

# Advertised Budget Summary

## Economic Overview

### Nationally

The U.S. economy expanded at rates of 3.1 percent and 2.3 percent in the third and fourth quarters of 2024. For all of 2024, real Gross Domestic Product (GDP) increased 2.8 percent, down just slightly from a 2.9 percent clip the previous year. Payroll employment rose by 2.2 million in 2024 (an average monthly gain of 186,000), less than the increase of 3.0 million in 2023 (an average monthly gain of 251,000). The unemployment rate stands at 4.0 percent as of January 2025.

In addition to continued employment growth over the last year, inflation also continued moderating. In December 2024, the year-over-year increase in the Consumer Price Index (CPI) was 2.9 percent, down from the December 2023 rate of 3.4 percent. For 2025, most economists expect a deceleration in economic growth as a result of emerging policy risks by the new Trump administration such as the potential implementation of trade tariffs and stricter immigration policies.

Acknowledging the progress toward restoring price stability, the Federal Reserve took several actions regarding interest rates in 2024. It trimmed rates three times starting in September 2024, bringing the target range down to 4.25 to 4.5 percent. In January 2025, the Fed left its benchmark rate unchanged, choosing to take a wait-and-see approach to the new White House administration's potentially inflationary economic policies and as inflation is still above the Federal Reserve Board's target rate of 2 percent. Fed Chairman Jerome Powell described the economy as "in quite a good place," citing growing GDP, solid job gains and a low unemployment rate, as well as signs of inflationary pressures easing. However, there is considerable uncertainty when the next rate cut might come.

The housing market in 2024 mirrored 2023 with too few homes on the market, which pushed home prices higher and kept affordability low. Mortgage rates hovered between 6.5 and 7.5 percent in 2024 and are not expected to change significantly in 2025. The Case-Shiller 20-City Composite Home Price Index, a widely followed measure of U.S. home prices, posted a year-over-year increase of 4.3 percent in November 2024. The housing market going into 2025 appears poised to see slower home value growth and an uptick in the number of homes for sale in the market.

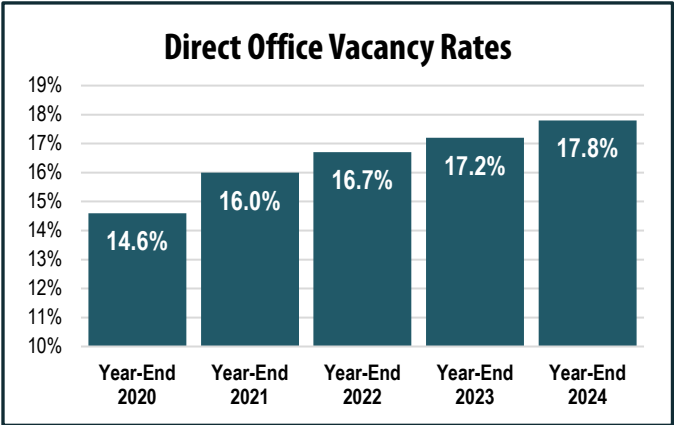
### Fairfax County

In terms of the local economy, the number of jobs in Northern Virginia grew at a rate of 1.3 percent in 2024, after increasing by 2.4 percent in 2023. In Fairfax County, the unemployment rate averaged 2.5 percent in 2024, which was unchanged from 2023. Based on preliminary estimates from IHS Markit, the County's Gross County product (GCP), adjusted for inflation, increased at a rate of 1.9 percent in 2024, which is lower than the 3.4 percent growth rate experienced in 2023. According to IHS Markit, the County's economy is expected to grow another 1.9 percent in 2025.

There is great uncertainty for the local economy, as the new presidential administration has signaled its desire, and has begun taking actions, to significantly reshape the federal government, including its workforce. Fairfax County is home to more than 50,000 federal workers, and even more workers connected to businesses that contract with the federal government. It is important to note that, as this budget proposal was developed before the new administration took office, the FY 2026 revenue assumptions are based upon the continuation of economic conditions at the time.

Based on information from Bright MLS, the average sales price of homes sold in Fairfax County rose 8.6 percent from \$790,367 in 2023 to \$858,057 in 2024. Home prices increased primarily as a result of the tight inventory of homes for sale. Since bottoming out in 2009, the average home sales price has risen 105.7 percent, or at an average annual growth rate of 4.9 percent. Bright MLS also reported that 11,787 homes sold in the County in 2024, up 5.1 percent compared to 2023. Homes that sold during 2024 were on the market for an average of 17 days, one day less than in 2023.

In the County's nonresidential market, according to the Fairfax County Economic Development Authority (EDA), the direct office vacancy rate at year-end 2024 was 17.8 percent, up from 17.2 percent at year-end 2023. The overall office vacancy rate, which includes empty sublet space, was 18.4 percent at the end of 2024, up from 18.1 percent recorded at year-end 2023. The amount of empty office space increased to 22.1 million square feet.



Fairfax County recorded approximately seven million square feet of office leasing in 2024, finishing higher than 2023 (6.2 million square feet) and 2022 (6.6 million square feet). While this represents a four-year high for office leasing, the totals are still below the pre-pandemic average by approximately 30 percent.

As of year-end 2024, Fairfax County had an office inventory of just below 120 million square feet, after briefly crossing the 120 million square feet mark in mid-year 2024. The office inventory was impacted by the demolition of a fully vacant 160,000 square foot office building in Oakton. As of year-end 2024, there was one office building in Reston under construction, expected to deliver 210,000 square feet in 2025. Data center demand remained high in the County in 2024. There are currently three projects under construction that at completion would more than double the current existing data center inventory of 2.7 million square feet.

**FY 2026  
General Fund  
Budget  
Summary**

Based on the current Real Estate Tax rate of \$1.125 per \$100 of assessed valuation, \$196.57 million in increased revenue is projected over FY 2025 levels. The proposed 1.5-cent increase to the Real Estate Tax rate generates an additional \$50.93 million. A proposed increase in the Transient Occupancy Tax (TOT) is projected to generate an additional \$13.03 million, and \$5.68 million of additional revenue is associated with expenditure adjustments. After allocating \$8.49 million in available funding associated with an increase in Real Estate Tax dedicated to affordable housing, and a decrease in Transfers In of \$2.25 million, \$255.47 million is available for FY 2026 requirements. The FY 2026 Advertised Budget Plan allocates \$125.34 million of these available resources for Fairfax County Public Schools (FCPS) priorities, \$118.00 million for County requirements, and \$6.52 million of the TOT revenue set aside in balance pending identification of tourism-related uses for this funding. The remaining balance of \$5.62 million is available for Board consideration in FY 2026.

## Advertised Budget Summary

The following table summarizes the FY 2026 Advertised Budget Plan.

Adjustments included in FY 2026 General Fund Budget (Amounts shown are in millions, net change over <u>FY 2025 Adopted Budget Plan</u> )			
Projected Revenue Increase			
Revenue Increase at Current Real Estate Tax Rate			<b>\$196.57</b>
1.5-cent Real Estate Tax Increase			\$50.93
2 percent Transient Occupancy Tax Increase			\$13.03
Additional ¼ Penny for Affordable Housing			(\$8.49)
Revenues Associated with Expenditure Adjustments			\$5.68
Net Impact of Transfers In			(\$2.25)
<b>Total Available</b>			<b>\$255.47</b>
FY 2026 Requirements			
	County	Schools	Total
School Operating Support	--	\$118.64	\$118.64
County Compensation	\$123.60	--	\$123.60
Debt Service	\$8.60	\$6.70	\$15.30
New Facilities	\$4.80	--	\$4.80
Contracts/Inflationary	\$16.22	--	\$16.22
Information Technology	\$10.57	--	\$10.57
Cost of County Operations	\$10.17	--	\$10.17
Mandates/Expiration of Grant Funding	\$3.84	--	\$3.84
Reductions	(\$59.80)	--	(\$59.80)
<b>Subtotal</b>	<b>\$118.00</b>	<b>\$125.34</b>	<b>\$243.34</b>
Reserve for Tourism			\$6.52
<b>Total Uses</b>			<b>\$249.86</b>
<b>Projected Balance</b>			<b>\$5.62</b>

### FY 2026 General Fund Revenue

FY 2026 General Fund revenues are projected to be \$5,700,699,214, an increase of \$227,540,655 or 4.2 percent over the *FY 2025 Revised Budget Plan*, which contains the latest FY 2025 revenue estimates, and an increase of \$257,724,659, or 4.7 percent, over the FY 2025 Adopted Budget Plan.

On the County's real estate front, residential equalization reflects a 6.17 percent increase in FY 2026, while non-residential equalization decreased by 0.38 percent. The overall Real Estate tax base grew 5.34 percent.

The value of a penny on the Real Estate Tax rate is \$33.95 million in FY 2026. Each penny change in the tax rate equals \$79.42 on a taxpayer's bill. Given an average value of a residential unit of

\$794,235, the “typical” residential annual tax bill will rise, on average, \$638.39 in FY 2026 due to the rise in the average value of a residential unit and the proposed 1.5-cent increase in the Real Estate tax rate from \$1.125 to \$1.14 per \$100 of assessed value. The proposed 1.5-cent increase in the Real Estate tax rate is projected to generate \$50.93 million in additional revenue.

As part of the FY 2025 Adopted Budget Plan, the Board of Supervisors approved a two-year phase-in to increase Zoning fees, Fire Marshal fees and Fire Prevention Code permits, and Senior Center membership fees, with the first increase effective July 1, 2024 (FY 2025), followed by another increase effective July 1, 2025 (FY 2026). The revenue associated with these increases is included in the Revenue Increase at Current Real Estate Tax Rate line in the above summary table.

The General Fund Revenue Overview in the FY 2026 Overview volume has additional details on General Fund revenues.

FY 2026  
General Fund  
Disbursements

FY 2026 General Fund disbursements are \$5,696.66 million, an increase of \$243.34 million, or 4.46 percent, over the FY 2025 Adopted Budget Plan and a decrease of \$7.60 million, or 0.13 percent, from the *FY 2025 Revised Budget Plan*. As the *FY 2025 Revised Budget Plan* includes the carryforward of encumbrances from FY 2024 and other one-time adjustments for FY 2025 approved as part of the *FY 2024 Carryover Review*, comparisons between the FY 2026 budget and the *FY 2025 Revised Budget Plan* may be challenging. Thus, this section focuses on changes from the FY 2025 Adopted Budget Plan.

It should also be noted that the FY 2026 Advertised Budget Plan includes a net decrease of 199 merit positions, as position reductions identified as a part of agency reductions offset all new positions.

Employee Compensation (Pay and Benefits)

\$123.60 million

The FY 2026 Advertised Budget Plan includes funding for a cost of living adjustment, as well as performance and longevity increases for general County employees, merit and longevity increases for non-represented uniformed public safety employees, and increases to support employee retention and recruitment efforts that will align the County’s pay structures with the market based on benchmark data as well as the final year of a three-year phase-in to address pay compression. It also continues to fully fund implementation of collective bargaining agreements for police, fire and public safety communications employees. After accounting for the revenue impact associated with these adjustments, the net impact to the General Fund is \$118.82 million.

The FY 2026 Advertised Budget Plan includes an increase to keep the County's **Living Wage** competitive in relation to the market. Consistent with the methodology used to adjust County pay scales, the Living Wage will be increased by the approved Cost of Living Adjustment each year. For FY 2026, this will result in a 2.00 percent increase from the current rate of \$17.10 per hour to \$17.44 per hour. There is no fiscal impact anticipated, and staff will continue to monitor other local jurisdictions for competitiveness.

## 2.00 Percent Cost of Living Adjustment

Funding of \$24.92 million is included for the full-year impact of a 2.00 percent Cost of Living Adjustment (COLA) increase effective the first full pay period in July 2025 for all employees who are not covered under a collective bargaining agreement as described below. The County transitioned to a COLA model in FY 2025. This change aligns with practices in other jurisdictions, offers greater predictability of the budgetary impacts of the compensation plan, and enables employees to better anticipate their pay increases.

## Collective Bargaining Impacts

On October 19, 2021, the Board adopted an ordinance to amend Chapter 3 of the Fairfax County Code, County Employees, by adding Article 10, Collective Bargaining, Sections 3-10-1 through 3-10-18, to allow specific bargaining units of County employees to engage in collective bargaining with the County. The Southern States Police Benevolent Association (SSPBA) was elected as the exclusive representative of the Police Department and the International Association of Fire Fighters (IAFF) Local 2068 was elected as the exclusive representative of the Fire and Rescue Department and Department of Public Safety Communications. The members of both collective bargaining units ratified the agreements in November 2023 covering the period from FY 2025 through FY 2027. In December 2023, the Board approved resolutions indicating their intent to provide funding to support the agreements. Although SEIU Virginia 512 has successfully petitioned for an election for the General Government bargaining unit, the County's Labor Relations Administrator is currently considering an intervening petition and working to establish the parameters of an election. Per the Collective Bargaining Ordinance, any upcoming negotiations would not impact the FY 2026 budget. If negotiations were to begin prior to July 1, 2025, any fiscal impacts would be included in FY 2027.

Funding of \$16.56 million for IAFF employee pay and \$18.71 million for SSPBA employee pay is associated with the impacts of the two collective bargaining agreements. Wage provisions outlined in the agreements include pay scale adjustments, cost of living adjustments, and step increases. Non-wage provisions specified in the agreements include union activities, pay supplements or stipends, and extra benefits for leave and half-days on holidays. Funding of \$1.66 million is included to address the impact of the agreements on non-represented employees; these include an additional half-day holiday and adjustments to premium and differential pay rates. Comprehensive details of the union agreements can be accessed on the County's [Collective Bargaining](#) website, and additional summaries can be found in the narratives for Agency 90, Police Department, and Agency 92, Fire and Rescue Department, in the Public Safety program area section of Volume 1 and the narrative for Fund 40090, E-911, in the Special Revenue Funds section of Volume 2.

Average projected pay increases for FY 2026 for merit employees covered by the collective bargaining agreements are provided below. It should be noted that actual employee increases vary based on each employee's eligibility for specific components in the agreements.

	SSPBA: Police	IAFF: Fire and Rescue	IAFF: Public Safety Communications
Pay Scale Adjustment	2.00%	3.10%	3.10%
Cost of Living Adjustment	2.00%	--	--
Steps/Longevities	2.58%	2.48%	3.01%
<b>Average Increase</b> (Range of Increases)	<b>6.58%</b> (4.04%-9.24%)	<b>5.58%</b> (3.10%-8.25%)	<b>6.11%</b> (3.10%-8.25%)

## Public Safety Merit/Longevity Increases

Funding of \$1.97 million is included for merit and longevity pay increases for eligible uniformed public safety employees in pay plans C and P, who are not impacted by collective bargaining agreements. The funding reflects the impact of prior year merit and longevity increases, as well as partial-year costs for increases provided in FY 2026, since all increases are effective on the employee's anniversary date. Merit increases, set at 5 percent, are awarded to public safety employees as they progress through the pay scale. Longevity increases, also 5 percent, are available to employees who have reached length of service milestones of 15, 20 or 25 years. Additionally, since FY 2025, employees in pay plan C, which includes uniformed employees in the Office of the Sheriff, have been eligible for a 10-year longevity.

## General County Performance/Longevity Increases

Funding of \$17.72 million supports General County employee pay increases reflecting the performance and longevity program for all eligible General County employees approved by the Board of Supervisors in fall 2014 and implemented in FY 2016. The funding reflects increases effective the first full pay period in July 2025 for graduated performance increases, based on where employees are on the pay scale, and the 4 percent longevity increases provided to employees who reach 20 or 25 years of service. In FY 2026, all employees reaching 20 or 25 years of service as of June 30, 2025, will receive a 4 percent increase. Employees receiving a longevity award do not also receive a performance award. The performance increases range from 3 percent for employees within 15 percent of the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the pay scale. The average performance/longevity increase in FY 2026 is 2.19 percent, which includes the impact of pay adjustments resulting from benchmark studies as described below.

Average projected employee pay increases for FY 2026 for General County merit employees and Uniformed Public Safety merit employees not covered by a collective bargaining agreement are provided below.

	General County	Non-Represented Uniformed Public Safety
Cost of Living Adjustment	2.00%	2.00%
Steps/Longevities	--	2.10%
Performance/Longevities/Other*	2.19%	--
<b>Average Increase</b> (Range of Increases)	<b>4.19%</b> (2.00%-11.38%)	<b>4.10%</b> (2.00%-7.10%)

\*Includes weighted average for pay adjustments resulting from benchmark survey.

## Employee Recruitment and Retention Efforts

Analyses are performed annually to determine if job class midpoints are inconsistent with the market midpoint average. In addition, several initiatives have been implemented to address staffing challenges including the establishment of hiring incentives targeted to those job classes experiencing the most severe recruitment challenges and reviews of salary compression to improve employee retention. An increase of \$6.90 million is included for the FY 2026 impact of employee compensation adjustments resulting from these benchmark studies and the final year of funding needed to address pay compression reviews.

- For General County employees and uniformed public safety communicators, external market reviews were performed for 67 benchmark job classes. Based on the results of the

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analysis, six benchmark classes required adjustments of one pay grade. These benchmark classes include:

- Custodian II
- Emergency Management Specialist II
- Librarian II
- Park/Recreation Specialist II
- Probation Counselor II
- Welder I

Including job classes linked to the benchmarks studied, a total of 40 job classes were recommended for adjustment. Recognizing the difficulties that agencies are currently experiencing with employee retention and recruitment, staff continues to monitor the County's vacancy status and work with agencies to address their staffing challenges.

- For the Sheriff public safety group, three agreed-upon benchmark classes are compared to local comparators. Recommendations for adjustments are made when at least two of the benchmark classes are below 95 percent of the market midpoint average. Based on the results of the analysis, no increases are recommended for job classes in the Sheriff pay group in FY 2026.
- An analysis is performed annually to determine if shift differential premium pay rates are consistent with the market average, with adjustments recommended for those rates that fall below 95 percent of the market average. As a result of this analysis, the night shift differential rate for sworn deputy sheriffs is increased from \$1.62 to \$1.70 per hour, the evening shift differential rate for deputy sheriffs is increased from \$1.11 to \$1.19 per hour, and the night shift differential rate for general County employees is increased from \$1.35 to \$1.42 per hour.
- Since the Appointed and Managerial Pay Scales were created in October 2022, General County S-scale benchmark reviews and collective bargaining agreements have resulted in salary compression between employees and their supervisors that are currently on the Appointed and Managerial Scales. Recommended changes, necessary to maintain promotional opportunities that provide adequate pay increases and to maintain an appropriate percentage difference between proposed public safety scales and public safety department chiefs, include increasing the range spread of the scale from 75 to 80 percent and providing a 0.75 percent pay adjustment.
- The County established a foreign language skills stipend in FY 2007 to attract and retain employees with bilingual skills essential for serving the community. To maintain competitiveness and retain bilingual staff, the stipend will increase from \$1,300 to \$1,560 per year for employees working more than 20 hours weekly, and from \$650 to \$780 per year for employees working 20 or fewer hours weekly.

### Department of Family Services Recruitment and Retention Efforts

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$4.78 million is included in the Department of Family Services to appropriate additional state revenue to address recruitment and retention challenges experienced by the agency. The expenditure increase is fully offset by an increase in state revenue for no net impact to the General Fund.

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### School Age Child Care Recruitment and Retention Efforts

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$2.90 million is included in the Department of Neighborhood and Community Services to support recruitment and retention efforts in the School Age Child Care (SACC) program.

### Retirement

An increase of \$18.57 million is associated with required employer contribution rate increases for each of the County's three retirement plans, as shown in the chart below. It is the County's policy to fully fund the actuarially determined contributions; since FY 2020, the contribution rates have been calculated to include amortization of 100 percent of the unfunded liability. All three systems' returns surpassed the 6.75 percent assumed rate of investment return in FY 2024. The Employees' system was up 9.08 percent, the Uniformed system was up 10.28 percent, and the Police Officers system was up 11.17 percent, all net of fees. However, lower returns in prior years and liability losses have resulted in increased employer contribution rates in FY 2026.

	FY 2025 Rates (%)	FY 2026 Rates (%)	Percentage Point Change (%)	General Fund Impact* (in millions)
Employees'	32.58	33.79	1.21	\$7.60
Uniformed	52.58	55.42	2.84	\$5.36
Police Officers	57.57	61.37	3.80	\$5.61
Total				\$18.57

### Health Insurance and Other Benefits Adjustments

A net increase of \$3.31 million is associated with the net impact of adjustments necessary in several benefits categories based on experience and projected rate changes. A decrease of \$4.83 million is included to reflect anticipated savings based on year-to-date experience. An increase in health insurance of \$6.95 million includes projected premium increases of 5.0 percent for all health insurance plans, effective January 1, 2026, as well as the full-year impact of January 2025 premium adjustments, increases ranged from 4.0 to 12.0 percent for active employees. Premium adjustments for retirees ranged from a decrease of 19.3 percent to an increase of 60.4 percent. The 5.0 percent increase is a budgetary projection only; final premium decisions will be made in the fall of 2025 based on updated experience. Decisions will be based on the impact to employees and retirees, the actual claims experience of each plan, the maintenance of adequate reserves, and the impact on the County's Other Post-Employment Benefits (OPEB) liability. Adjustments in group life insurance include an increase of \$1.19 million due to increased premiums.

### Retiree Health Benefits

An increase of \$5.50 million is associated with the General Fund allocation towards the actuarially determined contribution for the County's OPEB liability. The latest valuation calculated the County's actuarial accrued liability at \$459.5 million and the unfunded actuarial accrued liability at \$26.3 million. The resulting FY 2026 contribution is \$17.0 million, an increase of \$8.3 million over the prior year. It is anticipated that this increased transfer level, when combined with allocations from other funds and the implicit subsidy contribution, will fully fund the FY 2026 Annual Required Contribution.

### Salary Supplements for Eligible State Employees

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.07 million is included for salary supplements to eligible state positions. The County provides 15 percent supplements to identified state positions.

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### Office of the Police Civilian Review Panel Personnel Services Increase

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.05 million is included for personnel services adjustments in the Office of the Police Civilian Review Panel.

### County Debt Service and Capital Program

**\$8.60 million**

FY 2026 General Fund support of County debt service requirements is \$157.98 million, an increase of \$8.60 million, or 5.76 percent, over the FY 2025 Adopted Budget Plan. The increased FY 2026 funding level supports programmed debt service payments, including the \$170 million in General Obligation (GO) bonds sold in January 2025, which is consistent with the recommendations from the Joint County/Schools Capital Improvement Program (CIP) Committee as discussed below, and will fund cash requirements for on-going capital projects for County purposes. The increase in FY 2026 is also attributable to the current interest rate environment, as the 3.57 percent received last month is a slight increase from last year's 3.27 percent and significantly higher than the 1.23 percent rate received in 2021. In addition, debt service payments are included for the Tysons Community Center and the County's Line of Credit, both of which were financed through the Economic Development Authority (EDA) in December 2023 and January 2024, respectively. It should be noted that funding for School-related debt service is included in Fairfax County Public Schools Support section below.

In February 2020, the Board of Supervisors and the School Board established a joint CIP working group to allow for information sharing, prioritizations, and planning by both the County and FCPS capital programs. Following these discussions, the Committee arrived at a series of recommendations, which included gradually increasing the GO Bond sale limit from \$300 million to \$400 million annually; dedicating the equivalent value of one penny on the Real Estate tax for the capital program and splitting those funds between the County and FCPS to support infrastructure replacement and upgrade projects and debt service requirements on the increased annual bond sales; and increasing the percentage allocated to the Capital Sinking Fund at year-end and including FCPS in the allocation. These recommendations were approved by the Board of Supervisors on December 7, 2021, and, when fully implemented, will provide significant funding for both capital programs in the future.

The first increase in GO Bond sale limits was implemented in 2023, with the Schools' limit raised by \$25 million to \$205 million and the County's limit also raised by \$25 million to \$145 million. The final increases were implemented with last month's sale, with the Schools reaching their new maximum of \$230 million and the County moving to \$170 million.

In addition, based on the Joint Committee's recommendations, since the *FY 2022 Carryover Review*, the Capital Sinking Fund has been increased from 20 percent to 30 percent of available year-end balances and FCPS has been included in the allocation of funds. The funding is now allocated as follows: 45 percent for Facilities Management Department (FMD), 25 percent for FCPS, 15 percent for parks, 7 percent for walkways, 5 percent for County-owned roads and 3 percent for revitalization improvements. Funding provides for infrastructure replacement and upgrades, such as roofs, HVAC and electrical systems, and reinvestment in trails, pedestrian bridges, and other infrastructure improvements.

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Although the Committee recommended setting aside the equivalent of one penny on the Real Estate Tax rate for capital projects, based on other spending requirements, the FY 2026 proposal does not fully dedicate this funding to the capital program. The FY 2026 Advertised Budget Plan includes a total of \$11.7 million, including maintaining \$2.5 million each for the County and School capital programs and adding \$6.7 million in debt service requirements due to the increase in the annual bond sale limit. It is anticipated that additional funding may be available at budget quarterly reviews and increases to the Sinking Fund will supplement this funding.

FY 2026 General Fund Supported Capital Program*			
	Commitments, Contributions, and Facility Maintenance	Paydown	Total General Fund Support
ADA Improvements	\$0	\$850,000	\$850,000
Athletic Field Maintenance and Sports Projects	\$6,013,338	\$1,700,000	\$7,713,338
Environmental Initiatives	\$1,300,000	\$0	\$1,300,000
NOVA Parks Contribution	\$3,577,710	\$0	\$3,577,710
Ongoing Development Efforts	\$2,095,000	\$200,000	\$2,295,000
Other Maintenance	\$2,086,080	\$0	\$2,086,080
Park Authority Maintenance Program	\$2,561,000	\$1,852,000	\$4,413,000
Payments and Obligations	\$4,522,572	\$0	\$4,522,572
Reinvestment in County Roads and Walkways	\$0	\$1,000,000	\$1,000,000
Revitalization Maintenance	\$1,000,000	\$0	\$1,000,000
Traffic Calming Projects	\$0	\$500,000	\$500,000
<i>Subtotal</i>	<i>\$23,155,700</i>	<i>\$6,102,000</i>	<i>\$29,257,700</i>
Joint CIP Committee Recommendations			
County Infrastructure Replacement and Upgrades	\$0	\$2,500,000	\$2,500,000
<i>Subtotal</i>	<i>\$0</i>	<i>\$2,500,000</i>	<i>\$2,500,000</i>
<b>Total General Fund Support</b>	<b>\$23,155,700</b>	<b>\$8,602,000</b>	<b>\$31,757,700</b>

\* Reflects General Fund support only. Other funding sources, such as dedicated revenue and bond funding, are not included in these totals.

Details about the Capital program are available in the Capital Projects Overview of the Overview volume.

### Capital Improvement Program

The FY 2026-FY 2030 Advertised Capital Improvement Program (CIP) totals \$15.1 billion. The total bond program within the CIP is \$2.7 billion (including both GO and EDA bonds), and the CIP bond program is managed within the County's debt ratio guidelines. Highlights include the review and analysis associated with the long-range Bond Referendum Plan and the County's debt capacity; efforts underway to identify potential co-location opportunities; and an outline of key changes from the FY 2025 CIP.

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The CIP was developed with input from County agencies and to the extent possible, in accordance with the recommendations of the Joint County Board/School Board CIP Committee. The Bond Referendum plan is reviewed annually as projects may need to be added and costs estimates adjusted. The County's capital construction program continues to experience project escalation and rising costs. Due to current experience in the construction market, projected facility renovation costs have increased requiring staff to adjust the schedule for some projects.

The FY 2026 CIP includes several changes which resulted in the Bond Referendum Plan outlined below.

### FY 2026-FY 2030 Bond Referendum Plan

Year	Category	Description	Total
Fall 2025	Schools	Capital Enhancement, Renovation, Infrastructure Management	\$460m
Fall 2026	County	Human Services \$125 mil Early Childhood Facilities, Tim Harmon Campus, Springfield Community Resource Center, Health Lab	\$346m
		Libraries \$41 mil Herndon Fortnightly Community, Kings Park Community	
		Parks \$180 mil Fairfax County Park Authority	
Fall 2027	Schools	Capital Enhancement, Renovation, Infrastructure Management	\$460m
Fall 2028	County	Transportation \$200 mil Metro Contribution	\$200m
Fall 2029	Schools	Capital Enhancement, Renovation, Infrastructure Management	\$460m

### Fairfax County Public Schools Support

**\$125.34 million**

The FY 2026 Advertised Budget Plan includes an increase to the School Operating Fund of \$118.64 million and a \$6.70 million increase to fully fund required adjustments for School Debt Service. This results in transfers to FCPS totaling \$2,934.28 million, an increase of \$125.34 million, or 4.46 percent, over the FY 2025 Adopted Budget Plan. The 4.46 percent increase is consistent with the County General Fund growth rate of 4.46 percent. These figures include transfers to the School Operating, Debt Service, and Construction Funds. Transfers to the FCPS funds make up 51.5 percent of General Fund disbursements in this proposal.

The FY 2026 Advertised Budget Plan includes \$2.93 billion in support for **Fairfax County Public Schools**, an increase of \$125.34 million, or 4.46% over FY 2025. Transfers to the School Operating, Debt Service, and Construction Funds make up 51.5% of General Fund disbursements in FY 2026.



#### Schools Operating Support

Of the total increase, \$118.64 million is included as additional support to the School Operating Fund, an increase of 4.59 percent over the funding level in the FY 2025 Adopted Budget Plan. The Superintendent's Proposed Budget includes a requested school operating transfer increase of \$268.26 million, which represents a 10.4 percent increase over the FY 2025 transfer. The Superintendent's Proposed Budget includes funding for a 7.0 percent compensation increase for all employees, reflecting an increase negotiated for most FCPS employees as part of the school system's first collective bargaining agreement. It also includes adjustments for enrollment changes, contract rate increases, baseline funding for previously-approved adjustments, and

investments in multi-year initiatives. Given the County’s significant budgetary pressures, full funding for the Superintendent’s request is not included and would require an additional 4.5 cents on the Real Estate Tax rate beyond the 1.5 cent increase included in the Advertised budget.

**Schools Debt Service Support**

The General Fund transfer to the School Debt Service Fund is \$215.63 million, an increase of \$6.70 million, or 3.21 percent, over the FY 2025 level. This estimate includes the impact of the \$230 million in GO bonds sold in January 2025, representing a \$25 million increase over last year and a \$50 million increase over the past three years as recommended by the County/Schools Joint CIP Committee. These bond proceeds will fund cash requirements for on-going capital projects for FCPS purposes.

**Schools Capital Construction Support**

The General Fund transfer to the School Construction Fund in FY 2026 is \$15.60 million, representing no change from FY 2025.

The County provides support for Fairfax County Public Schools outside of General Fund transfers. In FY 2026, \$150.50 million is included in the County budget for programs such as Head Start, School Health, behavioral health services, School Resource Officers, School Crossing Guards, after-school programming, field maintenance, and recreational programs.

**Inflation and Contract Rate Adjustments**

\$16.22 million

Inflation is impacting the County budget, just as it does those of County residents. Funding increases of \$16.22 million are primarily associated with contract rate adjustments for the County’s providers of mandated and non-mandated services, primarily in human services agencies. After accounting for the revenue impact associated with these adjustments, the net impact to the General Fund is \$15.32 million.

**Contract Rate Increases**

An increase of \$12.02 million is included to support contract rate increases for the providers of mandated and non-mandated services in health and human services, information technology, parks, public safety, and other areas. This increase is partially offset by \$0.90 million in revenue, for a net General Fund impact of \$11.12 million.

**Contract Rate Increase for Body-Worn Cameras**

An increase of \$3.29 million is included in the Police Department to support significant contract rate increase costs for the Body-Worn Camera program.

**Contributory Fund Cost Adjustments**

A net increase of \$0.67 million in Fund 10030, Contributories, reflects adjustments to organizations based on agreed-upon formulas and are calculated based on per capita rates and changes in estimated population, which sources may differ by agreement, or on actual or projected costs. Other changes are associated with contributions based on legal requirements, contractual or regional commitments, membership dues, and increased support for arts and cultural activities in the County. A small adjustment is also included to address reconciliation of actual expenditure requirements in the current fiscal year. The table below details the specific adjustment to each impacted contributory organization in FY 2026.

## Advertised Budget Summary

Contributory Organization	Funding Amount
Workhouse Arts Foundation	\$500,000
Convention and Visitors Corporation	\$322,166
Birmingham Green Adult Care Residence	\$135,353
NOVA Parks	\$90,355
Metropolitan Washington Council of Govts.	\$65,284
Fairfax Public Law Library	\$34,600
Virginia Association of Counties	\$6,554
Northern Virginia Regional Commission	\$1,847
Northern Virginia Community College	(\$361)
Northern Virginia Transportation Comm.	(\$14,002)

### Pathway Homes Community Support Specialists

An increase of \$0.24 million is included in the Department of Housing and Community Development to support Pathway Homes Community Support Specialists to help individuals with intellectual and developmental disabilities find and retain housing.

### Cost of County Operations

**\$10.17 million, 2 Positions**

Increased funding of \$10.17 million and 2/2.0 FTE positions support required enhancements and other costs of doing business. These efforts primarily support the County's work towards achieving goals in the Community Outcome Area of Effective and Efficient Government.

#### Community Outcome Areas as included in the Countywide Strategic Plan

- Cultural and Recreational Opportunities 
- Economic Opportunity 
- Effective and Efficient Government 
- Empowerment and Support for Residents Facing Vulnerability 
- Environment and Energy 
- Healthy Communities 
- Housing and Neighborhood Livability 
- Lifelong Education and Learning 
- Mobility and Transportation 
- Safety and Security 

#### Lease Adjustments

An increase of \$2.67 million in the Facilities Management Department is included due to the addition of leased square footage and an annual 2.5 to 3 percent escalation on existing leases.

#### Fuel Rate Adjustment

An increase of \$2.56 million is included to better align the budget for fuel with actual expenses. This adjustment is year one of a four-year phase-in to increase the budgeted price per gallon by \$1.00 to bring it in-line with the current average price per gallon of \$2.52.

#### Operations and Maintenance Contract Cost

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$1.89 million is included in the Facilities Management Department for operations and maintenance contract cost increases. The County contracts HVAC vendors to properly maintain systems that require specialized skills for systems with advanced technology.

### Camp Fairfax Meals

An increase of \$0.88 million is included in the Department of Neighborhood and Community Services (NCS) to support the provision of breakfast, lunch, and afternoon snack at additional Camp Fairfax sites during the summer as a result of the transfer of the Rec-Pac program from the Fairfax County

Park Authority (FCPA) to NCS. FCPA did not offer meals as part of the Rec-Pac program, and this funding ensures equity and consistency across all sites.

### **Workhouse Arts Foundation**

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.50 million supports the Workhouse Arts Foundation (WAF). Funding will provide for an operational subsidy as WAF continues to recover from the financial challenges of the COVID-19 pandemic.

### **Real Estate Taxes**

An increase of \$0.35 million is included in the Department of Housing and Community Development to support the annual real estate taxes for two partnership properties, Little River Glen I and IV. These properties were previously exempted from real estate taxes, but as a result of the reclassification under new ownership to allow for the renovation of these properties, they are now subject to real estate taxes.

### **Support Coordination**

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.25 million is included in Fund 40040, Fairfax-Falls Church Community Services Board, to provide support coordination services to individuals with developmental disabilities in the community as a result of new Medicaid Waivers allocated by the state, effective July 1, 2024. As Medicaid Waivers are allocated to the County, additional support coordinators are needed in order to comply with state and federal requirements, primarily those pursuant to the U.S. Department of Justice Settlement Agreement and Implementation of Virginia's Medicaid Waiver redesign, effective July 1, 2016.

### **Refuse Collection**

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.25 million is included in the Facilities Management Department to offset rate increases for contracted refuse collection.

### **Health Lab Facility Maintenance**

An increase of \$0.23 million is included in the Health Department to support maintenance of the Fairfax County Health Department Laboratory, which performs a full range of medical and environmental testing services to aid in the diagnosis, treatment, and surveillance of communicable diseases of public health significance and environmental hazards.

### **Local Cash Match Requirements**

An increase of \$0.20 million is included in Fund 50000, Federal-State Grant Fund, to support Local Cash Match requirements primarily associated with programs serving at-risk children receiving snacks and meals after school and during the summer as well as program requirements in the Head Start/Early Head Start grants.

### **Security for Fairfax County Public Library Branches**

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.20 million is included in the Department of Emergency Management and Security to support increased security staffing at library branch locations.

### **New or Expanded Facilities**

An increase of \$0.19 million is included in the Facilities Management Department for required utility, custodial, repair/maintenance, and landscaping costs associated with partial or full year costs for new or expanded facilities in FY 2026.

### Retirement Administration Agency Support

An increase of 2/2.0 FTE positions are included in the Retirement Administration Agency to support the growing workload in the agency. The positions will help support the County's growing retiree population and enhance retirement counseling services.

### Information Technology

**\$10.57 million**

Increased funding of \$10.57 million supports the operating costs associated with expanding and maintaining the County's information technology infrastructure. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Effective and Efficient Government, Safety and Security, and Housing and Neighborhood Livability.

### Infrastructure Stabilization and Optimization

An increase of \$5.00 million is included in Fund 60030, Technology Infrastructure, to continue IT architecture optimization. Enhancements to support the rapid expansion of storage and computing requirements, cloud expansion, application modernization, and investment in new technology are needed to guarantee the dependability, expandability, and effectiveness of IT infrastructure.

### Ongoing Operating Support for Completed IT Projects

An increase of \$1.95 million is included to support ongoing maintenance costs for completed IT projects across various agencies.

### Enterprise Agreement Renewal

An increase of \$1.79 million is included in Fund 60030, Technology Infrastructure, for the renewal of the organization's five-year agreement for business productivity software licenses and cloud services. The Enterprise Agreement includes services that are integral to both the County's technology environment as well as end-user productivity in most lines of service.

### E-911 Information Technology Projects

An increase of \$1.13 million is included in Fund 40090, E-911, to support projects including the replacement of the existing fleet of mobile and portable subscriber radios in public safety agencies, mobile computer terminal replacement, a multi-phase effort to transition core 9-1-1 services into a more robust and technologically up-to-date operating environment, and an ongoing replacement cycle for all the equipment that supports the CAD system.

### Planning and Land Use System Licenses

An increase of \$0.21 million is included based on anticipated billings for licensing costs associated with multiple agencies' utilization of the Planning and Land Use System (PLUS). PLUS is a multi-agency platform for Fairfax County customers to complete their zoning, building, permitting or other land development processes online.

### Web Content Accessibility

An increase of \$0.16 million is included in the Office of Public Affairs to support a web content platform to enhance the County's compliance with a federal rule issued by the U.S. Department of Justice in April 2024. This rule mandates that all local government websites achieve full accessibility for individuals with disabilities by April 2026.

### Training and Recruitment Software

An increase of \$0.15 million is included in Fund 60030, Technology Infrastructure, for license requirements for software supporting employee development and recruitment.

### Spatial Analysis Software

An increase of \$0.13 million is included in the Department of Economic Initiatives for an annual contract for spatial analysis software, which is a tool available to County agencies to inform their analytical work around place-led economic development strategies and other initiatives.

### Fairfax-Falls Church Continuum of Care Learning Management System

An increase of \$0.04 million is included in the Department of Housing and Community Development to support the implementation of a web-based Learning Management System to provide training to be used by County agencies, non-profits, and faith-based and business communities who participate in the Fairfax-Falls Church Continuum of Care.

## New Facilities

**\$4.80 million, 5 Positions**

Funding of \$4.80 million and 5/5.0 FTE positions supports two new facilities that will be operational in FY 2026. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Cultural and Recreational Opportunities, Empowerment and Support for Residents Facing Vulnerability, Lifelong Education and Learning, Healthy Communities, and Housing and Neighborhood Livability.

### Fair Ridge Family Shelter and Homeless Services

An increase of \$3.38 million is included in the Department of Housing and Community Development to support operations at the Fair Ridge Family Shelter, scheduled to open in April 2025, and to provide case management services to the adults moving from the North County Temporary Overnight Shelter to the Embury Rucker Community Shelter to ensure consistent services are provided at this location.

### Kingstowne Active Adult Center

An increase of \$0.69 million and 3/3.0 FTE positions included in the Department of Neighborhood and Community Services is associated with expanding senior programming at the new Kingstowne site.

### Expansion of Kingstowne Library

An increase of \$0.36 million and 2/2.0 FTE positions is included in the Fairfax County Public Library to support the expansion of the Kingstowne Library from a community branch to a regional branch.

### Kingstowne Child Care Center

An increase of \$0.36 million is included in Fund 40045, Early Childhood Birth to 5, to support additional Early Childhood Development and Learning Program (ECDLP) slots for low to moderate-income families at the new child care center located at the Kingstowne complex. This child care facility will serve 78 children ages birth to 5 years, of which 20 children will participate in the ECDLP.

## Mandates/Expiration of Grant Funding

**\$3.84 million, 2 Positions**

Increased funding of \$3.84 million and 2/2.0 FTE positions is required to replace expired grant funding as well as new mandates imposed from the state and/or federal government. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Empowerment and Support for Residents Facing Vulnerability, Healthy Communities, Housing and Neighborhood Livability, and Safety and Security. After accounting for the revenue impact associated with these adjustments, the net impact to the General Fund is \$3.53 million.

### Fire and Rescue Department Pharmacy

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$1.30 million is included in the Fire and Rescue Department to establish an in-house pharmacy as a result of hospitals no longer providing medications to the department due to a change in the U.S. Drug Enforcement Agency's enforcement of controlled substances laws and regulations.

### Victims of Crime Act Victim Services Programs

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.96 million is included in the Department of Family Services, Police Department, and Department of Housing and Community Development to replace funding previously provided by the state to continue services to victims of crimes.

### Positions to Support Office of the Commonwealth's Attorney

As previously approved by the Board of Supervisors as part of the *FY 2024 Carryover Review*, an increase of \$0.78 million is included in the Office of the Commonwealth's Attorney to comply with the 2024 Appropriation Act (2024 Special Session I, Virginia Acts of Assembly, Chapter 2) which increased the number of positions allocated to the Office. The increase is partially offset by an increase of \$0.30 million in state revenue, for a net impact to the General Fund of \$0.47 million.

### Legal Services for Indigent Defendants

An increase of \$0.27 million is included in General District Court to meet the updated requirements in Virginia Code 19.2-163, which increases the per case reimbursement from \$120 to \$330 to compensate court appointed attorneys and public defenders who represent indigent defendants.

### Urban Areas Security Initiative

An increase of \$0.24 million is included in the Fire and Rescue Department (FRD) and the Department of Emergency Management and Security to replace Urban Areas Security Initiative grant funding which will expire in December 2025. Funding supports equipment for the FRD's Chemical, Biological, Radiological, Nuclear, and Explosive Materials Detection and Maintenance program to assist with preparedness, response, and recovery efforts in response to a hazardous materials incident; and supports enhanced community outreach, preparedness, and public education to protect Fairfax County residents from emergencies and disasters in the Department of Emergency Management and Security.

### Legal Records Clerks Positions

An increase of \$0.19 million and 2/2.0 FTE positions is included in Circuit Court and Records to meet the requirements set forth in Virginia Senate Bill 1339 of the 2021 Special Session I which establishes a process for the automatic sealing of police and court records.

### STI/HIV/AIDS Safety Net Services

An increase of \$0.10 million is included in the Health Department to support critical safety net services for sexually transmitted infections, including HIV/AIDS, previously funded in the region by

## Advertised Budget Summary

the state. These funds are necessary to support testing, prevention, treatment, and support services to Fairfax County residents.

### Agency Reductions

(\$59.80 million), (208) Positions

A decrease of \$59.80 million and 208/207.5 FTE positions is associated with reductions and efficiencies identified by agencies in order to offset other required increases, thus reducing the tax burden on residents. These efforts support the County's work towards achieving goals in the Effective and Efficient Government Community Outcome Area. An associated decrease in revenue totaling \$0.30 million results in a net decrease to the General Fund of \$59.50 million.

The table below lists the total reduction and number of positions to be eliminated for each agency/fund. Detailed information can be found in the Agency Reductions section of the Overview Volume as well as the relevant agency or fund narrative in Volume 1 or Volume 2.

Agency/Fund	Position/FTE	Reduction
Agency 02, Office of the County Executive	4/4.0	\$544,916
Agency 03, Department of Clerk Services	0/0.0	\$40,677
Agency 04, Department of Cable and Consumer Services	0/0.0	\$7,500
Agency 06, Department of Finance	0/0.0	\$30,691
Agency 08, Facilities Management Department	0/0.0	\$881,346
Agency 11, Department of Human Resources	0/0.0	\$98,500
Agency 12, Dept. of Procurement and Material Management	2/2.0	\$356,413
Agency 13, Office of Public Affairs	1/1.0	\$164,566
Agency 15, Office of Elections	0/0.0	\$182,750
Agency 16, Economic Development Authority	0/0.0	\$337,200
Agency 17, Office of the County Attorney	0/0.0	\$100,000
Agency 20, Department of Management and Budget	1/1.0	\$112,003
Agency 25, Business Planning and Support	0/0.0	\$200,485
Agency 26, Capital Facilities	0/0.0	\$513,213
Agency 30, Department of Economic Initiatives	1/1.0	\$148,358
Agency 35, Department of Planning and Development	3/3.0	\$422,023
Agency 37, Office of the Financial and Program Auditor	0/0.0	\$10,000
Agency 38, Dept. of Housing and Community Development	0/0.0	\$75,000
Agency 39, Office of Human Rights and Equity Programs	0/0.0	\$65,000
Agency 40, Department of Transportation	2/2.0	\$983,635
Agency 41, Civil Service Commission	0/0.0	\$52,900
Agency 42, Office of the Independent Police Auditor	0/0.0	\$11,521
Agency 43, Office of the Police Civilian Review Panel	0/0.0	\$2,000
Agency 51, Fairfax County Park Authority <sup>1</sup>	1/1.0	\$1,495,838
Agency 52, Fairfax County Public Library	0/0.0	\$250,000
Agency 57, Department of Tax Administration	0/0.0	\$435,347
Agency 67, Department of Family Services <sup>2</sup>	12/12.0	\$3,165,081
Agency 70, Department of Information Technology <sup>3</sup>	2/2.0	\$663,512

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Agency/Fund	Position/FTE	Reduction
Agency 71, Health Department	30/30.0	\$2,144,831
Agency 79, Dept. of Neighborhood and Community Services	4/3.75	\$6,749,662
Agency 80, Circuit Court and Records	1/1.0	\$269,111
Agency 81, Juvenile and Domestic Relations District Court	3/3.0	\$258,367
Agency 82, Office of the Commonwealth's Attorney	3/3.0	\$307,742
Agency 85, General District Court	1/1.5	\$108,624
Agency 90, Police Department	63/63.0	\$11,527,036
Agency 91, Office of the Sheriff	20/19.5	\$2,582,989
Agency 92, Fire and Rescue Department	1/1.0	\$12,128,406
Agency 93, Dept. of Emergency Management and Security	0/0.0	\$426,333
Agency 96, Department of Animal Services	0/0.0	\$45,700
Agency 97, Department of Code Compliance	3/3.0	\$374,441
Fund 40040, Fairfax-Falls Church Community Services Board	41/40.75	\$9,052,335
Fund 40045, Early Childhood Birth to 5	0/0.0	\$100,000
Fund 40090, E-911	9/9.0	\$2,312,407
Fund 60000, County Insurance	0/0.0	\$66,000
<b>TOTAL</b>	<b>208/207.50</b>	<b>\$59,804,459</b>

<sup>1</sup> Reductions in Agency 51, Fairfax County Park Authority and Fund 30010, General Construction and Contributions.

<sup>2</sup> Includes an associated revenue decrease of \$300,000 resulting in a net General Fund decrease of \$2,865,081.

<sup>3</sup> Reductions in Agency 70, Department of Information Technology and Fund 60030, Technology Infrastructure Services.

## Reserve Requirements

**\$0.0 million**

Per the Reserve Policy approved by the Board of Supervisors in April 2015 and included in the County's *Ten Principles of Sound Financial Management*, the County's Revenue Stabilization Reserve, Managed Reserve, and Economic Opportunity Reserve are targeted at 10 percent of General Fund disbursements. As part of the FY 2026 Advertised Budget Plan, all three reserves are projected to remain at their target levels either through retained interest earnings or an anticipated adjustment that will be made as part of the *FY 2025 Third Quarter Review*. No additional funding is included in the FY 2026 Advertised Budget Plan.

### Revenue Stabilization Reserve

The Revenue Stabilization Reserve reached its target level of funding of 5 percent of General Fund disbursements in FY 2018. No General Fund contribution is required in FY 2026, as retained interest earnings are anticipated to maintain the reserve at the target.

### Managed Reserve

The Managed Reserve reached its target level of funding of 4 percent of General Fund disbursements in FY 2020. No General Fund contribution is required in FY 2026 since resources available in FY 2025 are anticipated to be used to maintain the reserve at the target. This adjustment will be included in the *FY 2025 Third Quarter Review*.

### Economic Opportunity Reserve

The Economic Opportunity Reserve reached its target level of funding of 1 percent of General Fund disbursements in FY 2021. No General Fund contribution is required in FY 2026, as retained interest earnings are anticipated to maintain the reserve at the target.

### **FY 2026 Budget: All Funds**

All appropriated fund revenues in the FY 2026 Advertised Budget Plan total \$11.68 billion. This represents an increase of \$840.32 million, or 7.76 percent, over the FY 2025 Adopted Budget Plan. On the expenditure side, the FY 2026 Advertised Budget Plan for all appropriated funds totals \$11.09 billion and reflects an increase of \$734.95 million, or 7.10 percent, over the FY 2025 Adopted Budget Plan.

Additional details concerning non-General Fund revenues, expenditures, and positions for appropriated funds are available in the Financial and Statistical Summary Tables section of the Overview Volume. Information on non-appropriated funds is located in Volume 2 of the County Budget.

## Advertised Budget Summary

### General Fund Disbursement and Reserve Adjustments included in the FY 2026 Advertised Budget Plan

	Community Outcome Area <sup>1</sup>	Positions	Disbursements	Associated Revenue	Net General Fund Impact
<b>Employee Pay &amp; Benefits</b>			<b>\$123,602,046</b>	<b>\$4,777,119</b>	<b>\$118,824,927</b>
<b>Employee Pay</b>			<b>\$59,301,770</b>	<b>\$4,777,119</b>	<b>\$54,524,651</b>
2.00% Cost of Living Adjustment			\$24,921,595		\$24,921,595
Public Safety Merit/Longevity Increases			\$1,966,301		\$1,966,301
General County Performance/Longevity Increases			\$17,719,924		\$17,719,924
Employee Recruitment and Retention Efforts			\$6,900,696		\$6,900,696
DFS Recruitment and Retention Efforts	EEG		\$4,777,119	\$4,777,119	\$0
SACC Recruitment and Retention Efforts	EEG		\$2,898,124		\$2,898,124
Salary Supplements for Eligible State Employees			\$65,678		\$65,678
Police Civilian Review Panel Personnel Services			\$52,333		\$52,333
<b>Collective Bargaining Impacts<sup>2</sup></b>			<b>\$36,920,799</b>		<b>\$36,920,799</b>
SSPBA Contract			\$18,708,933		\$18,708,933
IAFF Contract			\$16,555,467		\$16,555,467
Impact of Collective Bargaining Agreements on Non-represented Employees			\$1,656,399		\$1,656,399
<b>Employee Benefits</b>			<b>\$27,379,477</b>		<b>\$27,379,477</b>
Retirement Rate Changes			\$18,572,752		\$18,572,752
Health Insurance Premiums and Other Benefits Adjustments			\$3,306,725		\$3,306,725
OPEB Transfer Increase			\$5,500,000		\$5,500,000
<b>County Debt Service</b>			<b>\$8,600,000</b>		<b>\$8,600,000</b>
County Debt Service			\$8,600,000		\$8,600,000
<b>Fairfax County Public Schools Support</b>			<b>\$125,341,017</b>		<b>\$125,341,017</b>
Schools Operating Transfer			\$118,641,017		\$118,641,017
Schools Debt Service			\$6,700,000		\$6,700,000
<b>Inflation and Contract Rate Adjustments</b>			<b>\$16,217,977</b>	<b>\$903,090</b>	<b>\$15,314,887</b>
Contract Rate Increases			\$12,016,529	\$903,090	\$11,113,439
Contract Rate Increase for Body-Worn Cameras	SS		\$3,294,400		\$3,294,400
Contributory Fund Cost Adjustments			\$667,507		\$667,507
Pathway Homes Community Support Specialists	HNL		\$239,541		\$239,541

## Advertised Budget Summary

	Community Outcome Area¹	Positions	Disbursements	Associated Revenue	Net General Fund Impact
<b>Cost of County Operations</b>		<b>2</b>	<b>\$10,174,351</b>		<b>\$10,174,351</b>
Lease Escalation	EEG		\$2,674,692		\$2,674,692
Fuel Rate Adjustment	EEG		\$2,560,984		\$2,560,984
Operations and Maintenance Contract Cost	EEG		\$1,892,174		\$1,892,174
Camp Fairfax Meals	EEG, HC, ESRFV		\$875,371		\$875,371
Workhouse Arts Foundation	EEG, CRO		\$500,000		\$500,000
Real Estate Taxes	EEG, HNL		\$350,286		\$350,286
Support Coordination	EEG, HC		\$251,519		\$251,519
Refuse Collection	EEG		\$250,000		\$250,000
Health Lab Facility Maintenance	EEG, HC		\$230,000		\$230,000
Local Cash Match Requirements	EEG		\$202,523		\$202,523
Security for Fairfax County Public Library Branches	EEG, SS		\$200,000		\$200,000
New or Expanded Facilities	EEG		\$186,802		\$186,802
Retirement Administration Agency Support	EEG	2	\$0		\$0
<b>Information Technology</b>			<b>\$10,570,553</b>		<b>\$10,570,553</b>
Infrastructure Stabilization and Optimization	EEG		\$5,000,000		\$5,000,000
Ongoing Operating Support for Completed IT Projects	EEG		\$1,951,731		\$1,951,731
Enterprise Agreement Renewal	EEG		\$1,789,840		\$1,789,840
E-911 Information Technology Projects	EEG, SS		\$1,131,600		\$1,131,600
Planning and Land Use System Licenses	EEG		\$214,114		\$214,114
Web Content Accessibility	EEG		\$162,000		\$162,000
Training and Recruitment Software	EEG		\$154,206		\$154,206
Spatial Analysis Software	EEG		\$125,000		\$125,000
Fairfax-Falls Church Continuum of Care Learning Management System	EEG, HNL		\$42,062		\$42,062
<b>Mandates/Expiration of Grant Funding</b>		<b>2</b>	<b>\$3,837,843</b>	<b>\$303,336</b>	<b>\$3,534,507</b>
Fire and Rescue Department Pharmacy	HC		\$1,300,428		\$1,300,428
Victims of Crime Act Victim Services Programs	SS, HC, HNL		\$959,119		\$959,119
Positions to Support Office of the Commonwealth's Attorney	SS		\$775,191	\$303,336	\$471,855
Legal Services for Indigent Defendants	ESRFV, SS		\$270,000		\$270,000
Urban Areas Security Initiative	SS		\$241,554		\$241,554
Legal Records Clerks Positions	ESRFV, SS	2	\$191,551		\$191,551
STI/HIV/AIDS Safety Net Services	HC, ESRFV		\$100,000		\$100,000

## Advertised Budget Summary

	Community Outcome Area <sup>1</sup>	Positions	Disbursements	Associated Revenue	Net General Fund Impact
<b>New Facilities</b>		<b>5</b>	<b>\$4,799,784</b>		<b>\$4,799,784</b>
Fair Ridge Shelter and Homeless Services	HNL, ESRFV		\$3,383,440		\$3,383,440
Kingstowne Active Adult Center	CRO, HC	3	\$692,540		\$692,540
Expansion of Kingstowne Library	CRO, LEL	2	\$359,804		\$359,804
Kingstowne Child Care Center	LEL		\$364,000		\$364,000
<b>Reductions and Savings</b>		<b>(208)</b>	<b>(\$59,804,459)</b>	<b>(\$300,000)</b>	<b>(\$59,504,459)</b>
Agency Reductions		(208)	(\$59,804,459)	(\$300,000)	(\$59,504,459)
<b>Reserve Adjustments</b>			<b>\$0</b>		<b>\$0</b>
Revenue Stabilization			\$0		\$0
Economic Opportunity			\$0		\$0
Managed Reserve (not included in actual disbursements)			\$0		\$0
<b>TOTAL</b>		<b>(199)</b>	<b>\$243,339,112</b>	<b>\$5,683,545</b>	<b>\$237,655,567</b>

<sup>1</sup> Community Outcome Areas as included in the Countywide Strategic Plan:

CRO – Cultural and Recreational Opportunities

EO – Economic Opportunity

EEG – Effective and Efficient Government

ESRFV – Empowerment and Support for Residents Facing Vulnerability

EE – Environment and Energy

HC – Healthy Communities

HNL – Housing and Neighborhood Livability

LEL – Lifelong Education and Learning

MT – Mobility and Transportation

SS – Safety and Security

<sup>2</sup> Collective Bargaining Impacts include employee pay and benefits.

## Advertised Budget Summary

### FY 2026 and FY 2027 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS

Type	Unit	FY 2024 Actual Rate	FY 2025 Actual Rate	FY 2026 Proposed Rate	FY 2027 Planned Rate
<b>GENERAL FUND TAX RATES</b>					
<i>Real Estate</i>	<i>\$100/Assessed Value</i>	<i>\$1.095</i>	<i>\$1.125</i>	<i>\$1.14</i>	<i>\$1.14</i>
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57	\$4.57
<b>NON-GENERAL FUND TAX RATES</b>					
<b>REFUSE RATES</b>					
<i>Refuse Collection (per unit)</i>	<i>Household</i>	<i>\$490</i>	<i>\$555</i>	<i>\$610</i>	<i>\$650</i>
<i>Refuse Disposal (per ton)</i>	<i>Ton</i>	<i>\$72</i>	<i>\$79</i>	<i>\$90</i>	<i>\$94</i>
Leaf Collection	\$100/Assessed Value	\$0.012	\$0.019	\$0.019	\$0.019
<b>SEWER CHARGES</b>					
<i>Sewer Base Charge</i>	<i>Quarterly</i>	<i>\$44.81</i>	<i>\$49.73</i>	<i>\$52.62</i>	<i>\$55.78</i>
<i>Sewer Availability Charge</i>	<i>Residential</i>	<i>\$8,860</i>	<i>\$9,038</i>	<i>\$9,218</i>	<i>\$9,398</i>
<i>Sewer Service Charge</i>	<i>Per 1,000 Gallons</i>	<i>\$8.46</i>	<i>\$8.81</i>	<i>\$9.33</i>	<i>\$9.88</i>
<b>COMMUNITY CENTERS</b>					
McLean Community Center	\$100/Assessed Value	\$0.023	\$0.023	\$0.023	\$0.023
Reston Community Center	\$100/Assessed Value	\$0.047	\$0.047	\$0.047	\$0.047
<b>OTHER SPECIAL TAX DISTRICTS</b>					
Stormwater Services District Levy	\$100/Assessed Value	\$0.0325	\$0.0325	\$0.0325	\$0.0325
Route 28 Corridor	\$100/Assessed Value	\$0.16	\$0.14	\$0.14	\$0.14
Dulles Rail Phase I	\$100/Assessed Value	\$0.09	\$0.09	\$0.09	\$0.09
Dulles Rail Phase II	\$100/Assessed Value	\$0.18	\$0.16	\$0.16	\$0.16
Integrated Pest Management Program	\$100/Assessed Value	\$0.001	\$0.001	\$0.001	\$0.001
Commercial Real Estate Tax for Transportation	\$100/Assessed Value	\$0.125	\$0.125	\$0.125	\$0.125
Tysons Service District	\$100/Assessed Value	\$0.05	\$0.05	\$0.05	\$0.05
Reston Service District	\$100/Assessed Value	\$0.021	\$0.021	\$0.021	\$0.021

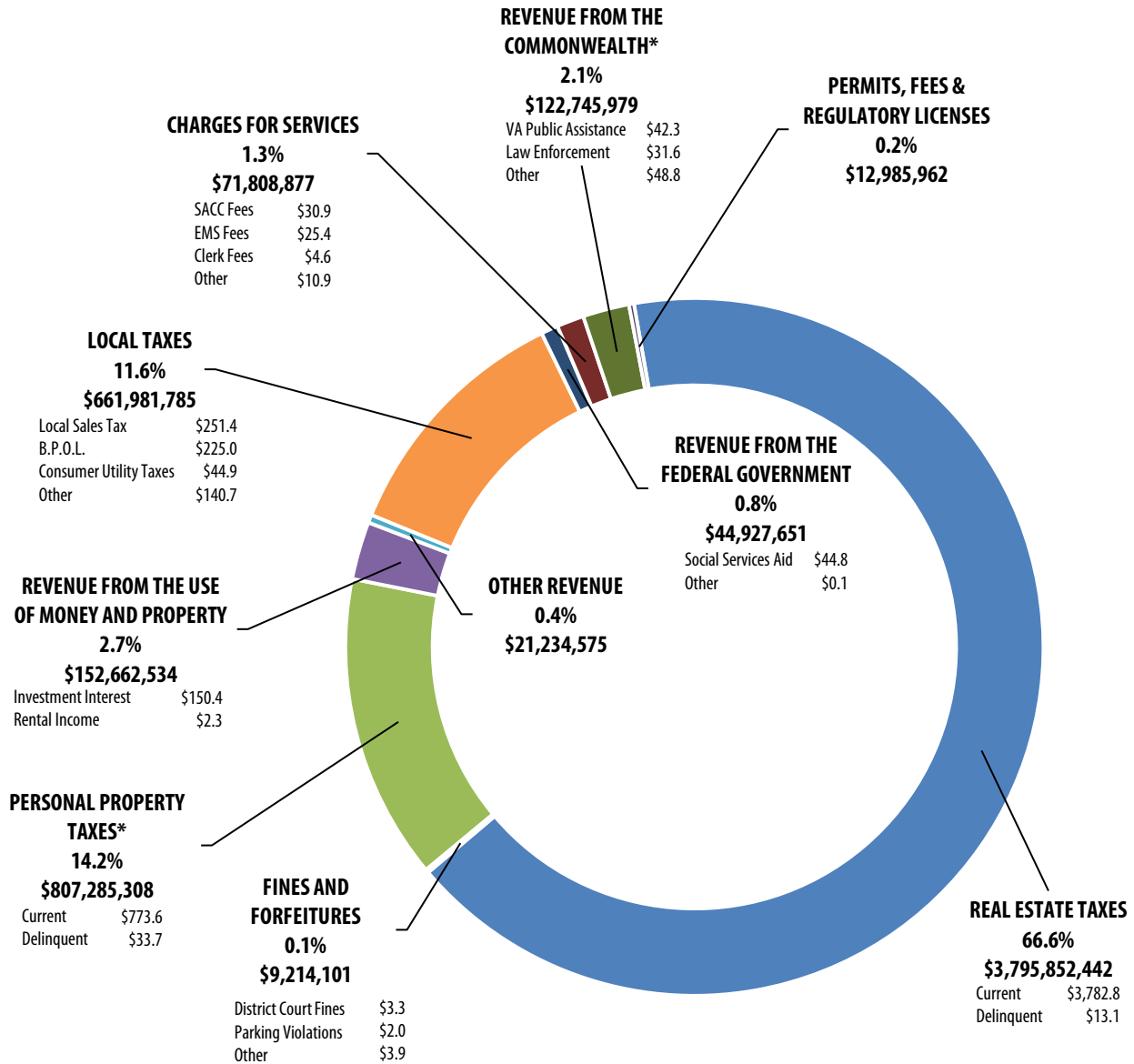
Rates ***italicized and in bold*** are proposed to be adjusted in FY 2026.

# FY 2026 ADVERTISED BUDGET PLAN

## GENERAL FUND RECEIPTS

### "WHERE IT COMES FROM"

(Subcategories in millions)



**FY 2026 GENERAL FUND RECEIPTS = \$5,700,699,214\*\***

\* For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

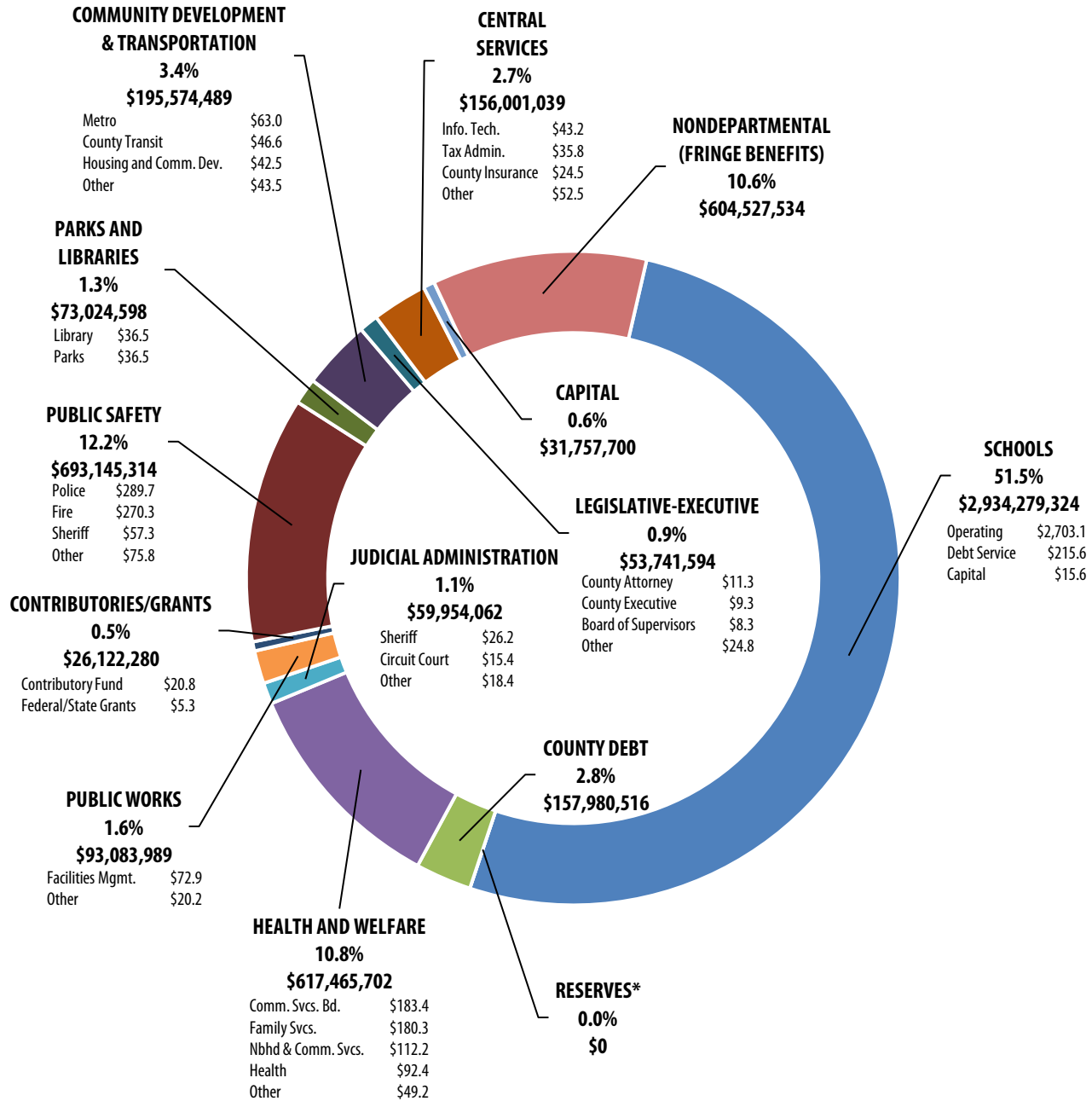
\*\* Total County resources used to support the budget include the revenues shown here, as well as a beginning balance and transfers in from other funds.

# FY 2026 ADVERTISED BUDGET PLAN

## GENERAL FUND DISBURSEMENTS

### "WHERE IT GOES"

(Subcategories in millions)



**FY 2026 GENERAL FUND DISBURSEMENTS = \$5,696,658,141**

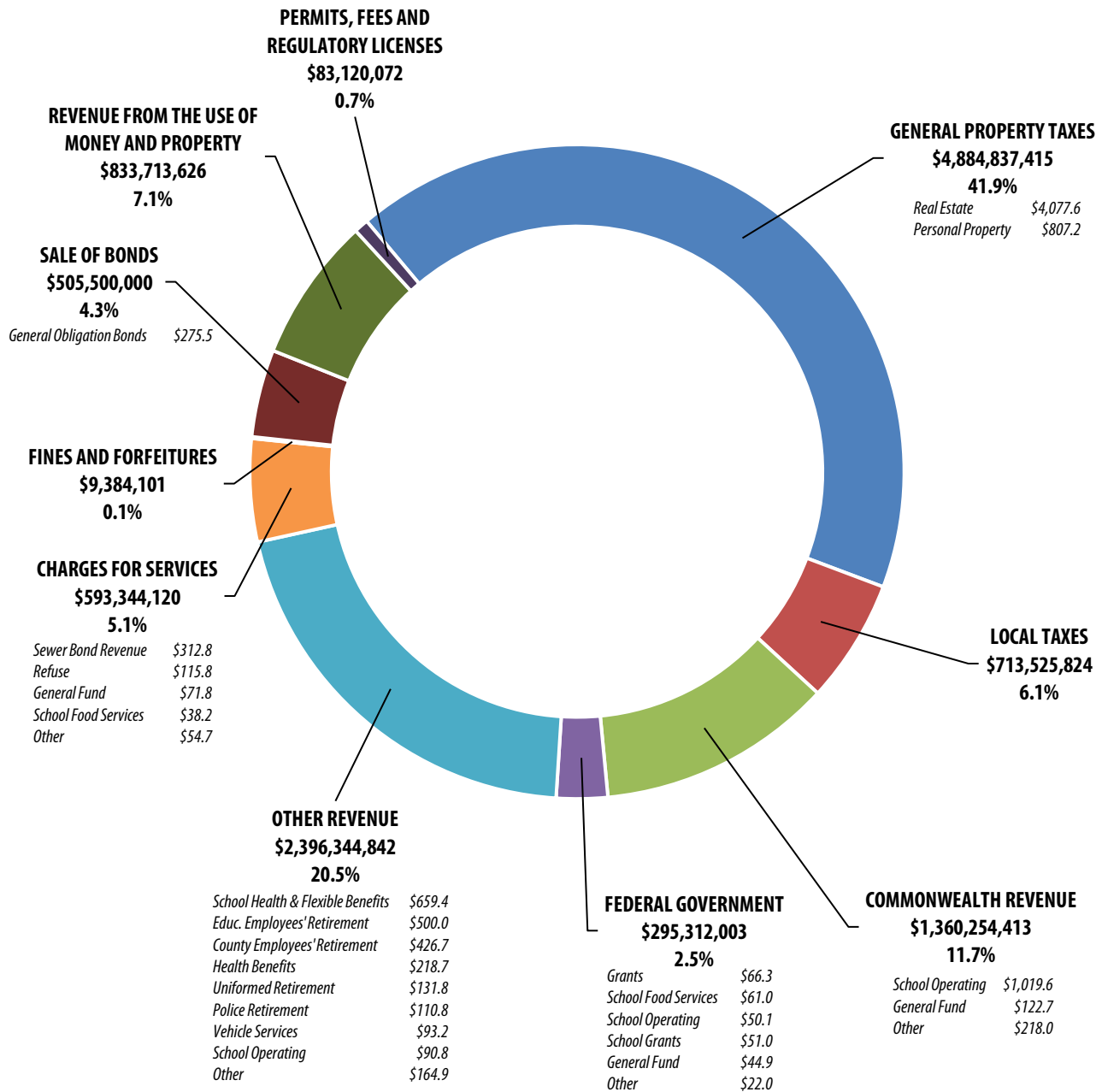
In addition to FY 2026 revenues, available balances and transfers in are also utilized to support disbursement requirements.

\* Disbursements to reserves include contributions to the Revenue Stabilization Fund and the Economic Opportunity Reserve, but do not include contributions to the Managed Reserve.

# **FY 2026 ADVERTISED BUDGET PLAN**

## **REVENUE ALL FUNDS**

(subcategories in millions)

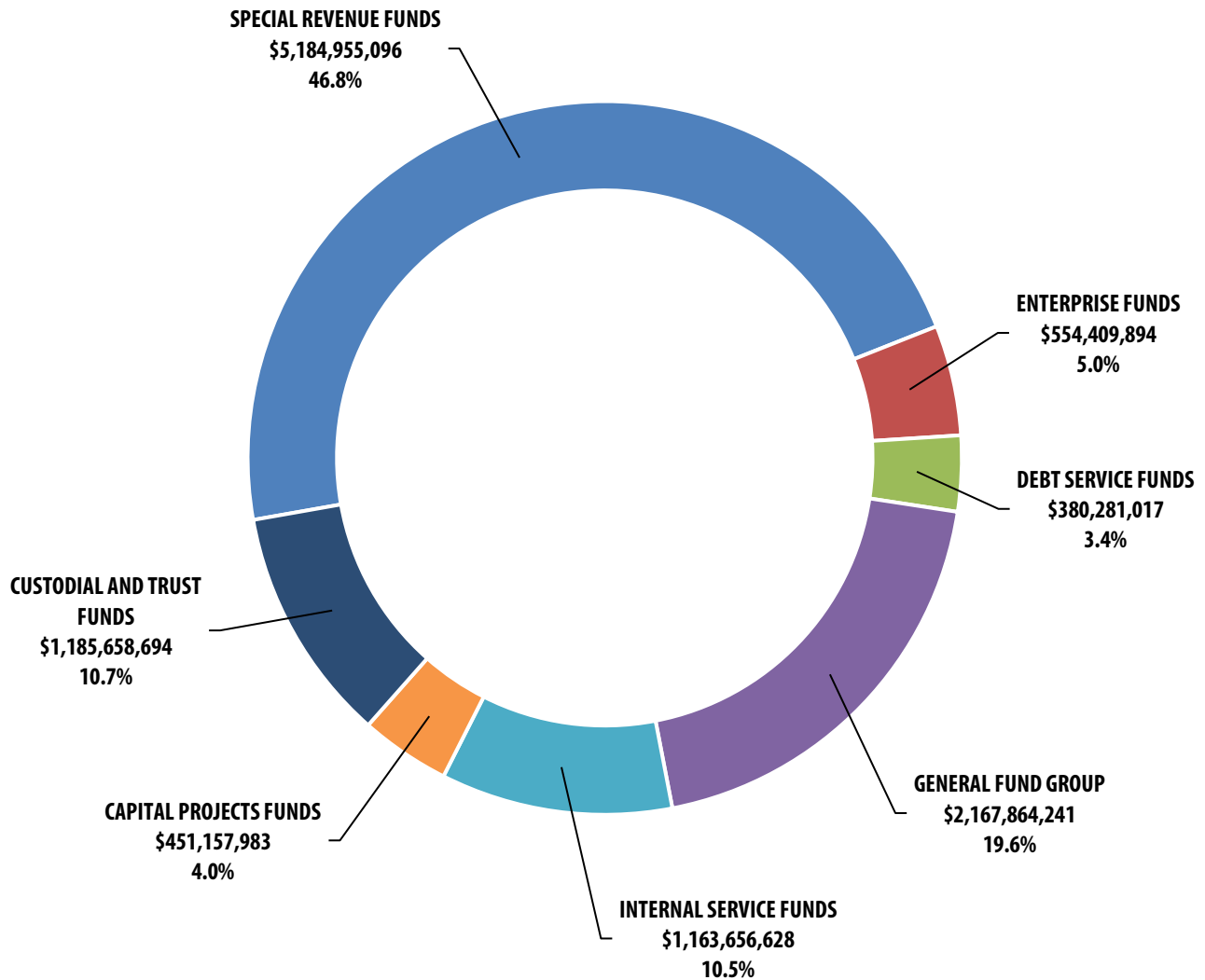


**TOTAL REVENUE = \$11,675,336,416**

For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

# **FY 2026 ADVERTISED BUDGET PLAN**

## **EXPENDITURES ALL FUNDS**



**TOTAL EXPENDITURES = \$11,087,983,553**