

Advertised Budget Summary

Economic Overview

Nationally

The U.S. economy expanded at an annual rate of 3.8 percent in the second quarter and 4.4 percent in the third quarter of 2025. While economic growth was robust, the labor market decelerated significantly. Payroll employment rose by a total of just 181,000 jobs in 2025 (an average monthly gain of 15,000), substantially lower than the increase of 2.0 million in 2024 (an average monthly gain of 168,000). Since reaching a peak in October 2024, federal government employment was down by 327,000, or 10.9 percent, in January 2026. The unemployment rate stands at 4.3 percent as of January 2026, up from 4.0 percent in January 2025.

While inflation has eased significantly from its highs in mid-2022, it remains somewhat elevated relative to the Federal Reserve's longer-run goal of 2 percent. In December 2025, the year-over-year increase in the Consumer Price Index (CPI) was 2.7 percent, down from the December 2024 rate of 2.9 percent. For 2026, most economists anticipate subdued economic growth due to ongoing policy factors under the Trump administration, including elevated trade tariffs that have contributed to upward pressure on certain prices and stricter immigration measures that have reduced net inflows and weighed on labor supply.

Acknowledging the progress toward price stability despite persistent tariff-related effects, the Federal Reserve implemented three rate reductions in the latter half of 2025 (September, October, and December), lowering the target range to 3.5 to 3.75 percent. In January 2026, the Fed held its benchmark rate steady, adopting a cautious, data-dependent stance. Fed Chairman Jerome Powell described the economy as coming into 2026 "on a firm footing," highlighting solid expansion in economic activity, resilient consumer spending, and continued business investment, despite the federal government shutdown in the last quarter of 2025, which likely weighed on economic growth.

The housing market in 2025 showed signs of normalization compared to prior years, with inventory increasing notably and home price growth slowing significantly amid persistent affordability challenges. Mortgage rates averaged around 6.6 percent for 30-year fixed loans throughout much of the year, gradually easing toward the end (closing around 6.2 percent in late 2025), though they remained elevated and continued to limit buyer demand. 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 1.4 percent in November 2025. The housing market going into 2026 appears set for even slower home value growth, with continued upticks in inventory and modest improvements in sales activity.

Fairfax County

In 2025, federal policy changes created significant uncertainty for the local economy, which is heavily reliant on federal employment and federal procurement spending. Between December 2024 and December 2025, the number of total nonfarm jobs in Northern Virginia declined by almost 15,000, or 0.9 percent. The decline was primarily due to a reduction of 13,300 federal government jobs, reflecting a 13.9 percent drop. The last time that the region had fewer federal employees was in 2008. Jobs in the Professional and Business Services sector declined 2.1 percent in the same period.

In Fairfax County, the unemployment rate averaged 3.4 percent in 2025, up from 2.5 percent in 2024. As of December 2025, it stands at 3.3 percent. Based on preliminary estimates from IHS Markit, the County's Gross County Product (GCP), adjusted for inflation, increased at a rate of just 0.8 percent in 2025, which is lower than the 3.1 percent growth rate experienced in 2024. According to IHS Markit, the County's economy is expected to experience slow growth in 2026, increasing 0.7 percent.

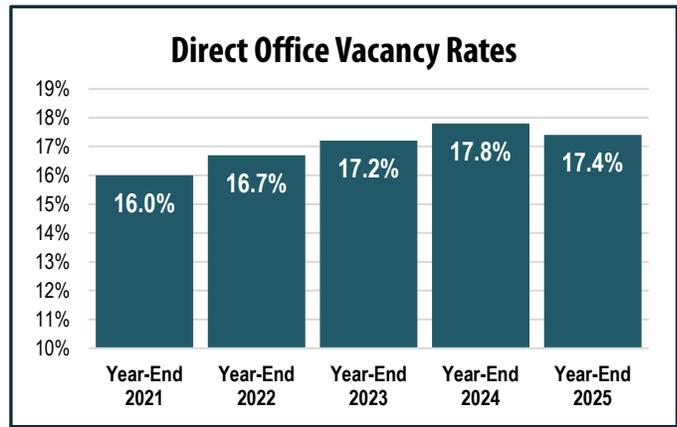
Given the unpredictable nature of the current presidential administration, there is ongoing uncertainty surrounding federal actions and their impact on the local economy. The administration has actively reshaped the federal government, including substantial reductions to its workforce throughout 2025. The losses in federal employment locally have been more severe than those recorded nationally. As

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the home to many federal workers and even more workers connected to businesses that contract with the federal government, these impacts will flow through the region’s economy over the coming years. The FY 2027 revenue assumptions are cautious, and staff will closely monitor any future developments including total employment, federal procurement spending, and the housing market.

Based on information from Bright MLS, the average sales price of homes sold in Fairfax County rose 3.0 percent from \$858,057 in 2024 to \$883,520 in 2025. Since bottoming out in 2009, the average home sales price has risen 111.8 percent, at an average annual growth rate of 4.8 percent. Bright MLS also reported that 11,780 homes sold in the County in 2025, a decrease of just 0.1 percent compared to 2024. Homes that sold during 2025 were on the market for an average of 21 days, four days longer than in 2024.

In the County’s nonresidential market, according to the Fairfax County Economic Development Authority, for the first time since 2019, the direct office vacancy rate in Fairfax County experienced a year-over-year decline. The continued removal of high-vacancy, obsolete office inventory through demolition and adaptive reuse as well as the slowdown of office construction without committed tenants led to



the reduction in the vacancy rate. The direct office vacancy rate for year-end 2025 was 17.4 percent, which is a 0.4 percentage point reduction from the year-end 2024 rate of 17.8 percent. The recent plateauing of office vacancy rate rises coupled with the first year-over-year office vacancy rate reduction in five years signals an office market in the midst of stabilization. The overall office vacancy rate, which includes empty sublet space, was 17.9 percent at the end of 2025, down from 18.4 percent recorded at year-end 2024. The amount of empty office space decreased to 21.3 million square feet.

Fairfax County recorded approximately 6.3 million square feet of office leasing for 2025, finishing lower than 2024 (7 million square feet) but matching the total in 2023 (6.3 million square feet). Two of the main contributing factors to the decrease in office leasing activity year-over-year include the lack of large lease renewals compared to 2024 levels, and the hesitancy among employers to make long-term, cost-intensive decisions amid policy and economic uncertainty. While office leasing levels were lower, return-to-office indicators continued to trend upward as evidenced by various foot traffic measures and Metro ridership figures. For example, Metro stations in Tysons recorded ridership levels at 82 percent of 2019 levels and have shown consistent year-over-year growth since 2020. The upward trend of in-office work is expected to continue into 2026.

As of year-end 2025, Fairfax County had an office inventory just above 119 million square feet. After initially crossing the 120 million square foot mark following the delivery of a 210,000 square foot office building in Reston, the office inventory recorded over one million square feet of office inventory either demolished or repurposed for an alternative use. There are two adaptive reuse projects underway that will transform over 300,000 square feet of office into affordable housing units and an independent living facility. Over 900,000 square feet of office space was demolished in 2025, across six buildings. As of year-end 2025, there are two office buildings under construction, totaling 320,000 square feet and slated to be fully occupied at delivery.

FY 2027 General Fund Budget Summary

Based on the current Real Estate Tax rate of \$1.1225 per \$100 of assessed valuation, \$202.15 million in increased revenue is projected over FY 2026 levels; no change to the Real Estate Tax rate is proposed. An increase of \$67.90 million reflects the full-year impact of the Food and Beverage Tax, which was implemented effective January 1, 2026, with a half-year of collections reflected in the FY 2026 budget. An increase of \$4.05 million is associated with proposed fee adjustments, including \$1.10 million for a new fee for the Middle School After School program; the fee will be administered by Fairfax County Public Schools (FCPS), but revenue will be posted to the County to remove risk to FCPS in the first year of collecting the fee. A decrease of \$6.52 million is associated with the transfer of Transient Occupancy Tax (TOT) revenue dedicated to tourism from the General Fund to Fund 10030, Contributories. After allocating \$3.08 million in revenue associated with expenditure adjustments, a decrease of \$1.28 million in revenue associated with agency reductions, and an increase in Transfers In of \$1.26 million, \$270.65 million is available to address FY 2027 requirements. The FY 2027 Advertised Budget Plan allocates \$118.09 million of the available resources for FCPS priorities and \$133.98 million for County requirements, transfers the TOT revenue to Fund 10030, Contributories, and sets aside \$1.93 million to address the potential loss of grant funding associated with the Urban Area Security Initiative (UASI). The remaining balance of \$23.17 million is available for Board consideration in FY 2027.

The following table summarizes the FY 2027 Advertised Budget Plan.

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Adjustments included in the FY 2027 General Fund Budget			
<i>(Amounts shown are in millions, net change over FY 2026 Adopted Budget Plan)</i>			
Projected Revenue Increase			
Revenue Increase at Current Real Estate Tax Rate			\$202.15
Fee Adjustments, including fee for Middle School After School program			\$4.05
Food and Beverage Tax, Full-Year Impact			\$67.90
Revenues Associated with Reductions			(\$1.28)
Revenues Associated with Expenditure Adjustments			\$3.08
Tourism Revenue Redirected to Contributory Fund			(\$6.52)
Net Impact of Transfers In			\$1.26
Total Available			\$270.65
FY 2027 Requirements			
	County	Schools	Total
School Operating Support	--	\$94.61	\$94.61
County Compensation	\$102.55	--	\$102.55
Debt Service	\$7.42	\$11.40	\$18.81
Capital Renewal/Maintenance	\$12.51	\$7.50	\$20.01
New Facilities	\$1.94	--	\$1.94
Contracts/Inflationary	\$17.08	--	\$17.08
Information Technology	\$11.93	--	\$11.93
Parks	\$3.03	--	\$3.03
Cost of County Operations	\$4.55	--	\$4.55
Mandates and Expiration of Grant Funding	\$1.95	--	\$1.95
Housing and Human Services	\$8.45	--	\$8.45
Programs Transferred to FCPS	(\$4.59)	\$4.59	\$0.00
Reductions	(\$32.85)	--	(\$32.85)
Subtotal	\$133.98	\$118.09	\$252.07
Reserve for UASI			\$1.93
Reserve for Tourism moved to Contributory Fund			(\$6.52)
Total Uses			\$247.48
Projected Balance			\$23.17

FY 2027 General Fund Revenue

FY 2027 General Fund revenues are projected to be \$5,978,567,315, an increase of \$216,033,250 or 3.75 percent over the *FY 2026 Revised Budget Plan*, which contains the latest FY 2026 revenue estimates, and an increase of \$269,386,625, or 4.72 percent, over the FY 2026 Adopted Budget Plan.

On the County's real estate front, residential equalization reflects a 3.99 percent increase in FY 2027, while non-residential equalization increased by 0.92 percent. The overall Real Estate Tax base grew 3.77 percent.

The value of a penny on the Real Estate Tax rate is \$35.15 million in FY 2027. Each penny change in the tax rate equals \$82.99 on the average taxpayer's bill. Given an average value of a residential unit of \$829,895, the "typical" residential annual tax bill will rise, on average, \$357.43 in FY 2027 due to the rise in the average value of a residential unit at the current Real Estate Tax rate of \$1.1225 per \$100 of assessed value.

The FY 2027 Advertised Budget Plan includes a revenue increase of \$4.1 million as a result of proposed fee adjustments, including Zoning fees, Fire Marshal fees, Fire Prevention Code permits, EMS Transport fees, Adult Day Health Care (ADHC) fees, Employee Child Care Center fees, and the implementation of a new Middle School After School fee. On average, Zoning fees and Fire Marshal fees and Fire Prevention Code permits will be increased by 5.0 percent, which is estimated to generate an additional \$0.5 million. In addition, EMS Transport fees, which were last adjusted in FY 2024, are proposed to be adjusted in FY 2027 as follows: the Basic Life Support (BLS) transport increases from \$750 to \$850; Advanced Life Support 1 (ALS-1) transport from \$950 to \$1,075; Advanced Life Support 2 (ALS-2) transport from \$1,175 to \$1,325; and the current charge of \$18 per mile transported increases to \$20 per mile transported. The EMS Transport fee increases are estimated to generate an additional \$1.8 million in FY 2027. The ADHC fee, which was last adjusted in FY 2025, will be increased by 4 percent and is anticipated to generate an additional \$47,000. Adjustments to the Employee Child Care Center (ECCC) fees are expected to generate a revenue increase of \$0.5 million, or an 11 percent average increase. This increase brings the ECCC fees in line with surrounding day care centers and was recommended by ECCC families. It is consistent with the October 7, 2025, presentation to the Board of Supervisors at the Health and Human Services Committee meeting. In addition, a new fee associated with the Middle School After School program will generate \$1.1 million. This fee will be administered by FCPS and revenue remitted to the County. In FY 2028, once baseline revenues are established, FCPS will begin collecting the revenue directly, resulting in a commensurate decrease in the County transfer to FCPS.

The General Fund Revenue Overview in the FY 2027 Overview Volume has additional details on General Fund revenues.

FY 2027 General Fund Disbursements

FY 2027 General Fund disbursements are \$5,962,825,083, an increase of \$252,065,891, or 4.41 percent, over the FY 2026 Adopted Budget Plan and an increase of \$117,111,007, or 2.00 percent, over the *FY 2026 Revised Budget Plan*. As the *FY 2026 Revised Budget Plan* includes the carryforward of encumbrances from FY 2025 and other one-time adjustments for FY 2026 approved as part of the *FY 2025 Carryover Review*, comparisons between the FY 2027 budget and the *FY 2026 Revised Budget Plan* may be challenging. Thus, this section focuses on changes from the FY 2026 Adopted Budget Plan.

It should also be noted that the FY 2027 Advertised Budget Plan includes a net decrease of 49 merit positions, as position reductions identified as a part of agency reductions offset new positions supported by the General Fund.

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Employee Compensation (Pay and Benefits)

\$102.55 million

The FY 2027 Advertised Budget Plan includes funding for a cost of living adjustment, as well as performance, merit and longevity increases for non-represented employees. It fully funds the third and final year of the collective bargaining agreements for police, fire and public safety communications employees, and fully funds the first year of the collective bargaining agreement for general government employees.

Collective Bargaining Impacts

Beginning in FY 2027, the majority of County employees are represented under a collective bargaining agreement (CBA). 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 Local 2068 (IAFF) was elected as the exclusive representative of the Fire and Rescue Department and Department of Public Safety Communications. Members of both units ratified 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. On May 30, 2025, the Service Employees International Union Virginia 512 (SEIU) was certified as the exclusive representative for the General Government bargaining unit. SEIU members ratified the agreement in October 2025, covering the period from FY 2027 through FY 2029; in December 2025, the Board approved a resolution indicating their intent to provide funding to support the agreement. The ordinance and all three agreements can be found at <https://www.fairfaxcounty.gov/hr/collective-bargaining>.

While the agreements apply to the members of the bargaining units, as defined in the ordinance, the compensation and benefits provisions of the agreements are generally applied to all County staff in similar pay plans. For example, the County's agreement with SEIU increases the longevity pay increase from 4 to 5 percent for bargaining unit employees on the S-scale pay plan; the County will implement that change for all S-scale employees, including supervisors and others who are not part of the bargaining unit. Other provisions, such as converting the Christmas Eve holiday from a half-day holiday to a full-day holiday, also apply to all eligible County employees.

A summary of the specific compensation-related provisions in the three agreements can be found in the Compensation-Related Provisions of Collective Bargaining Agreements table beginning on page 34.

Average projected pay increases for FY 2027 for merit employees covered by the collective bargaining agreements, and for non-represented uniformed public safety employees, are provided below. It should be noted that actual employee increases vary by individual employee.

Average FY 2027 Merit Employee Pay Increases

	Uniformed Police	Uniformed Fire and Rescue	Uniformed Public Safety Communications	Non-Represented Uniformed Public Safety	General Government
Pay Scale Adjustment	1.00%	--	--	--	--
Cost of Living Adjustment	2.00%	2.00%	2.00%	2.00%	2.00%
Average Merit/Performance/Longevity	2.52%	2.50%	2.90%	2.22%	2.26%
Average Increase (Range of Increases)	5.52% (3.02%-8.17%)	4.50% (2.00%-7.10%)	4.90% (2.00%-7.10%)	4.22% (2.00%-7.10%)	4.26% (2.00%-7.10%)

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The costs of implementing the agreements in FY 2027 are provided below. Please note that the funding totals in the remainder of the Employee Compensation section are inclusive of these totals (e.g., the 2.00 Percent Cost of Living Adjustment section includes costs for all County employees, those represented in a bargaining unit as well as non-represented employees).

FY 2027 Cost of Compensation-Related Provisions of Collective Bargaining Agreements (in millions)

	Bargaining Unit Costs ¹	Impacted Employee Costs ²
Police	\$16.0	\$1.1
Fire and Emergency Medical Services	\$13.2	\$0.2
General Government	\$42.1	\$10.7
Total	\$71.3	\$12.0

¹ Bargaining Unit Costs reflect the total cost of implementing the collective bargaining agreement provisions for members of the bargaining unit. While the majority of the costs are compensation-related, the totals also reflect other elements of the agreements, such as the cost of union positions.

² Impacted Employee Costs reflect the total cost of extending collective bargaining agreement provisions to employees not in the bargaining unit.

Compensation and benefits adjustments detailed below are inclusive of the collective bargaining impacts described above.

The FY 2027 Advertised Budget Plan includes an increase to keep the County's **Living Wage** competitive in relation to the market. For FY 2027, the Living Wage will increase from the current rate of \$17.44 per hour to \$18.50 per hour. This represents the first year of a three-year phase-in plan to increase the Living Wage to \$20.00 per hour.

2.00 Percent Cost of Living Adjustment

Funding of \$42.66 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 2026 for all eligible employees. Increases reflect the impact of a 1 percent pay scale adjustment to the O-scale for uniformed employees in the Police Department. Increases also reflect the impact of an increase in the County's Living Wage. In FY 2027, the Living Wage will increase from \$17.44 per hour to \$18.50 per hour. It will increase to \$19.25 per hour in FY 2028 and to \$20.00 per hour in FY 2029.

Public Safety Merit/Longevity Increases

Funding of \$15.04 million is included for merit and longevity pay increases for eligible uniformed public safety employees. The funding reflects the impact of prior-year merit and longevity increases, as well as the partial-year costs for increases provided to uniformed employees 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. Public safety employees in pay plans O and C who reach a length of service milestone of 10, 15, 20 or 25 years are eligible for longevity increases. Pay plans F and D include 26 steps, with step increases ranging from 1 percent to 5 percent.

General Government Performance/Longevity Increases

Funding of \$24.65 million supports General Government employee pay increases reflecting the performance and longevity program as reflected in the County's CBA with SEIU. The funding reflects increases effective the first full pay period in July 2026 for graduated performance increases, based on where employees are on the pay scale, and the 5 percent longevity increases provided to employees who reach 20 or 25 years of service. In FY 2027, all employees reaching 20 or 25 years of service as of June 30, 2026, will receive a 5 percent increase. Employees receiving a longevity

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award do not also receive a performance award. The performance increases range from 3.50 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.

Additional Compensation Increases

An increase of \$3.84 million primarily supports other compensation adjustments that are included in CBAs and are intended to support employee recruitment and retention efforts.

- The County established a foreign language skills stipend in FY 2007 to attract and retain employees with bilingual skills essential for serving the community. Changes included in the General Government CBA will apply to all eligible County employees. In FY 2027, the stipend is increased from \$1,560 to \$1,600 per year for employees working more than 20 hours weekly, and from \$780 to \$800 per year for employees working 20 or fewer hours weekly; in FY 2028, the stipends will increase to \$1,800 and \$900 per year, and in FY 2029, they will increase to \$2,000 and \$1,000 per year, respectively.
- The addition of two “floating holidays,” included in the General Government CBA, will apply to all eligible County employees. This change will result in productivity loss for agencies, which are mostly able to absorb these costs. However, public safety agencies with minimum staffing requirements will require additional funding totaling \$2.2 million for overtime coverage.
- Shift differential premium pay rates are increased from \$0.90 to \$1.00 per hour for General Government employees working the evening shift, and from \$1.42 to \$1.50 per hour for General Government employees working the night shift. This change, included in the General Government CBA, will apply to all eligible non-uniformed County employees.
- An analysis is performed annually to determine if shift differential premium pay rates for deputy sheriffs are consistent with the market average, with adjustments recommended for those rates that fall below 95 percent. As a result of this analysis, the night shift differential rate for deputy sheriffs is increased from \$1.70 to \$1.76 per hour.

Retirement

An increase of \$2.71 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 2025. The Employees’ system was up 8.62 percent, the Uniformed system was up 10.10 percent, and the Police Officers system was up 8.88 percent, all net of fees. The combination of liability and investment experience, together with County and member contributions in FY 2025, resulted in slight increases in the funding ratios for the three systems as of June 30, 2025.

	FY 2026 Rates (%)	FY 2027 Rates (%)	Percentage Point Change (%)	General Fund Impact* (in millions)
Employees’	33.79	33.79	0.00	\$0.0
Uniformed	55.42	55.54	0.12	\$0.2
Police Officers	61.37	62.92	1.55	\$2.5
Total				\$2.7

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Health Insurance and Other Benefits Adjustments

A net increase of \$16.97 million is associated with the net impact of adjustments necessary in several benefits categories based on experience and projected rate changes. A decrease of \$3.49 million is included to reflect anticipated savings based on year-to-date experience. An increase in health insurance of \$20.47 million includes projected premium increases of 8.0 percent for all health insurance plans, effective January 1, 2027, as well as the full-year impact of January 2026 premium adjustments; premium rates for the County's three self-insured open access plans were increased by 15 percent in calendar year 2026. The 8.0 percent increase is a budgetary projection only; final premium decisions will be made in the fall of 2026 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.

Retiree Health Benefits

A decrease of \$4.09 million is associated with the General Fund allocation for the County's OPEB liability. Although the latest valuation indicates that the County's OPEB plan is fully funded and the actuarially determined required contribution has been reduced to zero, the County will continue funding the normal cost associated with the explicit subsidy for active members. The normal cost for the explicit subsidy for retiree health insurance is estimated at \$2.7 million and will be funded through a combination of a \$2.4 million General Fund transfer and \$0.3 million in contributions from other funds. It is anticipated that this transfer level will fully meet the FY 2027 OPEB funding requirement.

Police Department Overtime

An increase of \$0.75 million is included in the Police Department to address overtime costs for critical operational needs, as well as mandatory minimum staffing requirements, in order to maintain current service levels.

Salary Supplements for Eligible State Employees

As previously approved by the Board of Supervisors as part of the *FY 2025 Carryover Review*, an increase of \$0.03 million is included for salary supplements to eligible state positions. The County provides 15 percent supplements to identified state positions.

County Debt Service and Capital Program

\$7.42 million

FY 2027 General Fund support of County debt service requirements is \$165.40 million, an increase of \$7.42 million, or 4.70 percent, over the FY 2026 Adopted Budget Plan. The FY 2027 funding level supports programmed debt service payments, including the \$170 million in General Obligation (GO) bonds sold in January 2026, which is consistent with the recommendations from the Joint County/Schools Capital Improvement Program (CIP) Committee recommendations, and will fund cash requirements for on-going capital projects for County purposes. The increase in FY 2027 is also attributable to the current interest rate environment, as the 3.37 percent received in January 2026 is a 0.20 percent decrease from last year's 3.57 percent and significantly higher than the 1.23 percent rate received in 2021. In addition, debt service payments are included for all projects financed through the Economic Development Authority (EDA) such as The Commons Mount Vernon (previously known as Original Mount Vernon High School) and the Tysons Community Center. It should be noted that funding for School-related debt service is included in Fairfax County Public Schools Support section below.

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Staff continue to implement the recommendations of the Joint Board of Supervisors/School Board CIP Committee approved in December 2020. This Committee recommended 1) increasing bond sale limits, 2) dedicating the equivalent value of one penny on the Real Estate Tax for the capital program and 3) revising the percentage allocated to the Capital Sinking Fund at year-end and including FCPS in the allocation. As part of the FY 2027 Advertised Budget Plan, all three recommendations have been fulfilled, providing significant increased capital funding for the County and Schools.

Increasing bond sale limits: 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 during the January 2025 GO bond sale and remain level this year, with Schools receiving \$230 million and the County receiving \$170 million.

One penny on the Real Estate Tax for the Capital Program: The Committee recommended setting aside the equivalent of one penny on the Real Estate Tax rate in additional funding for capital projects, considering both direct funding for capital renewal and the debt service impact of the increased GO bond sales. The FY 2027 budget includes an increase of \$7.5 million each for the County and Schools for infrastructure replacement and upgrades, bringing baseline funding to \$10 million for each. Increased debt service of almost \$25 million, brings the total additional investment to just under \$45 million – well beyond the value of a penny.

In FY 2027, an amount of \$39.83 million is supported by the General Fund for capital projects. This includes \$22.26 million for commitments, contributions, and facility maintenance and \$17.57 million for paydown projects. The Paydown Program excludes those projects that are on-going maintenance projects or annual contributions. Paydown includes infrastructure replacement and upgrades, Americans with Disabilities Act (ADA) compliance, athletic field improvements, and other capital asset improvements. The FY 2027 General Fund Capital Program represents an overall increase of \$7.83 million from the FY 2026 Adopted Budget Plan. This increase is primarily associated with the \$7.5 million increase to the County Infrastructure Replacement and Upgrades Program. It is anticipated that additional funding will still be necessary at budget quarterly reviews to supplement this funding. Details about the Capital Program are available in the Capital Projects Overview of the Overview Volume.

FY 2027 General Fund Supported Capital Program*

	Commitments, Contributions, and Facility Maintenance	Paydown	Total General Fund Support
County Capital Program			
County ADA Improvements	\$0	\$1,550,000	\$1,550,000
CIP Feasibility Studies	\$1,400,000	\$0	\$1,400,000
Contributions – NVCC	\$2,586,589	\$0	\$2,586,589
Contributions - NOVA Parks	\$3,678,704	\$0	\$3,678,704
Contributions – SACC	\$1,000,000	\$0	\$1,000,000
Environmental Initiatives	\$1,300,000	\$0	\$1,300,000
County Maintenance Programs	\$2,106,145	\$0	\$2,106,145
Payments and Obligations	\$859,924	\$200,000	\$1,059,924
Reinvestment in County Roads and Walkways	\$0	\$1,000,000	\$1,000,000
Revitalization Maintenance	\$500,000	\$0	\$500,000
Traffic Calming	\$0	\$650,000	\$650,000
Subtotal	\$13,431,362	\$3,400,000	\$16,831,362

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	Commitments, Contributions, and Facility Maintenance	Paydown	Total General Fund Support
Parks Capital Program			
Parks ADA Improvements	\$0	\$300,000	\$300,000
Athletic Field Maintenance and Sports Projects	\$6,045,714	\$1,365,140	\$7,410,854
Parks Maintenance Program	\$2,784,929	\$2,506,355	\$5,291,284
Subtotal	\$8,830,643	\$4,171,495	\$13,002,138
Joint CIP Committee Recommendations			
County Infrastructure Replacement and Upgrades	\$0	\$10,000,000	\$10,000,000
Subtotal	\$0	\$10,000,000	\$10,000,000
Total General Fund Support	\$22,262,005	\$17,571,495	\$39,833,500

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

Revising the Sinking Fund allocations: Based on the 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.

Details about the Capital Program are available in the Capital Projects Overview of the Overview Volume.

Capital Improvement Program

The FY 2027-FY 2031 Advertised Capital Improvement Program (CIP) totals \$15.9 billion. The total bond program within the CIP is \$2.8 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 to identify potential co-location opportunities; and an outline of key changes from the FY 2026 CIP.

The CIP was developed with input from County agencies and to the extent possible, in accordance with the recommendations of the Committee. The Bond Referendum Plan is reviewed annually as projects may need to be added and cost 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 2027 CIP includes several changes which resulted in the Bond Referendum Plan outlined below.

FY 2027-FY 2031 Bond Referendum Plan

Year	Category	Description	Total
Fall 2026	County	Human Services \$75 mil Parks \$180 mil	\$255m
		Tim Harmon Campus, Health Lab Fairfax County Park Authority	

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Year	Category	Description	Total
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
Fall 2030	County	Public Safety \$52 mil Police \$64 mil Fire	\$116m

Fairfax County Public Schools Support

\$118.09 million

The FY 2027 Advertised Budget Plan includes an increase to the School Operating Fund of \$99.19 million (inclusive of a \$4.59 million increase associated with the transfer of programs from the County to FCPS), an \$11.40 million increase to fully fund required adjustments for School Debt Service, and \$7.50 million increase to support School Capital Construction. This results in transfers to FCPS totaling \$3,052.37 million, an increase of \$118.09 million, or 4.02 percent, over the FY 2026 Adopted Budget Plan. These figures include transfers to the School Operating, Debt Service, and Construction Funds. Transfers to the FCPS funds make up 51.2 percent of General Fund disbursements in this proposal. It should also be noted that the FCPS budget is anticipated to benefit by approximately \$106 million from adjustments included in the former Governor’s proposed budget, including additional state revenues and a reduction in VRS contribution requirements. This, coupled with the County’s transfer, results in approximately \$224 million in new flexibility for FCPS.

The FY 2027 Advertised Budget Plan includes \$3.05 billion in support for **Fairfax County Public Schools**, an increase of \$118.09 million, or 4.02% over FY 2026. Transfers to the School Operating, Debt Service, and Construction Funds make up 51.2% of General Fund disbursements in FY 2027.



Schools Operating Support

Of the total increase, \$99.19 million is included as additional support to the School Operating Fund, an increase of 3.67 percent over the funding level in the FY 2026 Adopted Budget Plan. The Superintendent’s Proposed Budget includes a requested school operating transfer increase of \$138.4 million, which represents a 5.1 percent increase over the FY 2026 transfer. The Superintendent’s Proposed Budget focuses on employee compensation specifically required to meet the school system’s collective bargaining agreements, restoring cuts made last year to balance the budget, and continuing multi-year initiatives. Full funding for the Superintendent’s request is not included and would require an additional \$36 to \$44 million beyond what is included in the Advertised budget.

This total is inclusive of \$4.59 million associated with the transfer of funding for three programs from the County to FCPS. Funding for the Middle School After School program and the Values in Prevention program is being transferred from the Department of Neighborhood and Community Services (NCS), given NCS’s limited role in operating the programs. Funding for transition services provided to high school seniors with Individualized Education Plans who are leaving FCPS and moving into adulthood is being transferred from the Fairfax-Falls Church Community Services Board (CSB), as the services are more appropriately aligned with programs and services provided by FCPS. Corresponding decreases in funding for NCS and the CSB result in no net impact to the General Fund.

Schools Debt Service Support

The General Fund transfer to the School Debt Service Fund is \$227.02 million, an increase of \$11.40 million, or 5.29 percent, over the FY 2026 level. This estimate includes the impact of the \$230 million

Advertised Budget Summary

in GO bonds sold in January 2026, the same level as last year and consistent with the revised bond sale amounts 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 \$23.10 million, an increase of \$7.50 million, or 48.08 percent, over the FY 2026 level. This funding is dedicated to critical infrastructure upgrades and replacements. This also aligns with the recommendation of the County/Schools Joint CIP Committee to leverage additional paydown funds alongside bond proceeds. An equivalent increase has also been proposed for the County as part of the FY 2027 Advertised Budget Plan.

The County also provides support for Fairfax County Public Schools outside of General Fund transfers. In FY 2027, \$154.36 million is included in the County budget for programs such as Head Start, School Health, behavioral health services, School Resource Officers, School Crossing Guards, out-of-school time programs, field maintenance, and recreational programs.

Capital Renewal and Maintenance

\$12.51 million, 9 Positions

Funding increases of \$12.51 million and 9/9.0 FTE positions are primarily associated with maintenance needs and upgrades to keep the County's existing facilities and other capital assets in safe working order. Ensuring the appropriate maintenance of the County's infrastructure is critical, as many County buildings are in dire need of significant repairs and modern building systems are increasingly complex and have shorter life cycles, leading to higher maintenance demands. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Effective and Efficient Government and Safety and Security.

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 

Capital Renewal

As noted earlier in the Debt Service and Capital Program section, an increase of \$7.50 million is included in the General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, to repairs, improvements, and restorations necessary for the long-term needs of the County's capital assets.

Public Safety Radio Infrastructure

An increase of \$3.00 million is included in Fund 40090, E-911, to support the refresh of the core infrastructure platform and components that serve public safety subscriber radios.

Residential Maintenance

An increase of \$1.00 million and 6/6.0 FTE positions is included in FMD, to establish a dedicated Residential Facilities Maintenance Section within FMD to support the unique maintenance demands of 16 County-owned residential facilities. This is the first year of a multi-year initiative; an additional 6/6.0 FTE positions and associated Operating Expenses funding will be required in FY 2028.

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New or Expanded Facilities

An increase of \$0.88 million and 2/2.0 FTE positions is included in FMD for required utility, custodial, repair/maintenance, and landscaping costs associated with partial- or full-year costs for new or expanded facilities in FY 2027.

Locksmith for Court Facilities

An increase of \$0.12 million and 1/1.0 FTE position is included in the Office of the Sheriff to provide a dedicated on-site specialist for maintaining all locking systems at the court facilities, ensuring continuous operation and preventing delays in court operations.

New Facilities

\$1.94 million, 16 Positions

Funding of \$1.94 million and 16/16.0 FTE positions supports new facilities that will be operational in FY 2027. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Cultural and Recreational Opportunities, Lifelong Education and Learning, and Healthy Communities.

The Commons Mount Vernon

An increase of \$1.81 million and 15/15.0 FTE positions is included in NCS and Fund 40045, Early Childhood Birth to 5, to support the community center programming at The Commons Mount Vernon and to support Early Childhood Development and Learning Program slots for low- to moderate-income families at the facility's new child care center. The Commons Mount Vernon is currently scheduled to open in mid-FY 2027; therefore, partial-year funding has been included. Full-year funding will be included in the FY 2028 Advertised Budget Plan, along with funding and positions for the renovated theater and the re-engagement center.

School Health Nurse

An increase of \$0.13 million and 1/1.0 FTE position is included in the Health Department to support a Licensed Practical Nurse position associated with the opening of a new FCPS high school.

Inflation and Contract Rate Adjustments

\$17.08 million

Inflation is impacting the County budget, just as it does those of County residents. Funding increases of \$17.08 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 \$16.40 million.

Contract Rate Increases

An increase of \$11.26 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 \$0.68 million in revenue, for a net General Fund impact of \$10.58 million.

Homeless Services Contracts

An increase of \$3.61 million is included in the Department of Housing and Community Development (HCD) to support the homeless services contracts and Hypothermia Prevention Program. The new contract awards for homeless services will facilitate critical services, including emergency shelter operations, case management, street outreach, permanent supportive housing, and the Hypothermia Prevention Program. In addition, this funding will support shelter overflow hotels for families with children. Funding to support shelter overflow for families with children is required due to the continued demand for emergency shelter services which has remained high since the end of 2022, when the eviction moratoria ended, inflation increased, and pandemic-era emergency rental assistance was fully depleted. Of this amount, \$1.55 million was previously approved by the Board of Supervisors as part of the *FY 2025 Carryover Review*.

Contract Rate Increase for Body-Worn Cameras

An increase of \$1.45 million is included in the Office of the Sheriff to support significant contract rate increase costs for the Body-Worn Camera program.

Lease Adjustments

An increase of \$0.76 million in FMD is included due to the addition of leased square footage and an annual 2.5 to 3 percent escalation on existing leases.

Information Technology

\$11.93 million

Increased funding of \$11.93 million supports the operating costs associated with expanding and maintaining the County's information technology (IT) infrastructure. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Effective and Efficient Government and Safety and Security.

Ongoing Operating Support for Completed IT Projects

An increase of \$6.47 million is included to support ongoing maintenance costs for completed IT projects across various agencies.

Infrastructure Stabilization and Optimization

An increase of \$5.00 million is included in Fund 60030, Technology Infrastructure Services, 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.

Planning and Land Use System Licenses

An increase of \$0.24 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.

Courthouse Security

An increase of \$0.22 million is included in the Department of Emergency Management and Security to support the ongoing maintenance and technical support for the updated courthouse security system.

Parks

\$3.03 million, 22 Positions

Increased funding of \$3.03 million and 22/22.0 FTE positions are primarily associated with new parks facilities, board initiatives, and operational and maintenance requirements. As part of the *FY 2025 Carryover Review*, Fund 40400, Park General Operations and Capital, was created to provide additional transparency and flexibility by combining both park operational funding and capital project funding into the same fund. The items below are all reflected in Fund 40400 as part of the FY 2027 Advertised Budget Plan. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Cultural and Recreational Opportunities, Environment and Energy, and Effective and Efficient Government.

Park Facilities Maintenance, Stabilization, and Staffing

An increase of \$1.29 million and 7/7.0 FTE positions is included to provide dedicated maintenance staff at Laurel Hill Central Green, support staffing costs associated with the Woodlands Education and Stewardship Center, and support the maintenance and stabilization of five properties that have been added to the Park Authority's inventory.

Zero Waste

An increase of \$1.22 million and 12/12.0 FTE positions is included to support the final phase of the Zero Waste Trash and Recycling initiatives in the remaining four Park Authority maintenance areas.

Recreation System and Sliding Fee Scale Implementation

An increase of \$0.52 million and 3/3.0 FTE positions is included to support the Park Authority's new recreation system and implementation of a sliding fee scale.

Cost of County Operations

\$4.55 million, 4 Positions

Increased funding of \$4.55 million and 4/4.0 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.

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 two 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 \$2.50.

Collective Bargaining Positions

An increase of \$0.94 million and 4/4.0 FTE positions is included in the Department of Human Resources and the Office of the County Attorney, to support collective bargaining activities, including arbitration and mediation costs, manager and executive training, court reporting, benefit analysis and other related operational costs.

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Local Cash Match Requirements

An increase of \$0.66 million is included in Fund 50000, Federal-State Grant Fund, to support Local Cash Match requirements primarily associated with programs serving older adults and program requirements in the Head Start/Early Head Start grants.

Contributory Fund Cost Adjustments

A net increase of \$0.39 million in Fund 10030, Contributories, reflects adjustments to contributions based on agreed-upon formulas, legal requirements, contractual or regional commitments, membership dues, and program requirements. The table below details the specific adjustment to each impacted contributory organization in FY 2027.

In FY 2027, revenue totaling \$6,645,815, representing one percent in Transient Occupancy Tax (TOT) revenue, is included to support funding for tourism-related activities in Fairfax County. This tax revenue will be directly posted in and expended from Fund 10030, Contributories. In addition, as part of the FY 2027 Advertised Budget Plan, the salary supplements for the Office of the Public Defender are transferred from Agency 85, General District Court, to Fund 10030. Offsetting adjustments are included in Fund 10001, General Fund, for no net cost to the General Fund. Additionally, the net increase of \$0.39 million in Fund 10030 does not reflect reductions of \$0.78 million associated with the elimination of contributions to Celebrate Fairfax and the Vienna Teen Center as those adjustments are included in the Agency Reductions section below.

Contributory Organization	Funding Adjustment
Convention and Visitors Corporation	\$5,066,862
Office of the Public Defender	\$667,951
Volunteer Fairfax	\$100,000
Metropolitan Washington Council of Governments	\$84,695
NOVA Parks	\$81,035
Birmingham Green Adult Care Residence	\$36,505
Northern Virginia Transportation Commission	\$14,292
Northern Virginia Regional Commission	\$7,623
National Association of Counties	(\$60)
Northern Virginia Community College	(\$83)

Mandates/Expiration of Grant Funding

\$1.95 million, 4 Positions

Increased funding of \$1.95 million and 4/4.0 FTE positions are required to replace expired grant funding as well as new mandates imposed by the state and/or federal government. After accounting for the revenue impact associated with these adjustments, the net impact to the General Fund is \$1.71 million. 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, Safety and Security, and Effective and Efficient Government.

Nursing Contracts for Medically Fragile Children

An increase of \$0.73 million is included in the Health Department to support additional funding for contracts providing federally-mandated one-to-one nursing services to medically fragile students in FCPS.

Advertised Budget Summary

Positions to Support Office of the Commonwealth's Attorney

As previously approved by the Board of Supervisors as part of the *FY 2025 Carryover Review*, an increase of \$0.42 million is included in the Office of the Commonwealth's Attorney to comply with the 2025 Appropriation Act (2025 Session, Virginia Acts of Assembly, Chapter 725) which increased the number of positions allocated to the Office. The increase is partially offset by an increase of \$0.24 million in state revenue, for a net impact to the General Fund of \$0.18 million.

Continuum of Care Planning Grant

An increase of \$0.33 million is included in HCD to replace a Continuum of Care (CoC) planning grant previously funded by the U.S. Department of Housing and Urban Development. Funding will be used to conduct CoC homeless system planning, project monitoring and evaluation, compliance activities, and related CoC functions. It is anticipated that commensurate funding and two new positions will be included in the *FY 2026 Third Quarter Review*.

Legal Records Positions

An increase of \$0.25 million and 2/2.0 FTE positions is included in the Office of the Sheriff to meet the requirements set forth in Virginia Senate Bill 2723 which pertains to the automatic sealing of offenses resulting in acquittal or dismissal. The bill was passed by the General Assembly and signed by the Governor in April 2025 with an effective date of July 1, 2026.

Disabled Veteran Tax Exemption Program Expansion

An increase of \$0.23 million and 2/2.0 FTE positions is included in the Department of Tax Administration to address increased workload requirements associated with the state-mandated tax relief program for disabled veterans.

Housing and Human Services

\$8.45 million, 3 Positions

Increased funding of \$8.45 million and 3/3.0 FTE positions support essential housing and human services programs. After accounting for the revenue impact associated with these adjustments, the net impact to the General Fund is \$6.29 million. These efforts primarily support the County's work towards achieving goals in the Community Outcome Areas of Empowerment and Support for Residents Facing Vulnerability, Cultural and Recreational Opportunities, Housing and Neighborhood Livability, and Healthy Communities.

Emergency Housing and Food Assistance Program

An increase of \$5.50 million is included in NCS to support emergency housing assistance and emergency food assistance. Pandemic-related stimulus funding has been fully expended; however, the unprecedented demand for assistance continues. Additional funding is needed to continue to assist the significant number of households that are unable to pay for rent, utilities, and food.

Positions to Address Increases in Mandated Services

As previously approved by the Board of Supervisors as part of the *FY 2025 Carryover Review*, an increase of \$1.50 million is included in the Department of Family Services to appropriate additional revenue from the state to support positions in the Public Assistance and Employment Services and Adult and Aging divisions. These positions will address workload increases due to changes in state requirements, state program changes, and increased demand for mandated services. The expenditure increase is fully offset by an increase in state revenue for no net impact to the General Fund.

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Beyond the Bell

As previously approved by the Board of Supervisors as part of the *FY 2025 Carryover Review*, an increase of \$0.66 million is included in NCS for food costs associated with providing child care to additional children at the 20 Beyond the Bell pilot sites at Fairfax County Public Schools. The expenditure increase is fully offset by an increase in revenue for no net impact to the General Fund.

Consolidated Community Funding Pool Performance and Leverage Requirement

An increase of \$0.42 million is included in Fund 10020, Consolidated Community Funding Pool, associated with performance and leverage requirements for nonprofit organizations and to provide additional funding to community organizations to meet health and human services needs in the County.

Positions to Address Increased Housing Workload Requirements

As previously approved by the Board of Supervisors as part of the *FY 2025 Carryover Review*, an increase of \$0.37 million is included in HCD to convert four benefits-eligible positions to merit positions to address workload requirements.

Positions to Support Affordable Housing Activities

An increase of 3.3/0 FTE positions is included in HCD to support affordable housing activities in Fairfax County.

Agency Reductions

(\$32.85 million), (107) Positions

A decrease of \$32.85 million and 107/103.0 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 \$1.28 million results in a net decrease to the General Fund of \$31.57 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	0/0.0	\$96,025
Agency 03, Department of Clerk Services	0/0.0	16,771
Agency 06, Department of Finance	1/1.0	221,756
Agency 08, Facilities Management Department	0/0.0	350,000
Agency 11, Department of Human Resources	2/2.0	271,344
Agency 12, Dept. of Procurement and Material Management	2/2.0	211,180
Agency 13, Office of Public Affairs	0/0.0	31,000
Agency 15, Office of Elections	0/0.0	191,050
Agency 16, Economic Development Authority	0/0.0	547,950
Agency 20, Department of Management and Budget	0/0.0	65,476
Agency 25, Business Planning and Support	0/0.0	68,670
Agency 26, Capital Facilities	0/0.0	158,183
Agency 35, Department of Planning and Development	2/2.0	348,647
Agency 38, Dept. of Housing and Community Development	0/0.0	800,000

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Agency/Fund	Position/FTE	Reduction
Agency 40, Department of Transportation	1/1.0	377,290
Agency 41, Civil Service Commission	0/0.0	24,200
Agency 44, Office of Police Accountability	0/0.0	65,956
Agency 52, Fairfax County Public Library	8/6.5	516,519
Agency 57, Department of Tax Administration	0/0.0	432,348
Agency 67, Department of Family Services ¹	4/4.0	2,956,001
Agency 70, Department of Information Technology	0/0.0	242,800
Agency 71, Health Department ²	29/28.5	2,262,680
Agency 79, Dept. of Neighborhood and Community Services	18/16.5	1,720,741
Agency 80, Circuit Court and Records	0/0.0	99,600
Agency 81, Juvenile and Domestic Relations District Court	11/11.0	875,578
Agency 82, Office of the Commonwealth's Attorney	3/3.0	276,899
Agency 85, General District Court	2/1.5	187,080
Agency 90, Police Department	13/13.0	1,891,026
Agency 91, Office of the Sheriff	1/1.0	392,125
Agency 92, Fire and Rescue Department	0/0.0	964,661
Agency 93, Dept. of Emergency Management and Security	0/0.0	110,434
Agency 96, Department of Animal Services	0/0.0	215,000
Fund 10030, Contributories	0/0.0	782,300
Fund 40000, County Transit Systems	0/0.0	7,286,802
Fund 40040, Fairfax-Falls Church Community Services Board	4/4.0	4,743,567
Fund 40045, Early Childhood Birth to 5	1/1.0	501,293
Fund 40090, E-911	0/0.0	879,900
Fund 40400, Park General Operations and Capital	4/4.0	919,978
Fund 50000, Federal-State Grant Fund	0/0.0	391,764
Fund 60000, County Insurance	1/1.0	102,293
Fund 60030, Technology Infrastructure Services	0/0.0	257,000
TOTAL	107/103.0	\$32,853,887

¹ Includes an associated revenue decrease of \$1,166,260, resulting in a net General Fund decrease of \$1,789,741.

² Includes an associated revenue decrease of \$114,521, resulting in a net General Fund decrease of \$2,148,159.

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 2027 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 2026 Third Quarter Review*. No additional funding is included in the FY 2027 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 2027, 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 2027, as resources available in FY 2026 are anticipated to be used to maintain the reserve at the target. This adjustment will be included in the *FY 2026 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 2027, as retained interest earnings are anticipated to maintain the reserve at the target.

FY 2027 Budget: All Funds

All appropriated fund revenues in the FY 2027 Advertised Budget Plan total \$12.18 billion. This represents an increase of \$495.94 million, or 4.25 percent, over the FY 2026 Adopted Budget Plan. On the expenditure side, the FY 2027 Advertised Budget Plan for all appropriated funds totals \$11.45 billion and reflects an increase of \$346.78 million, or 3.12 percent, over the FY 2026 Adopted Budget Plan.

Additional Support for Self-Supporting Funds

17 Positions

An increase of 17/17.0 FTE positions is included across four self-supporting funds. Funding for these positions is fully supported from each fund's revenue; there is no impact to the General Fund. The increase includes:

- 8/8.0 FTE positions in Fund 40100, Stormwater Services, to help support the maintenance and operational needs of the new Water Resources and Infrastructure facility, coordination of grant management and submissions, the ongoing success and expansion of the County's tree planting initiatives, the Countywide flood mitigation and resiliency inspection program, and Green Stormwater Infrastructure.
- 4/4.0 FTE positions in Fund 69010, Sewer Operation and Maintenance, to help support agency financial administration, wastewater pumping station and stormwater facility maintenance and service, and wastewater treatment plant operations, necessary due to the increase in the complexity of new equipment and the decrease in reliability of aging infrastructure.
- 4/4.0 FTE positions in the Retirement Administration Agency to help support the County's growing retiree population and enhance retirement counseling services.
- 1/1.0 FTE position in Fund 40080, Integrated Pest Management Program, to address spotted lanternfly and beech leaf disease through continued early detection rapid response of these invasive pests, minimizing the impact of the infestations present in the County.

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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 as well as Volume 2 of the County budget. Also included in Volume 2 is information on non-appropriated funds.

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General Fund Disbursement and Reserve Adjustments included in the FY 2027 Advertised Budget Plan

	Community Outcome Area ¹	Positions	Disbursements	Associated Revenue	Net General Fund Impact
Employee Pay & Benefits			\$102,551,245		\$102,551,245
Employee Pay			\$86,963,578		\$86,963,578
2.00% Cost of Living Adjustment			42,657,953		42,657,953
Public Safety Merit/Longevity Increases			15,039,266		15,039,266
General County Performance/Longevity Increases			24,645,399		24,645,399
Other Compensation Adjustments			3,842,373		3,842,373
Police Department Overtime			750,000		750,000
Salary Supplements for Eligible State Employees			28,587		28,587
Employee Benefits			\$15,587,667		\$15,587,667
Health Insurance and Other Benefits Adjustments			16,974,251		16,974,251
Retirement Rate Changes			2,705,045		2,705,045
Retiree Health Benefits			(4,091,629)		(4,091,629)
County Debt Service			\$7,418,489		\$7,418,489
County Debt Service			7,418,489		7,418,489
Fairfax County Public Schools Support			\$118,089,110		\$118,089,110
Schools Operating Transfer			94,606,781		94,606,781
Schools Debt Service			11,396,015		11,396,015
Schools Capital Construction			7,500,000		7,500,000
County Programs Shifting to FCPS (Increase to Schools Operating Transfer)			4,586,314		4,586,314
Capital Renewal and Maintenance		9	\$12,505,196		\$12,505,196
Capital Renewal	EEG		7,500,000		7,500,000
Public Safety Radio Infrastructure	SS		3,000,000		3,000,000
Residential Maintenance	EEG	6	1,000,000		1,000,000
New or Expanded Facilities	EEG	2	882,812		882,812
Locksmith for Court Facilities	EEG, SS	1	122,384		122,384
New Facilities		16	\$1,943,132		\$1,943,132
The Commons Mount Vernon	CRO, LEL	15	1,809,243		1,809,243
School Health Nurse	HC	1	133,889		133,889
Inflation and Contract Rate Adjustments			\$17,084,922	\$682,974	\$16,401,948
Contract Rate Increases			11,260,599	682,974	10,577,625
Homeless Services Contracts	HNL, ESRFV		3,609,163		3,609,163

Advertised Budget Summary

	Community Outcome Area ¹	Positions	Disbursements	Associated Revenue	Net General Fund Impact
Contract Rate Increase for Body-Worn Cameras	SS		1,453,371		1,453,371
Lease Adjustments	EEG		761,789		761,789
Information Technology			\$11,933,398		\$11,933,398
Ongoing Operating Support for Completed IT Projects	EEG		6,466,015		6,466,015
Infrastructure Stabilization and Optimization	EEG		5,000,000		5,000,000
Planning and Land Use System Licenses	EEG		243,500		243,500
Courthouse Security	SS		223,883		223,883
Parks		22	\$3,033,347		\$3,033,347
Park Facilities Maintenance, Stabilization, and Staffing	EEG	7	1,293,683		1,293,683
Zero Waste	EE	12	1,218,433		1,218,433
Recreation System and Sliding Fee Scale Implementation	CRO	3	521,231		521,231
Cost of County Operations		4	\$4,547,159		\$4,547,159
Fuel Rate Adjustment	EEG		2,560,984		2,560,984
Collective Bargaining Positions	EEG	4	939,882		939,882
Local Cash Match Requirements	EEG		655,424		655,424
Contributory Fund Cost Adjustments			390,869		390,869
Mandates/Expiration of Grant Funding		4	\$1,947,859	\$236,007	\$1,711,852
Nursing Contracts for Medically Fragile Children	HC		725,000		725,000
Positions to Support Office of the Commonwealth's Attorney	EEG		416,884	236,007	180,877
Fairfax-Falls Church Continuum of Care Planning Grant	HNL, ESRFV		325,000		325,000
Legal Records Positions	ESRFV, SS	2	251,299		251,299
Disabled Veteran Tax Exemption Program Expansion	ESRFV, EEG	2	229,676		229,676
Housing and Human Services		3	\$3,865,921	\$2,162,544	\$1,703,377
Emergency Housing and Food Assistance	ESRFV		5,500,000		5,500,000
Positions to Address Increases in Mandated Services	ESRFV		1,503,698	1,503,698	0
Beyond the Bell	CRO		658,846	658,846	0
Consolidated Community Funding Pool Performance and Leverage Requirement	ESRFV, HC		416,358		416,358
Positions to Address Housing Workload Requirements	HNL		373,333		373,333
Positions to Support Affordable Housing Activities	HNL	3	0		0
County Programs Shifting to FCPS (Decrease to County Agencies) ²			(4,586,314)		(4,586,314)

Advertised Budget Summary

	Community Outcome Area ¹	Positions	Disbursements	Associated Revenue	Net General Fund Impact
Reductions		(107)	(\$32,853,887)	(\$1,280,781)	(\$31,573,106)
Agency Reductions	EEG	(107)	(32,853,887)	(1,280,781)	(31,573,106)
Reserve Adjustments			\$0		\$0
Revenue Stabilization			\$0		\$0
Economic Opportunity			\$0		\$0
Managed Reserve <i>(not included in actual disbursements)</i>			\$0		\$0
TOTAL		(49)	\$252,065,891	\$1,800,744	\$250,265,147

¹ 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

² The decrease to County agencies resulting from the shifting of County programs to FCPS is noted in the Fairfax County Public Schools Support section.

Advertised Budget Summary

Compensation-Related Provisions of Collective Bargaining Agreements

Bargaining Unit	Police	Fire and Emergency Medical Services	General Government
Bargaining Agent	SSPBA	IAFF	SEIU
Agreement Term	FY 2025 - FY 2027	FY 2025 - FY 2027	FY 2027 - FY 2029
FY 2025 Compensation Provisions	<ul style="list-style-type: none"> 3% increase to pay scale 2.00% COLA Addition of a 10-year longevity step Step increase Detective Stipend of \$3.00/hr One-step Education Incentive Police Foreign Language Skill Stipend of \$800/yr Operational Hazard Stipend of \$3.00/hr 	<ul style="list-style-type: none"> Establishment of D-Scale for DPSC employees resulting in a 3% increase to pay scale Revised F-Scale for FRD employees resulting in a 3% increase to pay scale and elimination of step holds and longevity steps Step increase Day Work premium of \$75/pay period ALS-Paramedic Certification Pay of 10% of base salary Riding Pay: ALS Transport Lead Provider: \$3.00/hr, ALS Non-Transport Lead Provider: \$2.00/hr DPSC Field Training Incentive: \$6.00/hr Preceptor Pay: \$1.50/hr DPSC and FRD 42-hr Evening Shift Differential: \$0.90/hr DPSC and FRD 42-hr Night Shift Differential: \$1.35/hr FRD 24-hr Shift Differential: \$0.7275/hr Two-step ALS Provider Incentive One-to-two-step Education Incentive 	N/A; first agreement is effective in FY 2027
FY 2026 Compensation Provisions	<ul style="list-style-type: none"> 2% increase to pay scale 2.00% COLA Step increase 	<ul style="list-style-type: none"> 3% increase to F-Scale pay scale 3.1% increase to D-Scale pay scale Step increase 	N/A; first agreement is effective in FY 2027
FY 2027 Compensation Provisions	<ul style="list-style-type: none"> 1% increase to pay scale 2.00% COLA Step increase 	<ul style="list-style-type: none"> 2.00% COLA Step increase 	<ul style="list-style-type: none"> S-Scale pay range spread increased 2.00% COLA* Living Wage increased from \$17.44/hr to \$18.50/hr* Longevity Pay increased from 4% to 5% Adjustments to Performance Increases of up to 0.5% Foreign Language Skills Stipend increased from \$1,560/yr to \$1,600/yr for full-time, \$800/yr for part-time* Evening Shift Differential increased from \$0.90/hr to \$1.00/hr Night Shift Differential increased from \$1.42/hr to \$1.50/hr
FY 2028 Compensation Provisions	TBD; negotiations on a new CBA will begin in 2026	TBD; negotiations on a new CBA will begin in 2026	<ul style="list-style-type: none"> 2.00% COLA Living Wage increased to \$19.25/hr* Foreign Language Skills Stipend increased to \$1,800/yr for full-time, \$900/yr for part-time*
FY 2029 Compensation Provisions	TBD; negotiations on a new CBA will begin in 2026	TBD; negotiations on a new CBA will begin in 2026	<ul style="list-style-type: none"> 2.00% COLA Living Wage increased to \$20.00/hr*

Advertised Budget Summary

Bargaining Unit	Police	Fire and Emergency Medical Services	General Government
			<ul style="list-style-type: none"> • Foreign Language Skills Stipend increased to \$2,000/yr for full-time, \$1,000/yr for part-time*

*Applied to all eligible County employees

Advertised Budget Summary

FY 2027 and FY 2028 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS					
Type	Unit	FY 2025 Actual Rate	FY 2026 Actual Rate	FY 2027 Proposed Rate	FY 2028 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	\$100/Assessed Value	\$1.125	\$1.1225	\$1.1225	\$1.1225
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57	\$4.57
NON-GENERAL FUND TAX RATES					
REFUSE RATES					
<i>Refuse Collection (per unit)</i>	<i>Household</i>	\$555	\$610	\$630	\$630
<i>Refuse Disposal (per ton)</i>	<i>Ton</i>	\$79	\$90	\$98	\$108
<i>I-95 Refuse Disposal (per ton)</i>	<i>Ton</i>	\$32.90	\$34.57	\$34.26	\$35.29
Leaf Collection	\$100/Assessed Value	\$0.019	\$0.019	\$0.019	\$0.019
SEWER CHARGES					
<i>Sewer Base Charge</i>	<i>Quarterly</i>	\$49.73	\$52.62	\$55.78	\$60.79
<i>Sewer Availability Charge</i>	<i>Residential</i>	\$9,038	\$9,218	\$9,398	\$9,398
<i>Sewer Service Charge</i>	<i>Per 1,000 Gallons</i>	\$8.81	\$9.33	\$9.88	\$10.78
COMMUNITY CENTERS					
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
Burgundy Village Community Center	\$100/Assessed Value	\$0.020	\$0.020	\$0.020	\$0.020
OTHER SPECIAL TAX DISTRICTS					
Stormwater Services District Levy	\$100/Assessed Value	\$0.0325	\$0.0325	\$0.0325	\$0.0325
Route 28 Corridor	\$100/Assessed Value	\$0.14	\$0.12	\$0.12	\$0.12
Dulles Rail Phase I	\$100/Assessed Value	\$0.09	\$0.09	\$0.09	\$0.09
Dulles Rail Phase II	\$100/Assessed Value	\$0.16	\$0.14	\$0.14	\$0.14
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 adjusted in FY 2027.

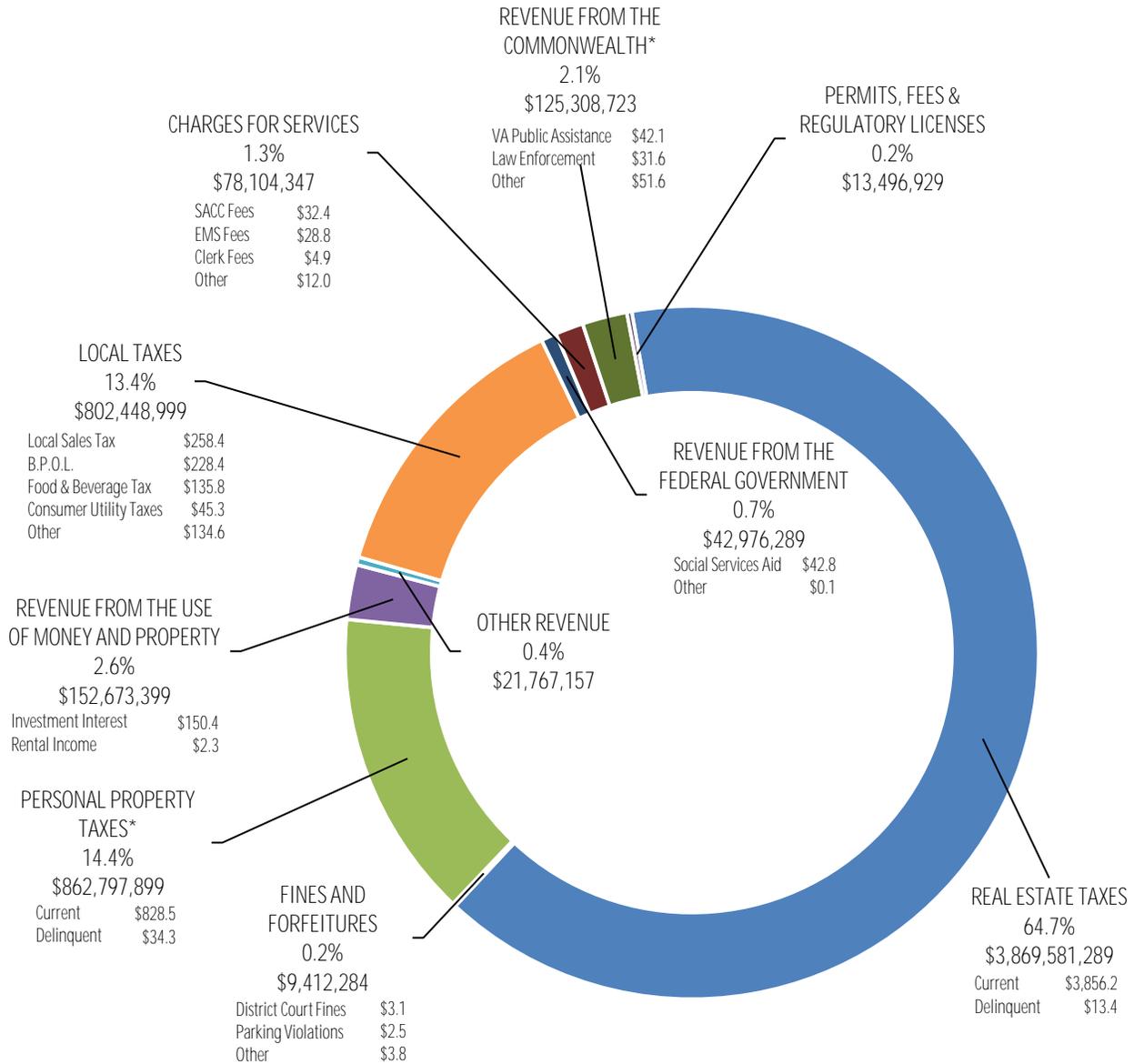
*I-95 Disposal rate is determined based on a formal contract with Reworld (former CoVanta).

FY 2027 ADVERTISED BUDGET PLAN

GENERAL FUND RECEIPTS

"WHERE IT COMES FROM"

(Subcategories in millions)



FY 2027 GENERAL FUND RECEIPTS = \$5,978,567,315**

* 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.

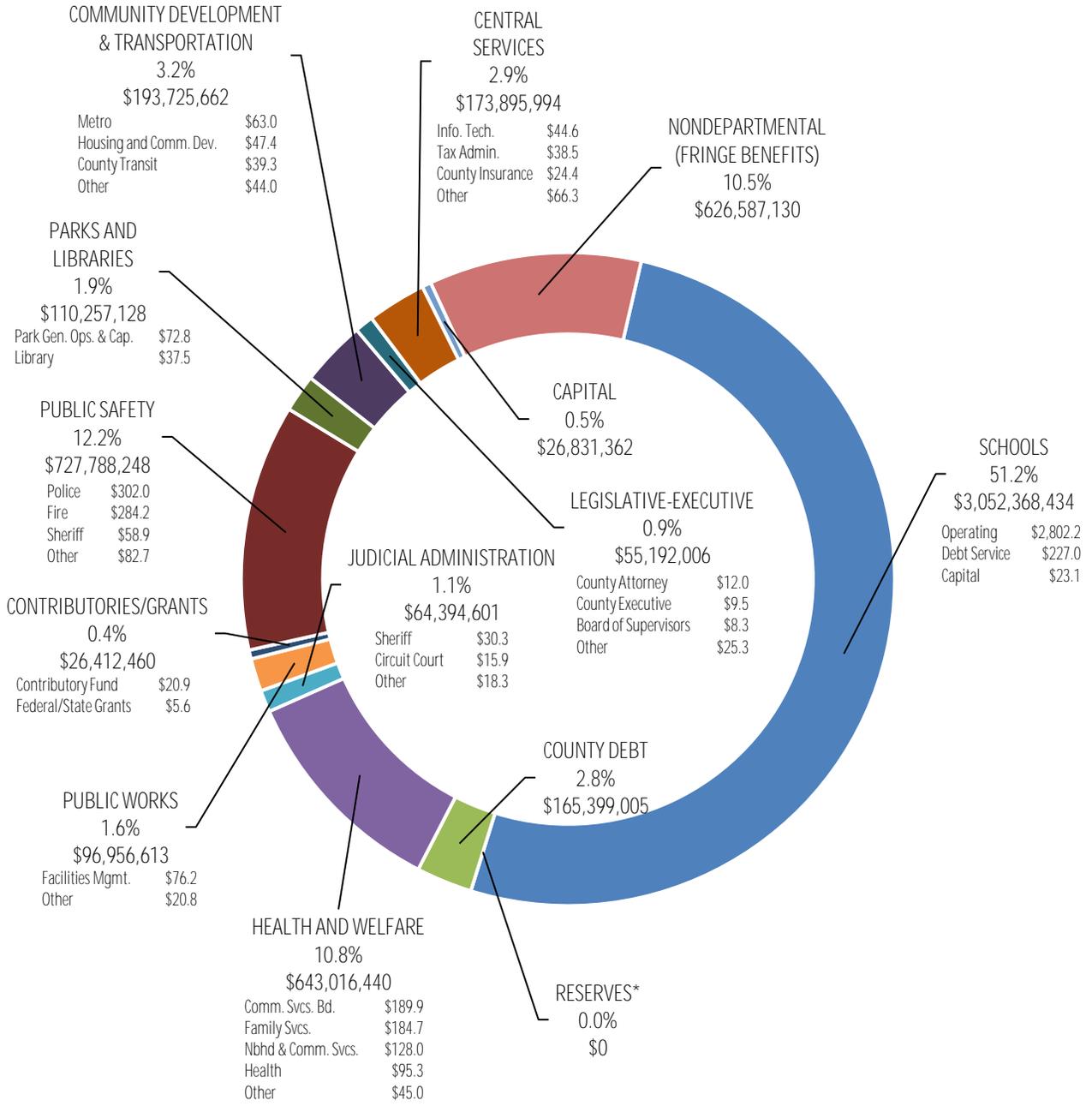
** Total County resources used to support the budget include the revenues shown here, as well as a beginning balance and transfers in from other funds.

FY 2027 ADVERTISED BUDGET PLAN

GENERAL FUND DISBURSEMENTS

"WHERE IT GOES"

(Subcategories in millions)



FY 2027 GENERAL FUND DISBURSEMENTS = \$5,962,825,083

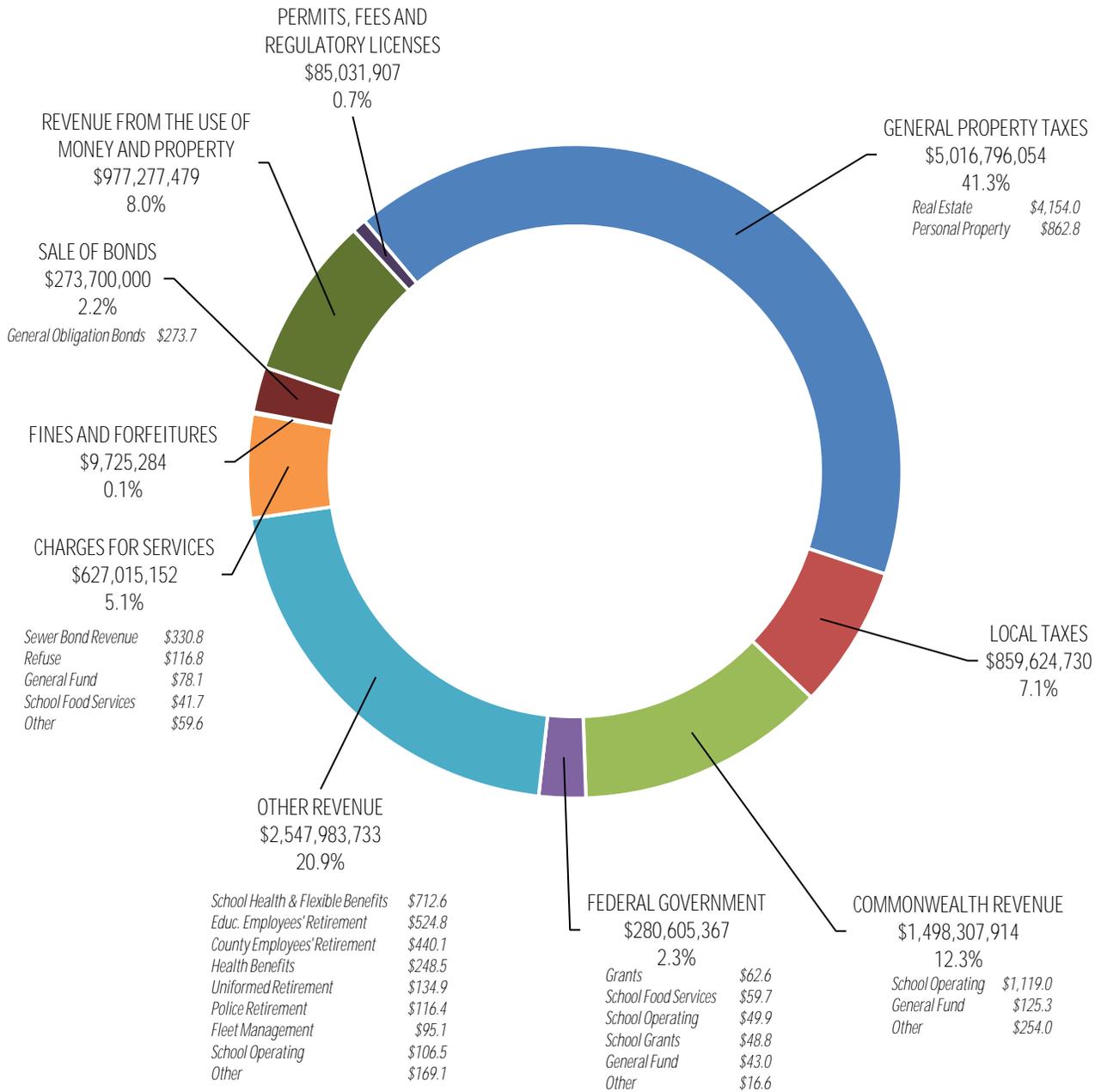
In addition to FY 2027 revenues, available balances and transfers in are also utilized to support disbursement requirements.

* 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 2027 ADVERTISED BUDGET PLAN

REVENUE ALL FUNDS

(subcategories in millions)

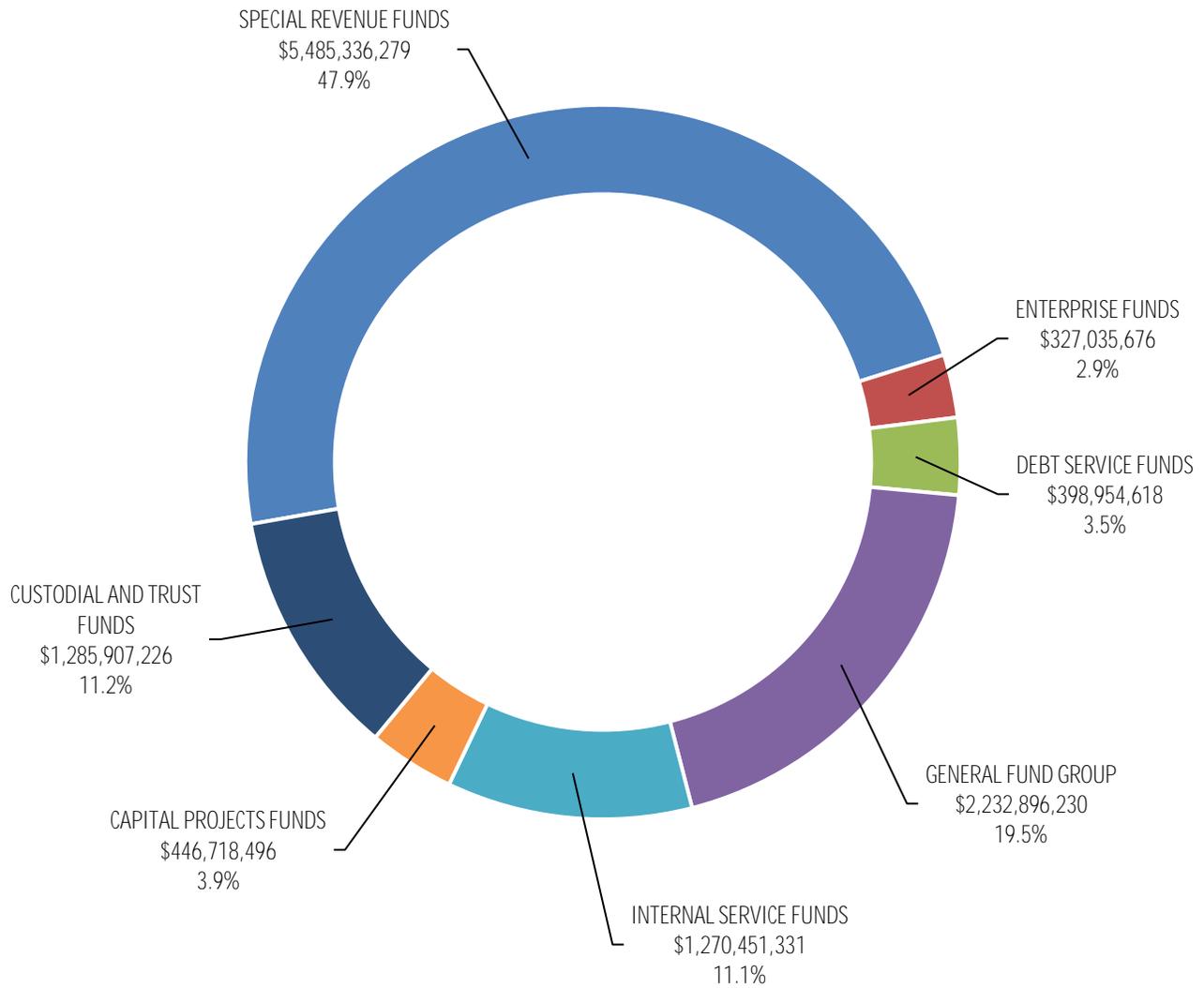


TOTAL REVENUE = \$12,176,067,620

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 2027 ADVERTISED BUDGET PLAN

EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = \$11,447,299,856