



# Albemarle County Proposed FY27 Budget Summary

**Total Revenue: \$725.8M**

## REVENUE SOURCES

- Property Taxes: \$353.6M (48.7%)
- State Revenue: \$150.7M (20.8%)
- Other Local Revenue: \$135.2M (18.7%)
- Borrowed Proceeds & Other Non-Revenue Receipts: \$49.3M (6.8%)
- Federal Revenue: \$29.5M (4.1%)
- Use of Fund Balance: \$7.0M (1.0%)

## KEY REVENUE HIGHLIGHTS

### Property Taxes: \$353.7M

- The real estate tax rate remains at \$0.894 per \$100 of assessed value (+6.1% county-wide average)
- Personal property tax rate proposed at \$4.43 per \$100 assessed value, a 15-cent increase dedicated to the Affordable Housing Investment Fund (variable percent increase)

### State Revenue: \$150.7M (+30.7%)

- Increased funding for public schools and other state-shared expenses

### Federal Revenue: \$29.5M (+0.2%)

- Driven by federal funding for social services programs

### Use of Fund Balance: \$7.0M (-45.1%)

- Includes \$3.0M from the Budget Stabilization Reserve to bridge short-term funding gaps

### Borrowed Proceeds: \$49.3M (+44.2%)

- Supports capital projects, including school & infrastructure improvements

**Total Expenses: \$725.8M**

## EXPENSES

- Public Schools Operations: \$294.5M (40.6%)
- County Government Operations: \$207.2M (28.5%)
- Capital Projects (school and local gov't): \$92.4M (12.7%)
- Other Funds: \$69.8M (9.6%)
- Debt Service: \$40.1M (5.5%)
- City of Charlottesville Revenue Sharing: \$21.9M (3.0%)

## KEY EXPENDITURE HIGHLIGHTS

### Public School Operating Fund: \$304.9M (+7.3%)

- Increased state and local funding support Public School operations, including opening two new schools

### Public Safety: \$87.3M (+11.6%)

- Funding for 3 new police officers, 3 new sheriff deputies, and the transition of 30 firefighter positions from FEMA grants to local funding
- Increases to community partner agencies such as: Albemarle-Charlottesville Regional Jail (+18.7%) and Emergency Communications Center (+8.1%)

### Health and Welfare: \$37.1M (+11.1%)

- \$7.5M investment in Affordable Housing Investment Fund
- Increased funding for community partners, such as Region Ten (+35.1%) and Health Department (+8.2%)

### Infrastructure & Placemaking: \$14.1M (+7.9%)

- Funding for Rivanna Solid Waste Authority (+17%).
- \$300k for Climate Action Reserve

### Parks, Recreation, & Culture: \$13.5M (+4.6%)

- Increased funding for Jefferson Madison Regional Library (+8.0%)

### Community Development: \$20.2M (+6.3%)

- Increased funding for transit agencies (+9.4%)
- \$4.15M transfer to Economic Development Fund

### FY27 Capital Budget: \$95.4M

- Includes funding for Northern Feeder Pattern Elementary School design, Central Library Renovation design, and Boulders Road

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# Common Questions About the Proposed FY27 Budget

## WHAT HAS CHANGED FROM THE FEBRUARY COUNTY EXECUTIVE'S RECOMMENDED BUDGET TO THE BOARD OF SUPERVISORS' PROPOSED BUDGET?

The most significant change from the version of the budget recommended in February to the version proposed for public hearing in April is the inclusion of a 15-cent increase to the personal property tax rate to provide additional funding for the Affordable Housing Investment Fund.

Additional changes include the following technical adjustments:

- Reduced County contributions to Albemarle Charlottesville Regional Jail (ACRJ) by \$259K, and Blue Ridge Juvenile Detention Center (BRJDC) by \$44K based on the agencies' updated budgets, and moved that funding into the Reserve for Contingencies
- Moved \$151K from Charlottesville Area Transit (CAT) into a transit reserve based on CAT's updated budget
- As part of the Human Services Funding Process, added \$40k for Reclaimed Hope Initiative from the Reserve for Contingencies, to correct an administrative error
- \$125k adjustment for increased State revenue and related expenditures to the Opioid Abatement Fund

## WHAT IS THE PROPOSED CHANGE TO THE PERSONAL PROPERTY TAX, AND WHY?

The proposed budget includes a 15-cent increase to the personal property tax rate, bringing it from \$4.28 to \$4.43 per \$100 of assessed value, if approved. This increase is dedicated to the Affordable Housing Investment Fund. For most residents, this tax applies to their vehicles, which make up 84% of personal property tax revenue. The practical impact depends on a vehicle's assessed value. This should not be confused with the real estate property tax rate, which remains the same from last year.

The dedicated 15-cent tax rate would generate approximately \$1.7M annually for affordable housing. Combined with a dedicated 0.4-cent of the existing real estate tax rate (\$1.3M) and a one-time investment of \$4.5M, the total FY27 contribution to the Affordable Housing Investment Fund would be \$7.5M.

## WHY USE THE BUDGET STABILIZATION RESERVE?

The County is using 0.5% of its 2% Budget Stabilization Reserve in FY27 and plans to use another 0.5% in FY28; the funds are being used exactly as intended. The Board of Supervisors established the reserve for challenging budget years, specifically to maintain current service levels during periods of revenue uncertainty with minimal changes to services. The two-year bridge (FY27 and FY28) is a deliberate, time-limited strategy. By FY29, the County projects a stronger revenue outlook as the tax base evolves and diversification strategies take effect. The County will prioritize refilling this reserve as new revenues come in.

## IF PUBLIC SAFETY FUNDING IS GOING UP, DOES THAT MEAN CRIME IS INCREASING?

Violent crime has dropped, but overall calls for service have increased, largely driven by motor vehicle incidents and proactive police-initiated patrols. Fire Rescue volunteerism has also declined, shifting more responsibility to career staff. The investment is about meeting growing demand, not responding to rising crime.

## WHAT IS THE COUNTY'S COMMITMENT TO CLIMATE ACTION?

The FY27 budget proposes \$2.3M for water resources through an existing 0.7-cent real estate tax rate, \$300k in one-time climate action funding, and \$140k from the plastic bag tax, all directed toward environmental priorities. This builds on the County's Climate Action Plan and ongoing investments in stream health, stormwater management, and community resilience programs.

## WHAT IS THE PROPOSED FUNDING FOR ALBEMARLE COUNTY PUBLIC SCHOOLS?

This proposed budget supports a \$20.7M increase in the Schools fund's operating expenses for FY27, bringing the total to \$304.9M, a 7.3% increase from last year. This increase consists of \$11.8M in state funding and \$9M in local funding. The proposed increase is consistent with a 10-year average for school funding increases and includes funding to open two new schools in FY27.

In addition to the operating funds, \$6.4M is being allocated to the Capital Improvements Program as a placeholder for future capital needs or as a reserve should state funding decrease in the next cycle (as we've seen it do over the years). The specific use will be determined in the future by the Board of Supervisors.

## WHAT IS THE COUNTY DOING TO CONTROL COSTS DURING A TURBULENT ECONOMIC TIME?

The County has actively worked to reduce expenses. Over the past two years, vacant positions were re-engineered, resulting in a net reduction of 3 positions, with ongoing staffing and efficiency studies to ensure resources match actual service demands.

For residents who need the most help, the budget preserves critical services, including 30 human services programs that cover shelters, food security, and emergency assistance. Long-term, the County is investing in economic development to diversify the tax base to reduce reliance on residential property taxes.