

## *Fiscal Year 2025 Budget Message to the Residents of Arlington County*

I am proud that we continue our tradition of balancing the budget in a measured and fiscally sustainable way. We are able to continue funding core services while beginning new investments in emerging needs including mental health, support for teens, and environmental sustainability.

We have utilized a balance of the following fiscal tools for this budget:

- **Operational efficiencies & review of service levels** – each year, we review our current services to see if we can do things more efficiently or differently and if the community’s priorities have changed. This year’s budget includes nearly \$9.7 million in reductions, including 30 positions, both filled and vacant.
- **Prudent use of one-time funding** – this year was unusual in the amount of one-time funding that was available due in large part to the volatility in interest rates and requirements of how we hold financial reserves to account for that volatility. We utilized this one-time funding for primarily one-time expenditures including paying down debt associated with the Barcroft Apartments loan, additional capital investments and jump-starting pilot programs to meet some of the community’s needs.
- **Increase in tax rate** – for the first time since FY 2020, we increased the real estate tax rate. Given the impacts of inflation, demand for new services, and the commercial real estate outlook, we felt this increase was needed, especially after utilizing our other tools discussed above – like reducing services. The adopted real estate tax rate totals \$1.033 per \$100 of assessed value, which is partially offset by the move to a stormwater utility fee that reduced the tax rate by 1.7 cents.

I am also proud of the significant investments this budget makes in **Arlington Public Schools** – over \$30.4 million in additional ongoing funding, a 5.1% increase from last year.

I encourage all to learn more about this year’s [budget](#).

What follows is a summary of the major investments in the adopted FY 2025 Budget.

### **Investments**

**Housing Support:** The FY 2025 budget includes a historic \$113 million for housing programs with an emphasis on stabilizing housing for households in need including:

- \$15.1 million for the County’s Housing Grant Program which includes a new pilot housing grants category for youth aging out of foster care and additional staffing;
- \$5.7 million for Permanent Supportive Housing;
- \$4.3 million for Eviction Prevention plus additional staff positions to support the program;
- \$15 million to buy down debt for Barcroft Apartments and continued dedication of funding from the Columbia Pike TIF;
- \$26.6 million for Housing Choice Vouchers; and

- \$21.5 million for the Affordable Housing Investment Fund (AHIF) including \$1 million in one-time funding for affordable units at 30% of area median income.

**Teens and Youth:** FY 2024 and FY 2025 funding totals \$4.3 million for intervention, prevention, and education efforts to address teen mental health and substance use:

- Dedicated case management for teens experiencing mental health and substance use challenges,
- Expansion of out-of-school teen programming, and
- New digital and in-person outreach strategies to share programming and resources with teens and families.

The budget also adds a Youth Programming Manager and extends the youth programming pilots for up to 2 years, allocates money to convert the Arlington Mill computer lab to a teen media lab as well as teen spaces at Central and Westover Libraries, and funds an after-school programs pilot with Arlington Public Schools (APS). This funding is in addition to existing youth programs in APS, Department of Parks & Recreation, Department of Human Services, Juvenile and Domestic Relations Court, and other County departments.

**Environment:** Significant investments in combating climate change and furthering our goals for energy resiliency include:

- \$3.5 million for the Climate Action Fund to continue conversion to LEDs, facility electrification, and a building energy pilot for low-income residents,
- An additional \$1.0 million for tree maintenance to support a 5-year maintenance cycle instead of the current 17.7-year cycle,
- \$300,000 to proactively address emerging invasive threats to Arlington County natural lands,
- \$240,000 for the Tree Canopy Fund,
- Funding for electric vehicles to reach 61% of the non-public safety sedan fleet and expansion of electric vehicle chargers, and
- Expansion of nature center hours to include collaborative programming with our schools.

**County Workforce:** Workforce investments in the adopted budget include salary increases and an increase in family leave benefits for current County staff. To assist with recruitment efforts, the budget includes a student loan supplement bonus for general employees hired after January 1, 2025.

**Schools:** The FY 2025 transfer to Arlington Public Schools (APS) from the County is \$639.7 million. This is \$624.8 million in ongoing funds—an increase of \$30.4 million (or 5.1%) over FY 2024—and \$14.9 million in one-time funding.

### **Budget Guidance**

In adopting the budget, the County Board has also provided [guidance](#) to the County Manager that outlines the thought and intention behind the one-time money additions to critical areas of the FY 2025 budget. Budgets are values statements, and our budget direction outlines the thought and intention behind some of the items added to the Manager's already strong budget to further address crucial needs in the areas of:

- Community Well-being
  - Developing, coordinating, and supporting both new and existing programs across departments and with Arlington Public Schools;
  - Adding medical support to the jail for those incarcerated and continuing to support diversion services; and
  - Enhancing the RACE to rebuild trust and community NOFA.
- Climate and Energy Resilience: Accelerating actions related to Arlington’s climate and energy resilience over the next two years.
- Housing: Continuing our commitment to providing housing first and strengthening support of County housing programs and affordability goals.
- Economic Resiliency: Deepening investments in the County’s economic resilience strategies and initiatives including CMRI 2.0, support for small businesses, and strengthening our neighborhood partnerships.
- Workforce Investment: Supporting our existing workforce and implementing strategies to meet recruiting challenges.
- Transitions for eliminated programs: Funding is provided to allow alternative services to be developed or identified for the Behavioral Intervention Services and Personal Training Programs.
- Vision Zero: Expansion of red-light and speed cameras as well as street safety improvement projects.
- Historic Resources: One-time funding for additional historic interpretation and preservation support.

Finally, I want to express appreciation for my colleagues, staff, and the community. The work and input from all through work sessions, meetings with groups, emails, and countless other efforts have resulted in a budget that reflects our efforts to realize our values as a community. I am proud that this FY 2025 Adopted Budget demonstrates how the County works across departments and disciplines to meet our major challenges.

Sincerely,



Libby Garvey

Chair, Arlington County Board