Thomas Jefferson
Planning District Commission
Regional Vision ▪ Collaborative Leadership ▪ Professional Service

MEMORANDUM

To: TJPD Commissioners
From: Christine Jacobs, Executive Director
Date: April 2, 2026
Re: FY27 Budget and Work Program Draft

PURPOSE: The Annual Operating Budget and Work Program sets forth the anticipated work, revenue, and expenditures for the upcoming fiscal year, July 1, 2026, to June 30, 2027.

FY27 Budget Dates	
FY27 Projected Budget	Sept/Oct, 2025
FY27 Operating Budget	Apr/May, 2026
FY27 Amended Budget	Feb/Mar, 2027

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) the Operating Budget adopted in May as prescribed in the TJPDC Bylaws, and 3) an Amended Operating Budget approved in March, to serve as the final budget for financial reports through the year. Each year, the Department of Housing and Community Development requires the submission of both the annual budget, the fiscal year work program, and an annual report.

The Projected FY27 budget was approved by the Commission in October of 2025. The draft FY27 Operating Budget and Work Program is presented tonight at the April Commission meeting for review. Review of the draft at this meeting will allow all Commission members to then offer input to the Executive Committee and/or TJPDC staff. The Executive Committee will meet prior to the May 2026 Commission meeting, if necessary, to amend the FY27 recommended Operating Budget and Work Program with Commissioner's feedback, for final presentation at the May meeting for consideration/adoption.

WORK PROGRAM: The FY27 TJPDC work program incorporates the Scopes of Work for the Charlottesville-Albemarle Metropolitan Planning Organization (CA-MPO) and the TJPDC for the urban and rural transportation programs, as well as housing activities identified in the federal HOME Annual Action Plan and the USDA Housing Preservation Grant. It includes the administration of the regional Blue Ridge Cigarette Tax Board, the Rivanna River Basin Commission, and the Virginia Telecommunication Initiative broadband project. However, new this year, pass through tax revenue will not go through the TJPDC's agency financial records. Rather, the TJPDC will maintain a separate set of BRCTB financial records on behalf of the board, as was recommended by the TJPDC's auditor. The work plan also includes activities reflected in the RideShare work plan and the Charlotteville/Albemarle Regional Transit Authority and Regional Housing Partnership work programs. Continued programs for FY27 include a regional Mobility Management Program, the Watershed Improvement Program's scope of work, Hazard Mitigation plan, and local planning support. Key projects and programming highlights for FY27 include:

Agency-wide
Strategic Plan Implementation (FY24-28)
TJPDC Communications Plan Implementation– Newsletter
Equity – Implement Title VI Plan initiatives and integrate considerations for equity in TJPDC planning processes, projects, and programs
Staff Professional Development planning

Policy Audit/Review
Implementation of FY26-30 Classification and Compensation Study Recommendations
Transportation
Charlottesville-Albemarle Metropolitan Planning Organization (CA-MPO)
CA-MPO-Transportation Improvement Program (TIP)
CA-MPO On-Call technical assistance
Safe Streets and Roads for All (SS4A) Comprehensive Safety Action Plan (CSAP)
RideShare/TDM/Telework/AgileMile
Charlottesville-Albemarle Regional Transit Authority (CARTA)
CARTA Prioritization Study (DRPT MERIT grant)
Regional Mobility Management
Rural Transportation Planning Program and Rural Transit Needs Assessment Assistance
Housing
HOME Investment Partnership administration
HOME-ARP administration
Housing Preservation Grant administration
Central Virginia Regional Housing Partnership (CVRHP)
VA Housing PDC Development Grant administration
Regional Housing Study (Gaps and Needs Analysis and Strategies Development)
Regional Housing Summit
Environment
Watershed Improvement Program (WIP)
Solid-Waste Management Planning and DEQ Recycling Report
Rivanna River Basin Commission (RRBC) activity coordination
Hazard Mitigation Plan Kick-Off
IIJA Septic Pump-Out Pilot Program, Rain Barrel Workshops, Oak Hill Fund Septic
Regional Water Supply Planning (RPU1)
Broadband
2022 Virginia Telecommunications Initiative (VATI) administration
2024 Virginia Telecommunications Initiative (VATI) administration
Regional Tax Administration
Blue Ridge Cigarette Tax Board administration
Other
Legislative Services
TJPDC Corporation Administration (501(c)(3))
Local Technical Assistance, Land Use Planning, Comprehensive Planning
Southeast Crescent Regional Commission (SCRC) Participation (pending funding)
Virginia Association for Planning District Commissions (Executive Director)
Central Virginia Partnership for Economic Development (CVPED) participation
GOVa Region 9 Council participation
Charlottesville Area Alliance (CAA) participation
Jaunt Board participation
Center for Nonprofit Excellence (CNE) Board participation
Grant Application and Administration services

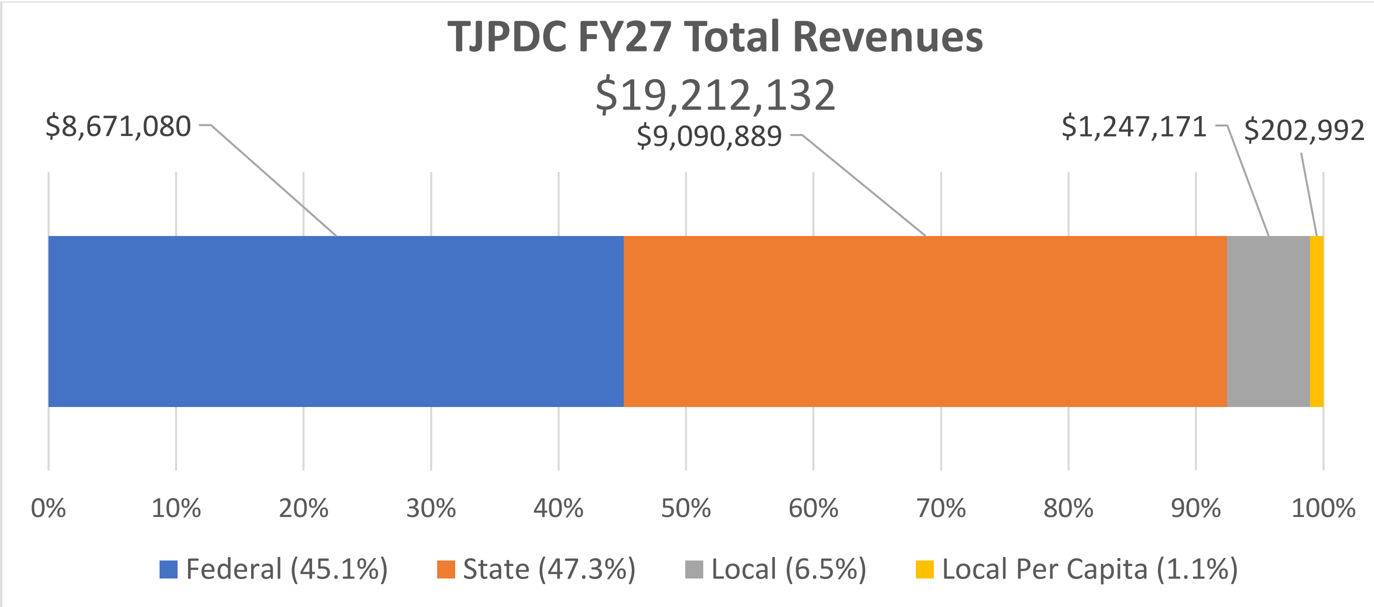
RECOMMENDED BUDGET: Attached is the draft recommended operating budget for FY27. This budget and work program incorporate changes to revenue and expense assumptions from the projected budget approved in October 2025. The draft FY27 Operating Budget is a balanced budget with projected revenues of $19,212,132 and projected expenditures of $19,212,132. A one-time transfer of capital reserve of $8,864 represents 1/5 of the cost of Leasehold improvements to be amortized over 5 years. These were not included in the 5-year lease agreement with the landlords and is not recognized as rent expense. The buildings committee and full commission previously approved up to a 20% contingency for construction costs over-runs, change orders and miscellaneous purchases, not included in the contractor's original scope.

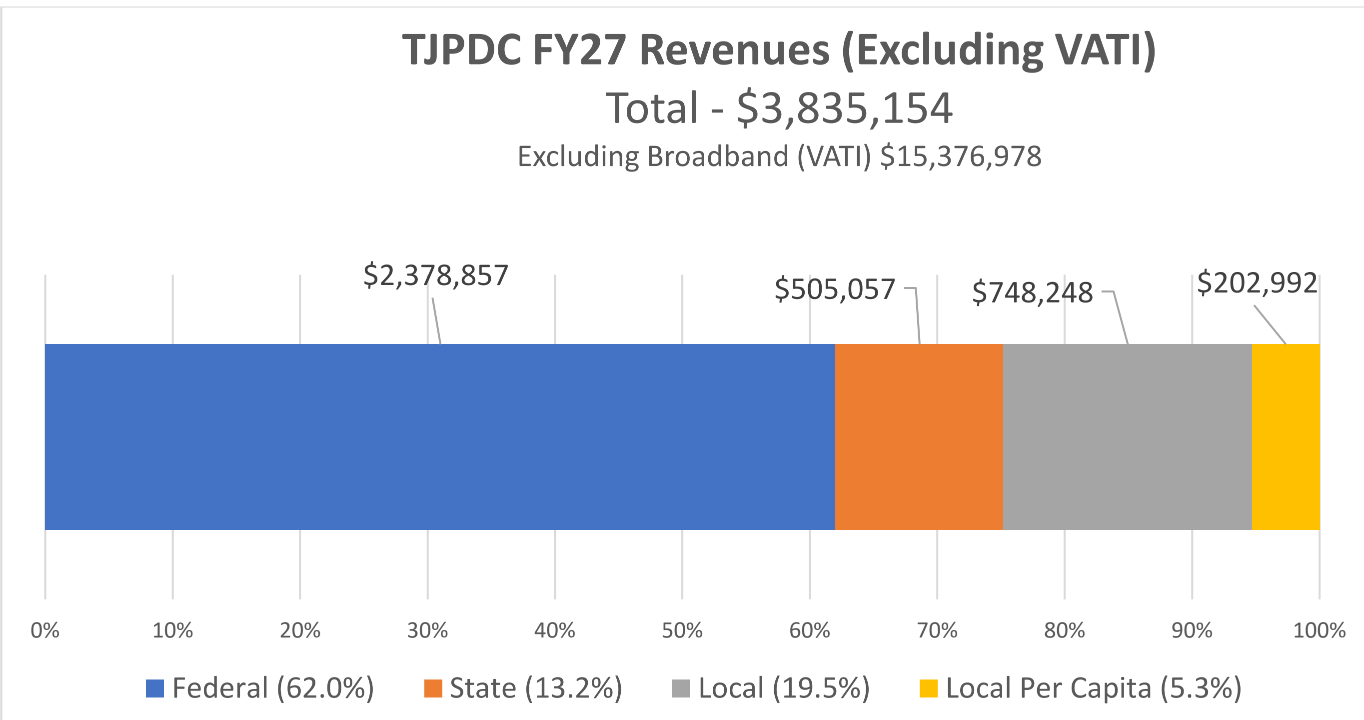
Staff applied for several grants for FY27 for which awards have not yet, been determined. The TJPDC staff continues to work with state and federal agencies to identify and apply for state and federally funded projects. For example, in February the TJPDC applied to the US Department of Transportation for a RAISE (Rebuilding American Infrastructure with Sustainability and Equity) to complete the preliminary engineering for the Rivanna Bicycle Pedestrian Bridge. Likewise, the TJPDC will apply for a Safe Streets and Roads for All implementation grant to fund safety projects in several locations. The PDC staff will submit an application to US Housing and Urban Development for FY27 HOME funds and to the VA Department of Emergency Management for the next five-year Hazard Mitigation Plan. Only pending awards that have a high level of confidence of materializing by December 2026 are included in the budget. Others, if awarded, will be added to the working budget for inclusion in the amended budget presented in February of 2027.

Staff's goal is to have positive net earnings each fiscal year and to have each fiscal year's budget stand alone with no use of prior year's retained earnings until our optimal retained earnings are reached. If the previous seven fiscal years are an indication, we should not need to use prior years' reserves. A long-term goal is to build retained earnings, first to a safe level maintaining a minimum of eight months of average operating expenses available for immediate use if needed, and secondly to save for capital expenses such as toward the purchase of a future office building, and third to have resources available to take advantage of regional project grants that require a local match. Now that we safely have eight months of operating funds in savings, using cash reserves is less risky. We are now at a point where we are concentrating on building capital reserves and funding regional projects instead of growing reserves beyond current amounts.

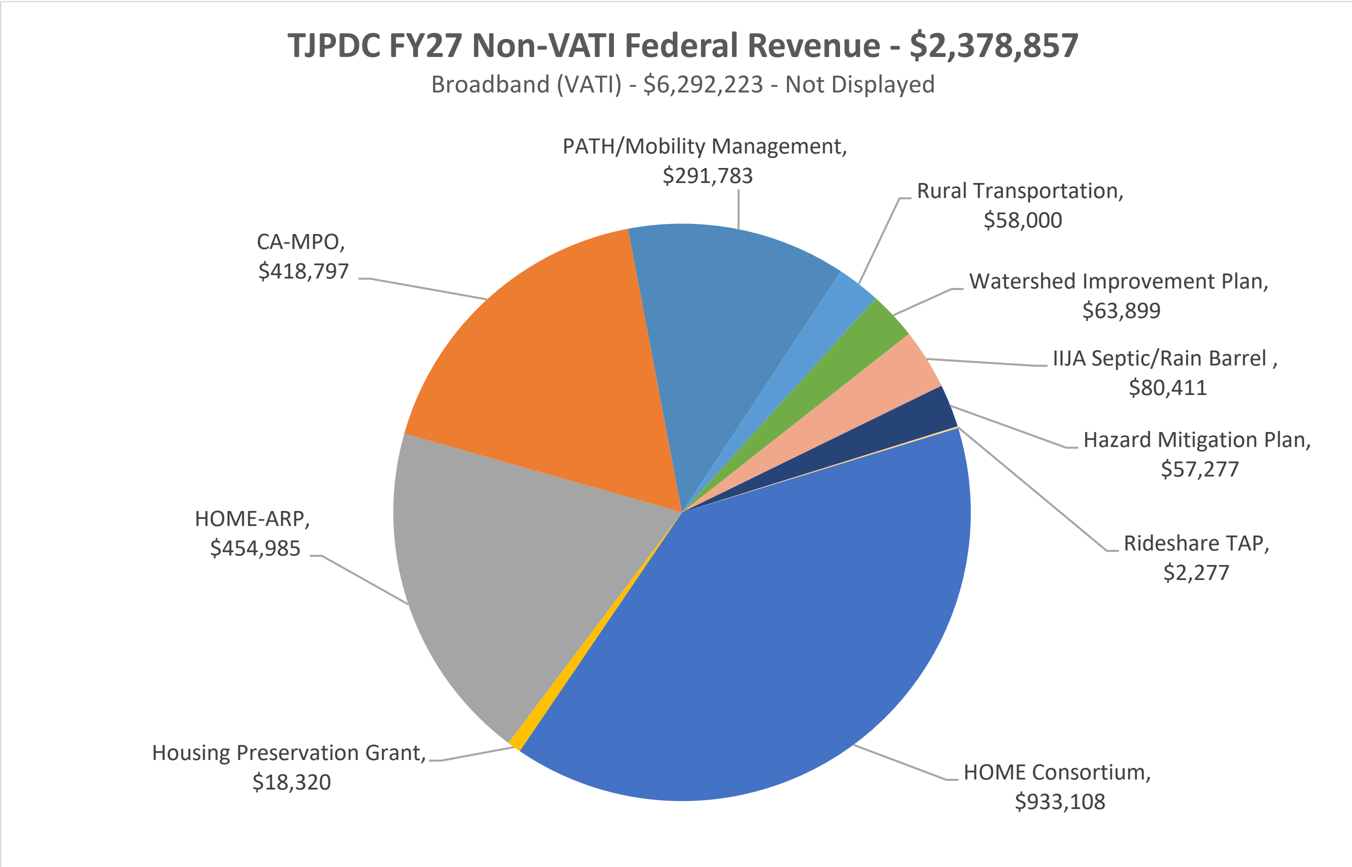
Special Note: The TJPDC's majority funding source is state (47.3%) with federal revenue the second most majority (45.1%). With uncertainty surrounding the federal funding landscape, staff are contingency planning should there be a loss of federal funding. As noted above, the TJPDC is in a sound financial position to weather an immediate storm. However, any significant changes in federal funding that will impact programming, staffing, or financial security will be brought to the commission's attention immediately.

BUDGET REVENUES: The proposed budget reflects projected revenue of $19,212,132. Nearly 45.1% of revenues for FY27 are from federal sources, 47.32% are from state sources, 14.3% are from local sources, and less than 1% are from local per-capita contributions from our member governments or other sources. At this point in the year, the TJPDC does not have full commitments of local funding or all state and federal awards or contracts for FY27. Funds included reflect recently awarded projects and estimates of potential projects that have a very high likelihood of being awarded. The chart below shows the TJPDC FY27 revenue by source.


TJPDC FY27 Total Revenues
$19,212,132
$8,671,080
$9,090,889
$1,247,171
$202,992
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Federal (45.1%)
State (47.3%)
Local (6.5%)
Local Per Capita (1.1%)


TJPDC FY27 Revenues (Excluding VATI)
Total - $3,835,154
Excluding Broadband (VATI) $15,376,978
$2,378,857
$505,057
$748,248
$202,992
0%
10%
20%
30%
40%
50%
60%
70%
80%
90%
100%
Federal (62.0%)
State (13.2%)
Local (19.5%)
Local Per Capita (5.3%)

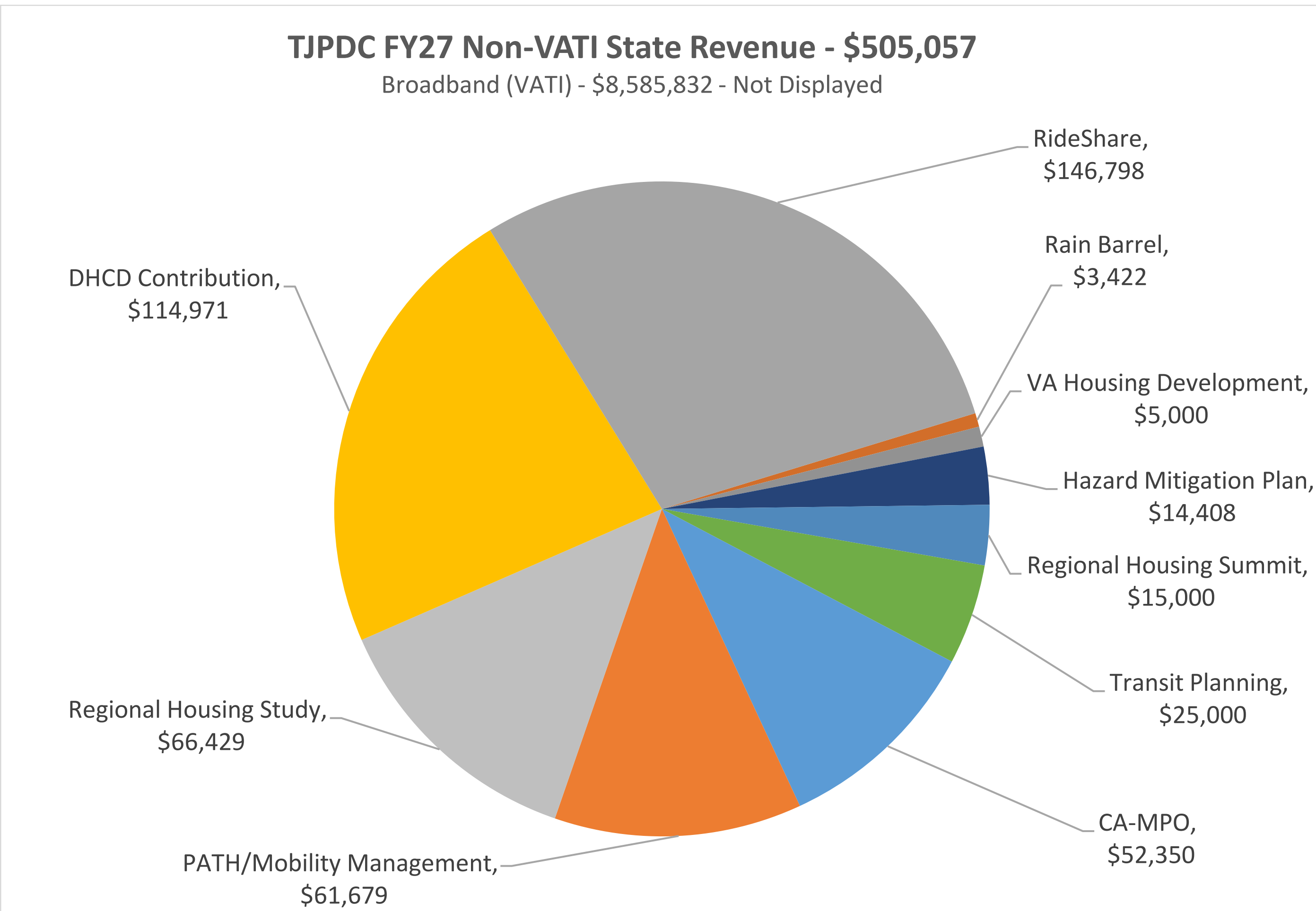
Federal Revenue: TJPDC revenues include $8,671,080 from federal sources. The largest federal program is the administration of the Broadband (VATI) grant. In order not to skew the data represented below, the VATI program is not displayed.



- Federal ARPA funding for the Virginia Telecommunications Initiative (VATI) Broadband Grant is received through the Department of Housing and Community Development. There is a local match provided by all 13 participating jurisdictions. Some VATI local match funding is coded as federal, where some are coded local, depending on the source the participating jurisdiction is using. The total federal funds for the VATI program are $6,292,223.
- The Virginia Department of Rail and Public Transportation will award an additional FY26 grant (pending approval by the Virginia Commonwealth Transportation Board) to continue the PATH/Mobility Management program. The program funding is 80% federal funding, 16% state, and 4% local.
- The Virginia Department of Rail and Public Transportation will award Rideshare Travel Assistance Program (TAP) grants to support professional development and associated travel expenses. The program is 100% federal funding.
- Federal Highway State Planning and Research (SPR) Funds for Rural Transportation funding are received through VDOT at an 80% federal, 20% local per-capita match.
- Chesapeake Bay Watershed Improvement Plan (WIP) funding reflects federal allocations through the Virginia Department of Environmental Quality (DEQ) at an 80% federal, 20% local per-capita match.
- Additional US IIJA funds were awarded by DEQ (pending final contract) for a pilot septic pump-out program (100% federal) and to continue the Rain Barrel Program (100% federal).

- The required 5-year update of the Regional Hazard Mitigation Plan will be launched in FY27. The program is 75% federally funded, 20% state funded, and 5% locally funded (through per-capita contributions).
- The Housing and Urban Development (HUD) HOME Consortium and HOME-ARP funding is a 75% federal source with a 25% local match provided by sub-recipients of the funding.
- The US Department of Agriculture (USDA) Housing Preservation Grant (HPG) funding is 50% federal source with a 50% local match provided by sub-recipients of the funding.
- Charlottesville-Albemarle MPO (CA-MPO) funding reflects federal allocations through the Federal Transit Administration (FTA) and the Federal Highway Administration (FHWA) at an 80% federal, 10% state, and 10% local per-capita match.

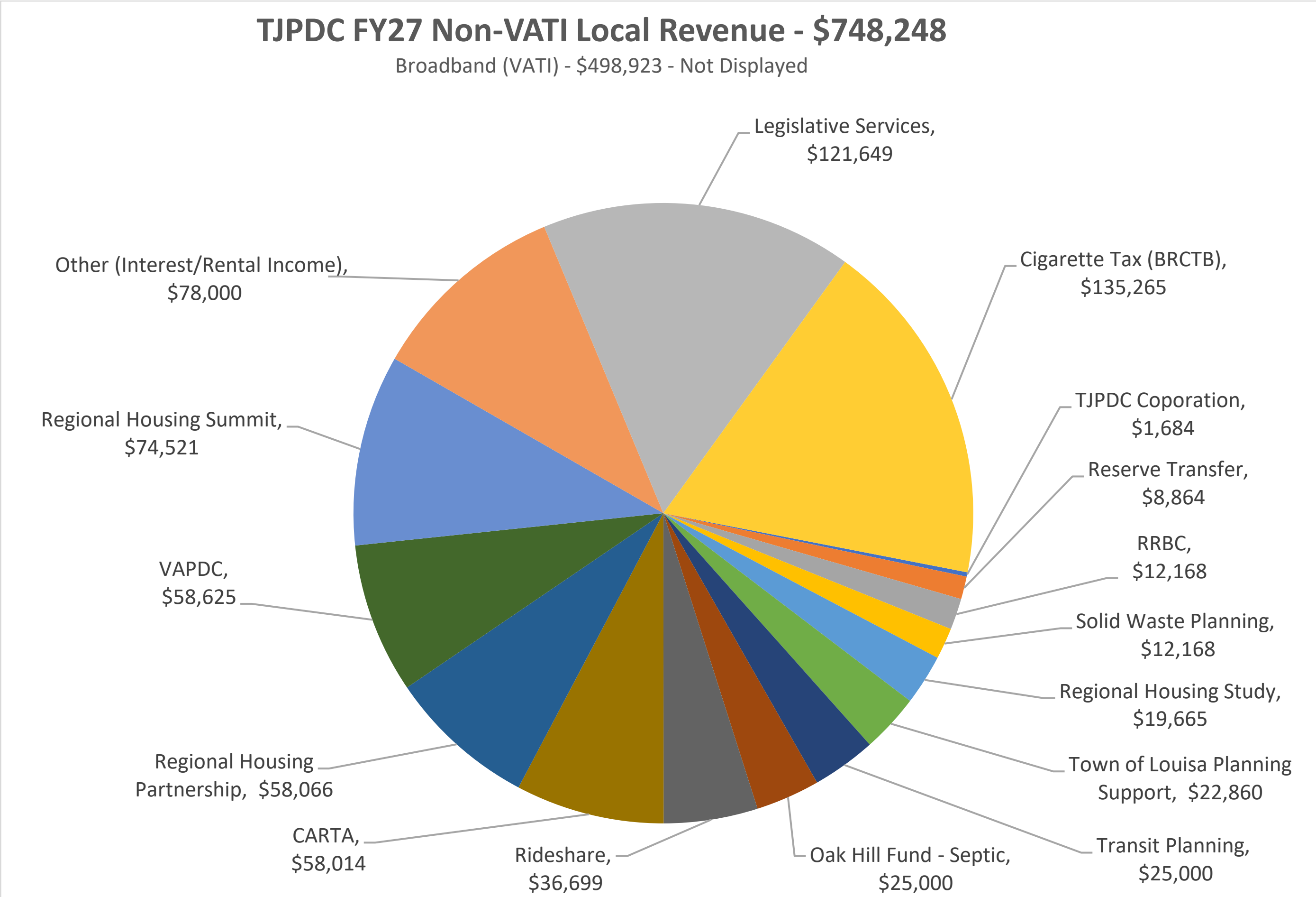
State Revenue: TJPDC revenues include $9,090,888 from state sources. The largest state program is the administration of the Broadband (VATI) grant. In order not to skew the data represented below, the VATI program is not displayed.



- Virginia Housing is providing a 100% state funded grant for a Regional Housing Study. Additional contributions were secured from state, local, and nonprofit sources to support the study.
- Virginia housing provides 100% state funded grants for Regional Housing events. The FY27 budget includes an anticipated grant from this source.

- Virginia Housing provides 100% state funding for the VA Housing Planning District Commission (PDC) Housing Development grant program to develop affordable housing units in each of the six member jurisdictions.
- RideShare funding reflects the annual state award through the Department of Rail and Public Transportation (DRPT) at 80% state with a 20% local match (pending approval by the Virginia Commonwealth Transportation Board).
- The Department of Rail and Public Transportation (DRPT) Mobility Management grant is 80% federal/15% state/4% local per capita match and is a pending revenue source (pending approval by the Virginia Commonwealth Transportation Board).
- The state match through the Virginia Department of Transportation (VDOT) for the CA-MPO is 10% (with 80% federal and 10% local per-capita match).
- A DRPT MERIT Technical Assistance transit planning grant was awarded to prioritize strategies identified in the Regional Transit Vision Plan for implementation by the newly formed Charlottesville-Albemarle Regional Transit Authority (CARTA). The grant is 50% state funding, with a 50% local match requirement provided in equal parts by the City of Charlottesville and the County of Albemarle.
- The regional Hazard Mitigation Plan provides 20% of the funding from the Virginia Department of Emergency Management (VDEM) (with 75% federal and 5% local).
- The state budget includes an FY27 contribution to the TJPDC through the Department of Housing and Community Development (DHCD).
- The Virginia Department of Environmental Quality provides small grants for Rain Barrel workshops. The grant s 100% state funded.

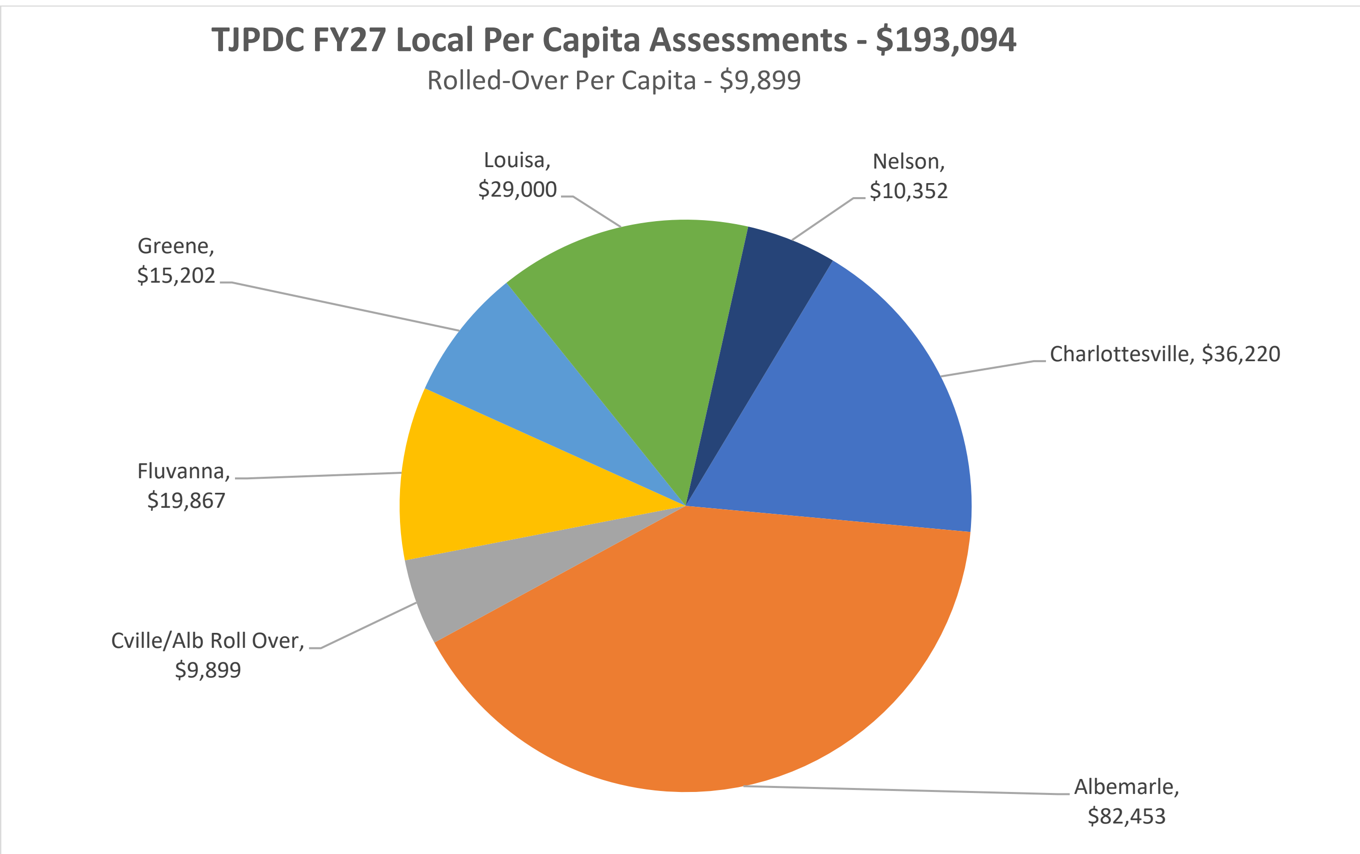
Local Revenue: TJPDC revenues include $1,247,171 from local sources. The largest local program is the local match for the Broadband (VATI) program. In order not to skew the data represented below, VATI's $498,923 revenues are not displayed.



- VAPDC funding is from a 100% local source.
- Other revenue received includes bank interest earned and rent revenue from tenants. We do not anticipate having vacant office space available to rent in FY27.
- Regional Housing Partnership funding requested is from a 100% local source.
- Regional Housing Study funding is from a state grant, as well as local contributions from the participating jurisdictions.
- The TJPDC will hold the fourth annual Regional Housing Summit in FY27. Funding for the summit includes state grants and local sponsorships and contributions.
- Charlottesville-Albemarle Regional transit Authority funding is a 100% local source.
- Local funding for Rideshare is provided from participating jurisdictions at 20% of the total program (federal 80%).
- The DRPT MERIT Technical Assistance transit planning grant requires a 50% local match provided in equal parts by the City of Charlottesville and the County of Albemarle.
- The Department of Rail and Public Transportation (DRPT) Mobility Management grant requires a 4% local match (80% federal/15% state).
- Rivanna River Basin Commission funding is a 100% local source.
- Solid Waste Planning funding is 100% local source.
- The TJPDC Corporation is 100% local source.

- Legislative services funding is 100% local source.
- The Oak Hill Fund septic program is a 100% local private source.
- Local planning support for the Town of Louisa is an anticipated 100% local source, pending approval and continuation of an existing Memorandum of Understanding for FY27.
- Local funds for the Blue Ridge Cigarette Tax board include administrative fees for the administration of the board. Pass through tax revenues will no longer pass through the TJPDC's financial records, rather, the TJPDC will maintain separate financial records for the board as recommended by the TJPDC's auditor.
- The TJPDC anticipates completing building renovations (to include new flooring, window covering, and paint throughout). The cost of renovations will be spread across a new 5-year lease, with an anticipated $8,864 local reserve transfer anticipated in FY27 from the capital reserves fund.

<u>Local Per Capita Revenue:</u> TJPDC revenues include $193,094 from Local Per Capita member assessments ($0.70 per capita). Additionally, due to roll-over federal and state funding for the CA-MPO, the TJPDC reserved required roll-over local per-capita match funding in the amount of $9,899 for a total local per-capita revenue totaling $202,992 in FY27.



Local per capita revenue is shown based on member assessments adopted at the October 2025 Commission meeting and is reflected in FY26 budget requests. Not all localities have taken action on budgets at this time. Local per capita is $0.70.

BUDGET EXPENDITURES: The largest TJPDC expenditures are pass-through expenditures, meaning that the TJPDC passes funds through to a sub-recipient, local governments, or contracted partners. $16,758,616 of the $19,212,132 (87.23%) in FY27 budgeted expenses are pass-through expenses.

- VATI pass-through funds received by the Department of Housing and Community Development (DHCD) and the 13 participating local governments consist of $6,200,000 and will be reimbursed to a private-sector project partner based on contractual work completed.
- Local tax pass-throughs for the Blue Ridge Cigarette Tax Board are no longer included in the TJPDC's annual budget, as noted above.
- Housing pass-through expenses include $872,786 in annual HOME funding, $410,664 in HOME-ARP funding, and $15,572 in Housing Preservation grant funding. Pass-throughs are paid to identified sub-recipients for reimbursement for eligible housing activities or to contracted partners.
- Housing pass through funding for the Regional Housing Summit ($48,141) is for contractual expenses associated with holding the event.
- DRPT MERIT TA transit planning ($40,000) and Mobility Management ($51,766) pass-through funds include payments made to consultants and contracted partners completing contracted work.
- The DEQ IIJA Septic Program and Rain Barrel Program ($73,315 and #3,422 respectively) and the Oak Hill Fund Septic Assistance program ($2,422) pass-through funding to contractors and contracted project partners.
- The Hazard Mitigation Program ($2,965) pass-through funding is for in-kind local assistance.

Other FY27 expenses include salary and fringe benefits ($1,886,932). Salary and fringe expenses make up 76.91% of the TJPDC's operating expenses ($2,453,516). Staff retention and recruitment are very important to TJPDC leadership. As such, in FY26, staff conducted a consultant-led class and compensation study. The study found that the TJPDC's base salary, on average, was significantly below the market. The commission declared a compensation philosophy in which they wanted to 'lead' the market. In their April meeting, the Commission voted to direct the Executive Director to implement the recommendations in the preferred option in the study. The base salary increases included in the FY26 budget are:

Itemized Costs – Option 3b	Count	Cost ($)	% of Payroll
Adjustments to Minimum	13	$128,639	10.8%
Adjustments for Time in Seat	14	$104,811	8.8%
3% COLA Increase	18	$34,947	2.9%
Total Increase in Payroll Costs	**18**	**$268,397**	**22.5%**

In FY26, due to uncertainty in the federal landscape, the Executive Director recommended a conservative, phased approach to the implementation of the study, spreading the one-year approved increase in costs across two fiscal years. To do so, in the first year, staff would receive 75% of their approved increase in base wages and 25% of the increase in a one-time bonus spread across all pay periods. For the second year, staff would receive 100% of the increase in base wages, pending available funding. The revenues in the FY27 budget indicate that there are sufficient resources to cover the second-year implementation, as planned.

Since the implementation of the class/compensation study did not include aging the data for the 2nd year, staff recommend an additional 2.8% Cost of Living (COLA) increase for most staff (not to include staff whose salaries are at or above the max salary band as approved in the study).

Staff estimates of personnel expenses reflect the retention of 16 full-time and 2 part-time equivalent staff/positions.

The TJPDC now offers The Local Choice (TLC)/Key Advantage 1000 and 500 Health Insurance Plans. Health Insurance Premiums increased by 7.0% for FY27. The TJPDC continues to provide 100% of individual employee-only premiums, 54% of dual premiums, and 37% of family premiums. Additionally, if a full-time employee elects to waive coverage and not participate in the group health insurance plans, the employee may request a stipend, based on the average Cost of Individual Coverage on a Marketplace Plan annually (not to exceed the individual-only premium) to secure coverage in the private market or through a spouse's insurance plan.

The rate for the Virginia Retirement System (VRS) Employer Defined Benefit Contributions are updated every two years based on the VRS Valuation reports for FY27. The rate increased from 0.85% used in FY25 and 26 to 3.30% to be used in FY27 and FY28. Additionally, the VRS Group Term Life Insurance rate decreased from the FY25 and FY26 rates of 1.18% to 1.06% for FY27 and FY28.

Current indirect cost rates have steadily decreased from 74% in FY24 to 50% in FY27. Indirect Cost Rates have increased from the FY26 rate of 41% due to increased rent and associated renovation costs as well as minimal vacancies that affect the billable hours in a year. With the increased salary and fringe costs and the reduced indirect cost rate, commissioners should anticipate a much smaller net gain at the end of the fiscal year compared to the past several years.

Similar to FY26, the FY27 budget includes utilizing much of the DCHD annual contribution for contingencies ($67,457) rather than budgeting it to cover administrative expenses. This gives us flexibility should we need additional local matches or additional funding for a program without having to go to our local governments to seek additional revenue.

Recommended Motion by the Commission: *No action is recommended at this time. This is a draft of the FY27 Operating Budget. A final will be brought to the May 2026 meeting for consideration and approval.*