Thomas Jefferson Planning District Commission

To: Thomas Jefferson Planning District Commission
From: Christine Jacobs, Executive Director
Date: February 5, 2026

Re: Draft Amended Operating FY26 Budget

Purpose: To present the Draft Amended FY26 Operating Budget, to be used as the basis for financial reports throughout the remainder of the fiscal year.

Background: The budget process for each fiscal year 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) adoption of the operating budget in April/May preceding the fiscal year as prescribed in the TJPDC Bylaws, and 3) adoption of the amended operating budget in February/March, to serve as the budget for auditing the agency's financials for the fiscal year. The budget presented tonight is in draft form. At the March 5, 2026, meeting, the Commission will be presented with the final amended operating budget for FY26 for consideration and approval.

In your meeting packet is the Draft Amended FY26 Operating Budget. For your reference, the FY24 Actuals, FY25 Actuals, FY26 Projected, and the FY26 Amended Operating budgets are included. Staff operate from a detailed line item working budget by program that is available to you upon request.

Proposed Amended FY26 Operating Budget: The recommended Draft Amended FY26 Operating Budget incorporates changes to revenue and expense assumptions from the original FY26 budget adopted at the June 5, 2025, meeting and is adjusted to include changes that have occurred during the first half of FY26 and changes that are projected to occur during the second half of FY26. The amended budget includes total projected revenue of $42,145,462 and expenditures of $42,030,215 for an anticipated net gain of $115,247. This net gain includes $55,286 in Blue Ridge Cigarette Tax Board gains due substantially to a reclassification of deferred revenues - consisting of BRCTB Member Capital Contributions and the associated interest earned on those funds – to Revenues in FY26. While not actual "revenues," the result is to recognize these funds in the BRCTB members' fund balance, as advised by the TJPDC's auditor.

Changes to revenue in the Amended FY26 budget include, but are not limited to:

- **Federal Revenues:** Federal Revenues are amended to be $32,824,313 in the amended budget (compared to $36,411,510 in the original projected budget).

- Projections for the FY22 VATI federal revenues are lower ($29,958,407 (SLFRF and CPF) vs, $33,592,402) and better reflect the projected pace in the completion of the VATI 22 project.
- The VATI 2024 projections decreased from $240,000 to $80,000 as Madison County's Match was moved from Federal Source to Local Source.
- The PATH/Mobility Management federal revenues for the FFY26 Capital grant are decreased due to an unanticipated vacancy in the PATH assistant position from July-December of 2025. A temp agency was engaged to cover a portion of the workload during that time.
- HOME administration and pass through federal funding are less than originally projected (HOME 22 Pass Through: $222,114 vs. $267,587, HOME 23 Pass Through: $204,656 vs. $260,144; HOME 24 Admin: $25,971 vs $32,556, HOME 24 Pass Through: $202,610 vs. $253,000, HOME 25 Admin $0 vs $17,175, HOME 25 Pass Through: $0 vs $154,577). HOME pass-through funds are directed to sub-recipients. New projections are more reflective of the anticipated spend down in FY26, as reported by the sub-recipients.
- In the projected FY26 budget, the TJPDC staff anticipated work associated with the next required update of the Hazard Mitigation Regional Plan. Staff have applied for a grant which has not yet been awarded. The revised federal revenue ($0 vs. $7,689) reflects this with anticipated work being projected in FY27 if the grant is awarded.
- Through Albemarle County, the TJPDC was awarded federal CDBG funds to support the development of the Regional Housing Study. New federal revenues anticipated in FY26 include $31,556.
- The TJPDC may take on the administration of the Broadband Equity, Access and Deployment pass-through to Planning District Commissions supporting NEPA environmental assessments. The anticipated federal revenue in FY26 is $291,500 in administration and pass-throughs. This program was not included in the original FY26 projected budget.

- **State Revenues:** State Revenues are amended to be $4,225,531 (compared to $6,140,634 in the original projected budget).
  - The largest difference in state revenue is associated with the VATI 2024 grant. Updated projections indicate the need for $71,437 vs. $93,400 in administrative funds and $3,462,923 vs. $5,460,000 in state pass-through funds for FY26. Unspent funds will roll into FY27 and beyond.
  - Staff originally anticipated the need to use state DHCD revenue for various contingencies (114,971 vs $69,320), to include the cost of building renovations (additional scope contingency only). Additionally, due to several programs extending timelines (such as VATI22 and VATI24) and the planned rollover of program funds into future fiscal years (CA-MPO and Hazard Mitigation) staff will roll over state funds to future fiscal years to ensure gap funding availability.
  - Due to the federal CDBG grant award for the housing study, less Virginia Housing state money ($5,119 vs. $35,585) will be needed for staff time in FY26 for the study.

State revenues for consultant expenses are expected to be $64,189 vs. $48,819. The state admin funding will roll into future fiscal years for the study's completion.
    - Due to an extension on the Virginia Housing Planning District Commission Development grant, pass through revenues that were expected to be spent in FY25 were rolled into FY26. FY26 revenues for this program include $40,016 in administrative funds and $183,450 in pass through (compared to $0 in the projected budget).

- **Local Revenues:** Local Revenues are amended to be $4,829,797 (compared to $7,019,000 in the original projected budget).
    - The largest difference in local revenues is related to the VATI program. Revised projections include local revenues for VATI 22 at $287,500 (vs. $2.84M) and VATI 24 at $501,077 (vs. $300,000).
    - Revised local revenues for the Blue Ridge Cigarette Tax board increased from $3,259,537 to $3,386,077 with the addition of Rappahannock County effective 10/1/2025.

- **Other Revenues:**
    - Rental space projected revenue decreased from $28,000 to $18,514 due to one tenant surrendering their rental space. Additionally, no tenants are to be charged rent during the time that the office is closed for renovations and tenants do not have access to their spaces.
    - Interest income is expected to be $58,000 vs. $50,000 due to interest rates, anticipated FY26 net gains, and the use of the VIP Investment Pool for savings.

Changes to expenses in the FY26 Amended budget include, but are not limited to:

- A decrease in salary and fringe. This is attributed to the vacancy in the PATH Transportation Assistant position. Additionally, one full-time position was temporarily converted to part-time. Finally, net payroll decreases are attributed to updated projections on utilization of hourly employees.
- Decrease in contingency expenses ($69,320 vs. $111,552). DHCD state administrative funds were allocated to building renovations and specific programs for project/program costs. Unused state DHCD funds roll over into FY27.
- Decrease in anticipated Audit/Legal expenses ($29,380 vs. $38,800). Legal review is used for any new agreements, contracts, and/or MOUs. Additionally, legal consultation is used for any personnel-related matters.
- An increase in advertising expenses ($40,242 vs $35,936) related to the PATH Transportation Assistant position vacancy. Advertising expenses include costs associated with marketing the PATH and Rideshare programs, posting required public notices, etc.
- Pass through expenditures in the amended FY26 budget indicate $39,802,557 in expenses rather than the $47,435,165. This is inclusive of HOME, Housing Preservation Grant, the Blue Ridge Cigarette Tax Board, VATI, and all other grant-funded contractual expenses.

Overall, we expect revenues to exceed expenditures by approximately $115,247 for the year. $55,286 of this is related to gains due to the Blue Ridge Cigarette Tax Board and a re-classification of BRCTB deferred revenue to BRCTB member fund balances, per recommendation of the TJPDC's auditor. Staff are working to prepare the FY27 budget to be delivered to you in April 2026. The excess revenues accumulated in FY26 may be required to balance the FY27 budget.

Recommended Motion by Commission: *None at this time. This is a draft of the amended FY26 operating budget. A final will be brought to the March 2026 meeting for consideration and approval.*