AHIP)
- Charlottesville-Albemarle Health Department
- Jefferson Area Board for Aging (JABA)
- Piedmont Virginia Community College (PVCC)
- Region Ten

Community Non-Profit Funding
An Evolving Process



Albemarle County Human Services Funding Process (ACHSFP)

- Revised framework for ACHSFP review process initially approved by Board of Supervisors in July 2023 and has been reviewed annually

- Funding first prioritized for programs most directly aligned with 4 emerging needs areas in the Human Services Needs Assessment
    - Family Homelessness
    - Adolescent Mental Health
    - Community Safety
    - Navigation for Seniors

Albemarle County Human Services Funding Process (ACHSFP)

- Applying a prioritization rubric to the recommendations process based upon:
  - Whether the agency contributes to a basic needs safety net or serves a vulnerable population;
  - Whether the program met an identified priority on the Human Services Needs Assessment; and
  - The category of service the program provided (direct urgent response services, prevention services, system leveraging, and/or capacity building).

Human Service Funding Process
FY 27 Recommendations

- ACHSFP: volunteer community members & County staff who review human services community non-profit agency requests, but do not make funding recommendations

- Programs applying for funding in the ACHSFP were organized into Tiers based upon the prioritization rubric.
    - Tier 1 – Direct service and impact on basic needs and vulnerable populations
    - Tier 2 – Important and Critical Services (basic needs or vulnerable populations)
    - Tier 3 – Positive Impact and protective community factors
    - Tier 4 – Preventative Community Programs

INVESTMENT IN ACTION

Human Services Funding Program

SUPPORTS GOALS: 1 4

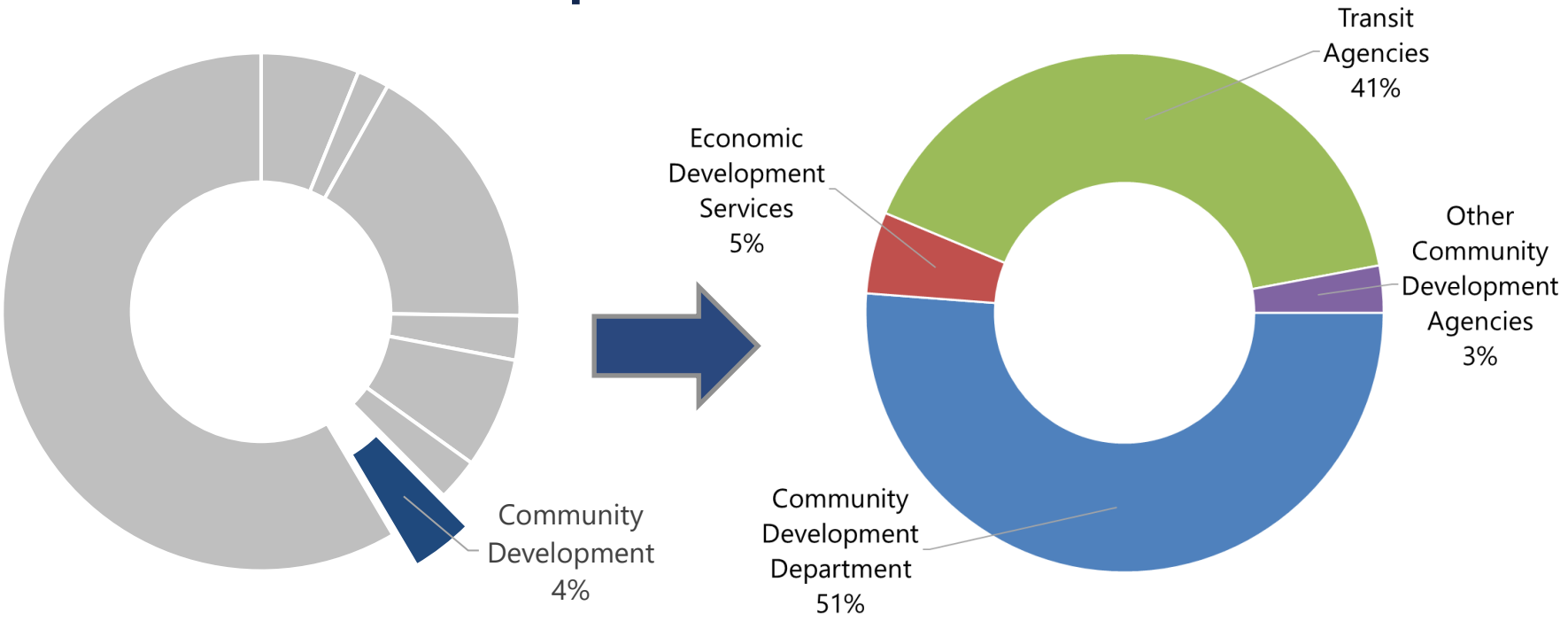
29 PROGRAMS FUNDED

$1.6 M

SUPPORTS SERVICES LIKE SHELTERS, FOOD SECURITY, AND EMERGENCY ASSISTANCE

Break, if Board desires

Community Development
$20.2 million



Pages 193-201

INVESTMENT IN ACTION

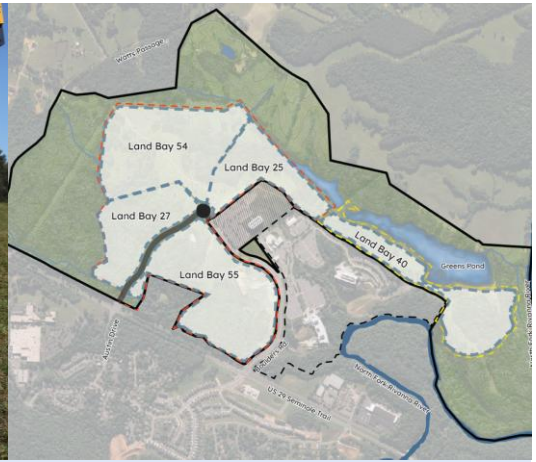
Community Development

SUPPORTS GOAL: 4

Ordinance Updates	AC44: Comprehensive Plan
Use Matrix and Standards	Zoning Modernization Phase 3
Zoning Text Updates	Continued development of implementation plans

INVESTMENT IN ACTION

Economic Development



SUPPORTS GOAL: 4

$4.15 M

ECONOMIC DEVELOPMENT ONE-TIME FUNDING

STRENGTHEN AND DIVERSIFY TAX BASE

GROW TARGET SECTORS THROUGH IMPLEMENTATION OF THE ECONOMIC DEVELOPMENT STRATEGIC PLAN

Transit Agency Contributions

- **Charlottesville Area Transit (CAT)** increases by $561,809, with the increase primarily due to:
  - Increased salary and benefits costs including market and health care costs
  - The addition of new FTEs, which includes 10 new Transit operators

- **MicroCAT** increases by $142,000 to represent the full year operational costs based upon the current contract.
  - Began as part of multi-year demonstration grant
  - FY 26 is the first year of 100% County funding for the service
  - FY 27 is the first year not governed by the conditions of the grant

MicroCAT Fares Recommendation

- **Recommendation:** Start with a simple fare that will increase revenue with some potential to improve service efficiency

Passenger Type	Current Fare	Proposed Fare*
Single passenger	$0	$2.00
Additional passengers	$0	$1.00
Concessions for specific passengers, e.g. seniors	$0	$1.00

*Flat fare for single rider bookings, plus **$1.00** for each additional passenger.

Pricing rationale: Minimum fare of $2.00 matches the national benchmarked average, plus a $1.00 discounted fare for each additional passenger.

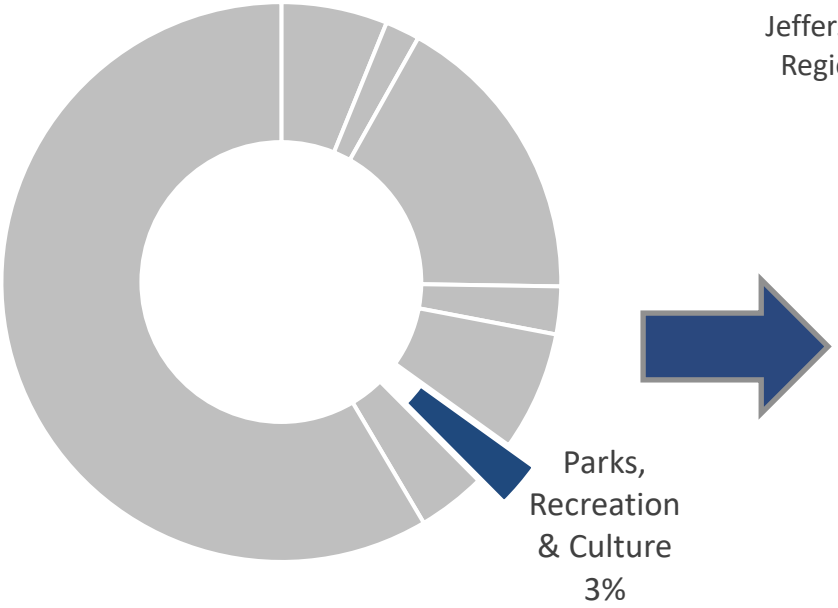
Ridership Impact: While fares may slightly reduce *demand* in short term, we project that *ridership* will only fall by 2-3%, given that there is a high unmet demand rate and therefore ongoing opportunity to fulfill more rides of this uncaptured demand pool.

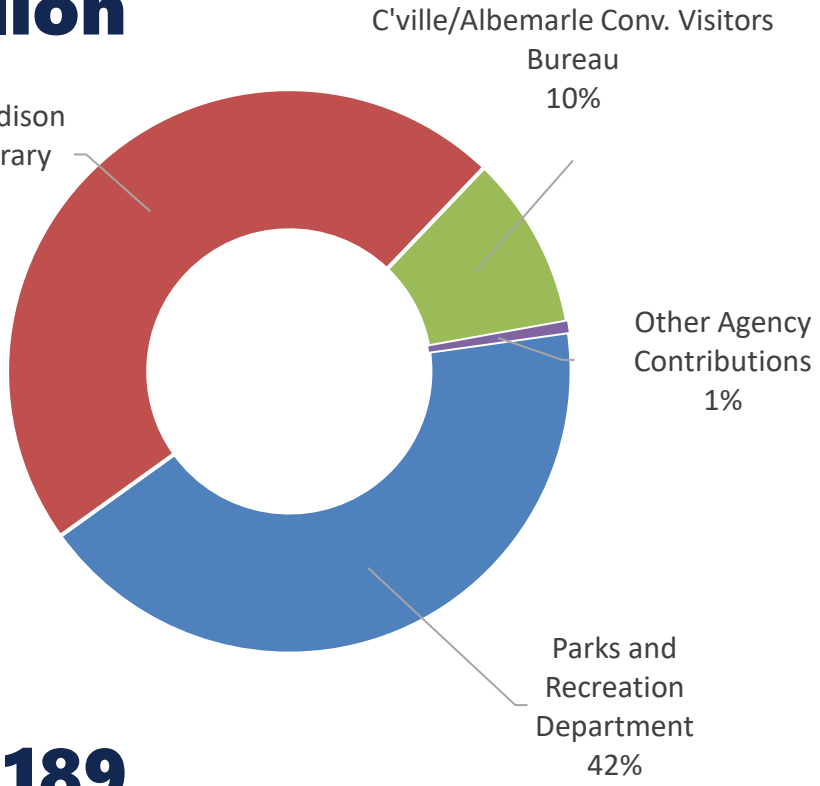
Transit Agency Contributions

- **Jaunt** is level funded in FY 27 to provide the County's share of the costs for existing services
- **Charlottesville Albemarle Regional Transit Authority (CARTA)** provides for ongoing operations at $29,007
- **Afton Express** continues ongoing operations at $5,241

Parks, Recreation, & Culture

$13.5 million





Pages 181-189

INVESTMENT IN ACTION

Parks, Recreation, and Culture

SUPPORTS GOAL: 4

Implementing CIP Projects	Adaptive Recreation
Darden Towe Athletic Fields Rebuild	$133K contribution to City-County joint Adaptive Recreation Program
Biscuit Run	
Urban Pocket Park	

Parks, Recreation, & Culture
Notable Changes to Partner Agencies

Jefferson Madison Regional Library (JMRL)

- Increase of $474K or 8.0%
- Reflects County's share of existing library systems costs per regional agreement

Charlottesville Albemarle Convention & Visitors Bureau

- Decrease $17,463k or of 1.3% based on regional agreement
- Funded by related transient occupancy tax revenues

Cultural, Arts & Festivals Agencies

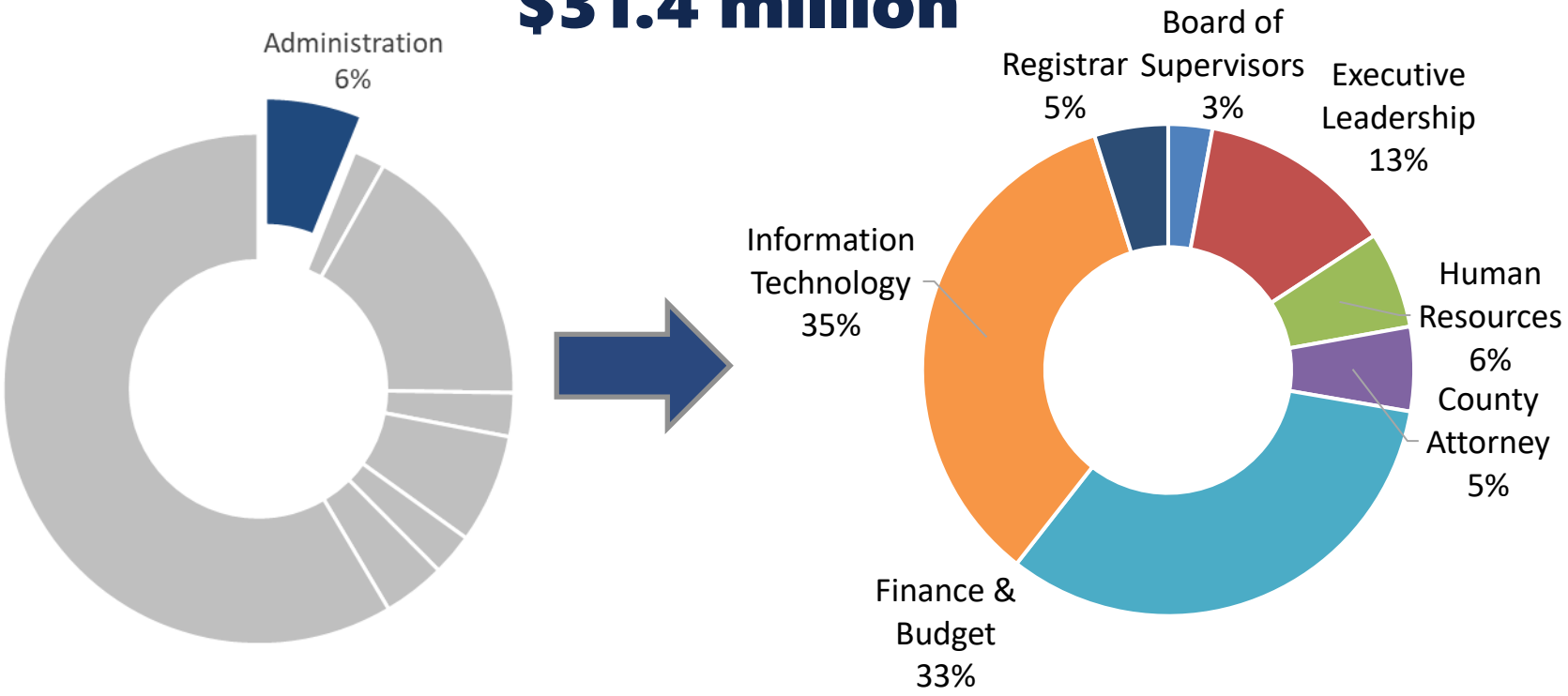
12 Agencies funded

Total recommended budget of $82,500

- Framework for Cultural, Arts & Festival review process initially approved by Board of Supervisors in July 2023 and reviewed annually.
- Eligibility criteria same as other agencies
- Agencies classified into one of four categories:
  - Larger programs that bring visitors & support local economy
  - Smaller local cultural programs
  - Arts-focused
  - Recreational or educational opportunities

Administration

$31.4 million



Pages 117-129

INVESTMENT IN ACTION

Administration

SUPPORTS GOALS: 2 6

Information Technology

- Increase of $884k or 8.9%
- Software and hardware maintenance contracts; Audio-visual support; ADA compliance

Voter Registration & Elections: Fully funds operational requests

Board of Supervisors, Executive Leadership, Department of Finance and Budget (DF&B), Human Resources, County Attorney's Office: Net decrease of $40k or 0.2%

Next Steps

Alkemarle

YANCEY SCHOOL
COMMUNITY CENTER
Come help
our garden
grow!

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FY 27 Budget Calendar

Upcoming Agenda for Work Session #3

Monday,
March 16 at 5pm

Public Schools Operating, separate document produced by the School Board

Break

CIP & Debt, pages 243 - 285

Recap before March 18 Work Session