Thomas Jefferson
Planning District Commission
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MEMORANDUM

To: TJPD Commissioners
From: Christine Jacobs, Executive Director
Date: June 5, 2025
Re: FY26 Operating Budget

Purpose: To detail proposed changes in the FY26 Operating Budget for Commission consideration.

Background: The budget process for each fiscal year generally consists of three steps:

1. Approval of the Projected budget in September/October, setting the per capita rate, population basis, and amounts requested for specific programs to serve as the basis for budget submissions to localities,
2. Approval of the Operating Budget adopted in May as prescribed in the TJPDC Bylaws, and
3. Approval of an Amended Operating Budget approved in March, to serve as the final budget for financial reports and auditing purposes.

Budget Changes: The Draft FY26 Operating Budget was presented to the Commission in the May 1, 2025, meeting. As staff indicated in that meeting, there are several changes between the original draft and the budget before the Commission for consideration tonight.

The most significant change relates to the implementation of the classification and compensation study. As further analysis has been conducted, and with the current administration's release of the federal "skinny-budget," staff continue to have concerns about the uncertainty of our programming and staffing in FY27 and beyond. In addition to the potential loss of federally-funded programs, there are current non-recurring TJPDC programs that are set to conclude in and around FY26, to include the Virginia Housing Development grant, the IIJA Septic and Rain Barrel program, the USDOT Safe Streets and Roads for All Program, and the Virginia Telecommunication Program.

In order to protect the agency from overcommitting on its ability to sustain the study-recommended salary increases (to 62.5th percentile of the market), staff is revising its initial recommendation on the full one-year implementation schedule. It is important to note that it is clear that a one-year implementation is feasible in FY26 (without the need for a reserve transfer of one-time funds) because the resources are currently available through our programming to support the increases. However, there is no certainty that the salary levels could be sustained beyond FY26. As such, staff recommend the following:

1. In FY26, implement the study's recommended option with 75% of the increase as a permanent salary increase and the remaining 25% of the increase as a one-time bonus (disbursed throughout the year with each paycheck). This accomplishes three things. First, it allows the staff to realize the full 'take-home' benefit of the recommended option. Second, it ensures that all staff's base salaries are competitive with the market at just above the 50th percentile. Finally, it gives staff and the commission the ability to make a more informed decision about the full implementation of the recommended option once additional information is available regarding funding for FY27 and beyond.

401 East Water Street ▪ Post Office Box 1505 ▪ Charlottesville, Virginia 22902-1505
Telephone (434) 979-7310 ▪ **Fax** (434) 979 1597 ▪ **Virginia Relay Users:** 711 (TDD) ▪ **email:** info@tjpdc.org ▪ **web:** www.tjpdc.org

The table below reflects this change:

	Draft FY26 Budget – Salary/Fringe	Final FY26 Budget – Salary Fringe
Base Salary	$1,485,281.17	$1,421,636.24
Bonus	$0.00	$66,894.12
Fringe	$345,117.63	$331.663.42
Total	$1,830,398.80	$1,820,193.78

2. In addition to the change in the implementation of the classification and compensation study, the following minor changes are incorporated into the revised draft for consideration:

    a. Moved a portion of the administrative funding for the Virginia Housing Development grant from FY26 to FY27 to accommodate the expected project close-out timeline.

    b. Revise individual staff position from full-time to three-quarters time for July-September and full-time for October through June to reflect final grant award.

    c. Updated the Charlottesville-Albemarle Metropolitan Organization (CA-MPO)'s Federal Transit Administration (FTA) 5303 revenues and associated expenses to match finalized allocation received.

    d. Updated health enrollment options for individuals wishing to take advantage of the taxable insurance stipend. Additional changes to health enrollment options may need to be made after the budget is adopted to reflect changes submitted during the open enrollment period.

    e. Reclassified expenses currently in "Contractual" to "Equipment/Data Use" to more accurately reflect the expense types.

    f. Added HOME FFY25 grant per award letter received.

    g. Revised fringe to reflect changes in base salary due to amended recommendation for classification and compensation study (Long Term Disability, Workman's Compensation, VRS Employer Share)

    h. Revised Hazard Mitigation Budget to reflect changes made during application development.

The FY26 Operating Budget is balanced and includes Revenues of $49,834,111 and Expenses of $49,834,111.

Recommendation: Staff recommends that the Commission approve the Fiscal Year 2026 Thomas Jefferson Planning District Commission Annual Operating Budget, as presented.