



MULTI-YEAR FORECAST & FUTURE OUTLOOK

Consistent with the County's debt and financial policies, staff has prepared a multi-year financial forecast. This forecast is intended to help inform, and provide greater awareness to, the Board and the community of medium and long-term budget pressures as policy and service delivery choices are considered.

Since the end of the COVID-19 pandemic, the County has reduced its reliance on one-time funding to support the extraordinary social service needs in the community. Based on County Board guidance and financial best practices, the FY 2025 proposed budget reduces the one-time support to \$3 million with the remainder to be eliminated in FY 2026. Also, as part of the proposed FY 2025 budget, those needs that vary, such as housing grants and eviction prevention, have been funded fully with ongoing funds – recognizing the long-term nature of those needs.

A structurally balanced budget is critical as the County prepares and adapts to the changing economic environment with higher interest rates and uncertainty in the commercial office market. The County's continued investment in affordable housing and the support of residents that use it, mental health services, WMATA budget challenges, and employee compensation will require the County to balance its priorities in budgets in the coming years.

Two scenarios are considered in this forecast – (1) a best case with higher growth in real estate values and assuming the County's General Fund contribution for WMATA is capped at three percent annual growth and (2) a worst case with lower real estate value growth and assuming the County's WMATA subsidy is funded by additional one-time NVTA balances in FY 2026 followed by an increase in General Fund support to fully fund WMATA's projected subsidy levels in FY 2027 and beyond.

Both scenarios assume continuing the FY 2025 level of services into the future with inflationary growth factors; these scenarios do not include any additional service growth in areas such as human services, transportation, housing, or other service areas.

- The **best case** scenario shows anticipated budget gaps of \$10.6 million and \$12.6 million in FY 2026 and FY 2027, with a range of a \$6.2 to a \$13.3 million gap in the out years.
- The **worst case** scenario shows a budget gap of \$16.9 million in FY 2026 with the budget supported by to the utilization of NVTA balances to support the County's WMATA subsidy in that year. Beyond FY 2026, the worst case scenario shows a gap of \$62.5 million in FY 2027 growing to \$117.9 million in FY 2030.

However, the County is required to adopt a balanced budget annually, so any projected shortfalls would be eliminated through a combination of expenditure and service reductions, revenue increases (either increased taxes or fees), or a combination of the two. The County is constrained in its revenue growth by restrictions in its ability to increase taxes and fees.

Revenue

The significant volatility of revenues following the disruption of the COVID-19 pandemic is abating; more stable revenue growth is being projected for FY 2025. Most major taxes have

recovered to pre-pandemic levels or exceeded it. While insulated from some national pressures, Arlington is not immune from the influences of higher interest rates and impacts of economic and telework change in the commercial office market.

While Arlington remains a convenient hub that continues to attract new global headquarters, the overall office market has struggled with high vacancy rates as the demand for office space has shifted after the pandemic. Existing office property values decreased by double digits over 2023, reflecting the aging of most of the office inventory in the County, which makes it difficult to attract new tenants or convert to alternative uses. The delivery of several new developments (including Met Park) helped offset some of the decrease, but the overall outlook remains uncertain due to this flight to quality. A significant increase in apartment property values helped stabilize total commercial values for FY 2025, but if office values continue to decrease over the next few years, the tax burden will continue shifting more towards residential properties impacting the amount of funding available for vital County services.

The worst case scenario forecast assumes a slightly lower growth rate (ranging from 1.5% in FY 2026 and FY 2027 up to 2% in the out years) for real property assessments than the last ten-to-fifteen-year average. In the best case scenario, real property values are growing slightly higher than that average at 4.0% in FY 2026 and FY 2027 but slowing to 3.0% to 3.5% in the out years.

In both scenarios, other tax growth is assumed to increase from 1% to 4% depending on the source, with stronger growth assumed for the BPOL tax and more gradual growth for the consumer taxes.

Most major tax revenues have fully recovered from the economic impacts of the pandemic, so the exponential growth observed over the last few years is expected to level off over the next few years as prices and other economic indicators stabilize. The recovery for non-tax revenues, such as fines and parking meters, has largely lagged behind that of tax revenues but many non-tax revenues are now starting to reach pre-pandemic levels. Certain non-tax revenues such as federal pandemic relief (e.g., ARPA, FEMA) and interest income helped offset the delayed recovery but are not ongoing; future budgets will depend on growth in ongoing non-tax revenue sources to help keep up with the pace of expenditure growth.

Expenditures

On the expenditure side, the forecast assumes that the County will continue our commitments to our workforce, address the core needs of our growing population, and maintain support for our schools in line with the revenue sharing agreement.

Along with these normal budget pressures, FY 2026 and beyond will also require funding for any continued inflationary pressures/demands for human service and housing programs, and other priorities. Any changes in service levels to fund priority areas will be considered in each year's budget process.

Investments in our workforce: Maintaining our competitiveness will be essential to continuing the County's effort to retain a high-quality workforce and recruit talented employees. Each year, compensation and benefits will be evaluated to determine how we continue to be competitive and realize our Total Compensation Philosophy while fulfilling the

commitments of the collective bargaining agreements. Both forecasts assume that the overall budget for salaries will increase 3% on an annual basis, with a range of salary increases occurring on anniversary dates for individual employees.

Housing Affordability: Affordable housing remains one of our community's biggest challenges. With increasing housing demands, housing supply shortfalls, and rising housing costs, the County must pursue solutions that are multifaceted—balancing support for individuals in need with efforts to increase supply. Please see the Housing Affordability section in the County Manager's message for more details.

Human Services: The lingering impacts of COVID on housing security and other safety net services continues with growth in caseloads and complicated by the state and federal mandates associated with unwinding COVID eligibility criteria. Additionally, the impact of the mental health and substance use crisis has been significant. The County has added additional funding in FY 2024 and FY 2025 for growth in housing grants and eviction prevention as well as new programs for mental health including MOST, the CIC, and a number of new and augmented programs for youth. Where possible, the County has utilized state and federal funding to pay for some of the new programs like MOST although it is unclear whether this funding will continue. The multi-year forecast does not reflect any new investments as we monitor efficacy of these programs, the availability of state and federal funds, and the longer-term implementation of projects such as the proposed VHC wellness facility and regional opioid treatment facilities.

Metro: The Metro General Manager provided his FY 2025 proposed budget in December 2023. The WMATA operating budget totals \$1.8 billion, while the capital budget totals \$2.6 billion. The operating budget is funded primarily from passenger fares and other revenues, with the balance paid by the local funding jurisdictions. Federal funding that has been included as a one-time funding source to offset revenue and expenditure impacts since the COVID-19 pandemic has been reduced significantly in FY 2025 as the final \$90 million of funding will be utilized; Arlington's share of the local jurisdictional operating subsidy, net of revenues, is approximately seven percent of the regional total.

The WMATA Proposed FY 2025 budget was constrained based on available jurisdictional funding being capped at three percent annual growth. The proposed budget closed a \$664 million funding gap through 1) severe cuts to rail, bus, and paratransit service, 2) fare increases, and 3) the capitalization of some preventative maintenance expenditures. Subsequent to the release of the proposed budget, the region continued to work towards identifying additional funding to mitigate much of the planned service cuts and some of the capitalization of preventative maintenance. It is now expected that \$480 million of additional jurisdictional funding will be provided to WMATA in FY 2025. Of this amount, \$130 million will come from Virginia jurisdictions.

The Commonwealth has included \$65 million of additional funding for WMATA in its two-year budget, equal to fifty percent of Virginia's share of the additional jurisdictional funding in FY 2025. In FY 2026, the Commonwealth has also included \$84.5 million of additional funding, equal to fifty percent of the projected gap for Virginia jurisdictions.

The County assumes the FY 2025 WMATA budget will be finalized using the \$480 million of additional jurisdictional funding. Arlington's estimated share of this additional amount is approximately \$36.8 million. The Commonwealth's fifty percent match will provide \$18.4

million, leaving the remaining \$18.4 million to be funded by Arlington. The County will not need to increase general fund support and will instead utilize available state transit aid balances on hand in its trust fund at the Northern Virginia Transportation Commission (NVTC) that have been specifically reserved in anticipation of this funding gap. In FY 2026, the County is again anticipating that it will have sufficient state transit aid balances available to meet its share of the projected FY 2026 gap, allowing general fund support for WMATA to only increase by three percent.

The Commonwealth has not included any funding beyond FY 2026 to support the ongoing gap funding of WMATA. The forecast includes two scenarios based on two potential paths forward. In the lower scenario, the County will continue its general fund support at a sustained three percent annual increase. In FY 2027, this represents an approximately \$30 million reduction in the County's estimated FY 2027 contribution of \$147 million. That funding gap increases to \$50 - \$60 million in the out-years of the forecast. The high scenario assumes that the County's projected jurisdictional subsidies in FY 2027 and beyond will instead be fully funded by increasing general fund support to meet the need. This results in a \$32 million increase in General Fund support in FY 2027, a \$21 million increase in FY 2028, followed by increases of \$3 million to \$5 million annually.

Debt: Debt service as forecasted in the FY 2025 budget is expected to increase at a moderate level over the next few fiscal years. This is due to several large, planned projects in the County's Adopted FY 2023 – FY 2032 Capital Improvement Plan (CIP) such as a new fire station at the west end of Columbia Pike, replacement of the Columbia Pike library, and improvements to Gateway Park in Rosslyn. These are in addition to existing debt service for capital commitments for parks and facilities maintenance capital, Metro, paving, Lubber Run Community Center, Long Bridge Aquatics and Fitness Center, Jennie Dean Park, and Fire Station 8.

Operating Impact of New Facilities: Both forecast scenarios include funding for the operating costs of capital projects as they come online including the transition of some technology costs from a capital funding model to operating. In the near-term, this includes full-year impacts of Fire Station 8 and the ART operations and maintenance facility. In addition, both scenarios assume that the County will transition from supporting the operations of the Long Bridge Aquatics Center from the Boeing donation funds to County support during FY 2027. The adopted CIP includes proposed new investments referenced earlier, including a new fire station and new libraries. The operating costs associated with these new facilities are not yet factored into this forecast given the anticipated construction timing.

Long-Term Plans: The County has in place a number of long-term plans, ranging from the Affordable Housing Master Plan to the Forestry and Natural Resources Plan to the Master Transportation Plan to the Community Energy Plan. Most of these plans are incorporated into the Comprehensive Plan, which will be updated over the next 1-2 years. Over the last year, the County has undertaken several new plans, including Plan Langston Boulevard, the Transit Strategic Plan, the Historic and Cultural Resources Plan, and the Housing Grants study. Given that these plans are multi-year in nature, with most assumed to be implemented over many years, and in some cases decades, the anticipated costs are not reflected in this multi-year forecast but are considered and evaluated during every budget and CIP cycle.

Arlington Public Schools (APS): The estimates shown for the Schools transfer reflect the current revenue-sharing percentage (46.8 percent of local taxes) as outlined in the Revenue Sharing Principles adopted by the County Board and School Board in January 2015; this percentage may change based on budget deliberations. Continued collaboration with APS could yield efficiency, better service delivery, and savings for both the County and APS.

As the County's financial position changes, there will continue to be measured and strategic investments that meet the needs of our community.

Multi-Year Financial Forecast: Best Case

REVENUE	Adopted		Proposed		Forecast		Forecast		Forecast		Forecast	
	FY 2024	% chg	FY 2025	% chg	FY 2026	% chg	FY 2027	% chg	FY 2028	% chg	FY 2029	% chg
Real Estate	890,579,760	3.6%	926,568,290	4.0%	955,097,966	3.1%	993,502,737	4.0%	1,030,882,229	3.8%	1,067,128,112	3.5%
Less Crystal City TIF Real Estate	(4,379,860)	-4.8%	(6,506,510)	48.6%	(7,056,310)	8.4%	(7,536,470)	6.8%	(8,023,840)	6.5%	(8,601,570)	7.2%
Less Columbia Pike TIF Real Estate	(1,737,840)	19.6%	(2,344,230)	34.9%	(2,521,540)	7.6%	(2,521,540)	0.0%	(2,676,400)	6.1%	(3,019,910)	12.8%
Less Ballston Quarter TIF Real Estate	(1,470,760)	14.0%	(1,725,620)	17.3%	(1,822,550)	5.6%	(1,865,730)	2.4%	(1,909,560)	2.3%	(1,961,510)	2.7%
Personal Property	142,730,733	7.6%	146,802,147	2.9%	149,112,147	1.6%	151,472,147	1.6%	153,872,147	1.6%	156,322,147	1.6%
BPOL	83,280,000	6.8%	86,552,100	3.9%	90,014,184	4.0%	93,614,751	4.0%	97,359,341	4.0%	101,253,715	4.0%
Sales*	52,800,000	14.8%	57,700,000	9.3%	60,010,000	3.0%	62,410,000	3.0%	63,660,000	2.0%	64,930,000	2.0%
Meals*	45,000,000	15.4%	50,500,000	12.2%	52,520,000	3.0%	54,620,000	3.0%	55,710,000	2.0%	56,820,000	2.0%
TOT	22,000,000	33.3%	26,000,000	18.2%	27,040,000	4.0%	27,580,000	2.0%	28,130,000	2.0%	28,690,000	2.0%
Other Taxes	42,363,000	-5.1%	43,637,000	3.0%	44,070,000	1.0%	44,510,000	1.0%	44,960,000	1.0%	45,410,000	1.0%
SUBTOTAL: TAXES	1,271,165,033	5.1%	1,327,183,177	4.4%	1,366,463,897	3.0%	1,415,785,896	3.6%	1,461,963,917	3.3%	1,506,970,985	3.1%
State	89,847,550	4.1%	95,467,803	6.3%	96,422,481	1.0%	97,386,706	1.0%	98,360,573	1.0%	99,344,179	1.0%
Federal	23,123,142	-33.7%	18,681,302	-19.2%	18,681,302	-	18,681,302	-	18,681,302	-	18,681,302	-
Other Revenue	113,132,172	7.0%	125,572,344	11.0%	126,828,067	1.0%	126,380,290	-0.4%	127,072,074	0.5%	128,342,795	1.0%
SUBTOTAL: OTHER	226,102,864	-0.4%	239,721,449	6.0%	241,931,850	0.9%	242,448,298	0.2%	244,113,949	0.7%	246,368,275	0.9%
CARRYOVER FUNDS - General	54,363,090	-13.7%	58,356,324	7.3%	3,558,319	-93.9%	3,305,808	-7.1%	3,382,305	2.3%	3,000,000	-11.3%
TOTAL REVENUE	1,551,630,987	3.5%	1,625,260,950	4.7%	1,611,954,066	-0.8%	1,661,540,002	3.1%	1,709,460,171	2.9%	1,756,339,260	2.7%

EXPENDITURES	Adopted		Proposed		Forecast		Forecast		Forecast		Forecast	
	FY 2024	% chg	FY 2025	% chg	FY 2026	% chg	FY 2027	% chg	FY 2028	% chg	FY 2029	% chg
Salaries	351,429,129	5.7%	358,306,503	2.0%	369,056,000	3.0%	380,128,000	3.0%	391,532,000	3.0%	403,278,000	3.0%
Benefits	158,461,031	19.9%	164,894,128	4.1%	168,830,443	2.4%	172,861,445	2.4%	176,989,427	2.4%	181,216,738	2.4%
Compensation one-time	8,966,400	-	1,717,815	-80.8%	-	-	-	-	-	-	-	-
SUBTOTAL: PERSONNEL	518,856,560	11.7%	524,918,446	1.2%	537,886,443	2.5%	552,989,445	2.8%	568,521,427	2.8%	584,494,738	2.8%
Ongoing Operating Expenses	221,068,208	-2.1%	242,690,348	9.8%	247,933,709	2.2%	253,329,821	2.2%	258,883,177	2.2%	258,883,177	0.0%
One-time Operating Expenses	14,908,922	9.5%	8,453,100	-43.3%	-	-	-	-	-	-	-	-
Metro	47,842,394	2.6%	49,753,571	4.0%	51,246,178	3.0%	52,783,563	3.0%	54,367,070	3.0%	55,998,082	3.0%
Contingents (General & CM)	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-
Economic Development Grants	1,500,000	-	1,500,000	-	1,500,000	-	1,500,000	-	1,500,000	-	1,200,000	-20.0%
One-time Economic Development Grants	528,730	-42.3%	682,819	29.1%	558,319	-18.2%	305,808	-45.2%	382,305	25.0%	-	-100.0%
Ongoing AHIF	9,673,250	8.7%	9,673,250	-	9,673,250	-	9,673,250	-	9,673,250	-	9,673,250	-
One-time AHIF**	4,815,004	-47.6%	25,000,000	419.2%	-	-	-	-	-	-	-	-
Regionals	7,669,143	3.7%	8,034,057	4.8%	8,034,057	-	8,034,057	-	8,034,057	-	8,034,057	-
Ongoing Capital	6,000,000	48.1%	6,000,000	-	6,000,000	-	6,000,000	-	6,000,000	-	6,000,000	-
One-time Capital	5,000,000	-20.0%	9,800,000	96.0%	-	-	-	-	-	-	-	-
Debt	79,531,024	3.1%	84,647,699	6.4%	92,131,231	8.8%	97,505,567	5.8%	97,116,342	-0.4%	102,947,230	6.0%
Debt Service for Short-term Finance	8,767,920	5.0%	9,206,316	5.0%	9,482,505	3.0%	9,766,981	3.0%	10,059,990	3.0%	10,361,790	3.0%
OPEB	14,100,000	-14.5%	14,100,000	-	14,100,000	-	14,100,000	-	14,100,000	-	14,100,000	-
SUBTOTAL: NONPERSONNEL	423,404,595	-4.7%	471,541,160	11.4%	442,659,250	-6.1%	454,999,047	2.8%	462,116,191	1.6%	469,197,585	1.5%
Schools Ongoing (based on 46.8% of tax revenue)	594,385,235	4.6%	621,121,727	4.5%	639,505,104	3.0%	662,587,799	3.6%	684,199,113	3.3%	705,262,421	3.1%
Schools One-time	13,841,500	0.0%	5,405,540	-60.9%	-	-	-	-	-	-	-	-
Transfers to Other Funds	1,143,097	3.9%	933,097	-18.4%	933,097	-	933,097	-	933,097	-	933,097	-
Operating Impact from CIP***	-	-	-	-	1,600,000	-	2,600,000	62.5%	2,633,000	1.3%	2,670,000	1.4%
TOTAL EXPENSES	1,551,630,987	3.5%	1,623,919,970	4.7%	1,622,583,893	-0.1%	1,674,109,388	3.2%	1,718,402,828	2.6%	1,762,557,841	2.6%

Shortfall/Surplus \$ (millions)	Adopted FY 2024	Proposed FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
Revenue	1,551,630,987	1,625,260,950	1,611,954,066	1,661,540,002	1,709,460,171	1,756,339,260
Expenditures	1,551,630,987	1,623,919,970	1,622,583,893	1,674,109,388	1,718,402,828	1,762,557,841
Annual Deficit/Surplus [†]	-	1,340,980	(10,629,827)	(12,569,387)	(8,942,657)	(6,218,581)

*Sales and meals tax estimates in years FY 2024 through FY 2029 include growth attributable to the Ballston Quarter development and are net of contributions to the Ballston Quarter TIF.

**AHIF one-time includes the proposed \$15 million for Barcroft debt principal payment.

***The operating impact from the CIP is an estimate of future year operating costs including new facilities coming online and the transition of technology from capital to operating expenses.

†Arlington County is required to adopt a balanced budget each year. Deficits that appear in out-years will be reduced by the actions taken to balance the prior year.

Multi-Year Financial Forecast: Worst Case

REVENUE	Adopted		Proposed		Forecast		Forecast		Forecast		Forecast	
	FY 2024	% chg	FY 2025	% chg	FY 2026	% chg	FY 2027	% chg	FY 2028	% chg	FY 2029	% chg
Real Estate	890,579,760	3.6%	926,568,290	4.0%	943,333,694	1.8%	957,565,660	1.5%	971,991,847	1.5%	989,096,762	1.8%
Less Crystal City TIF Real Estate	(4,379,860)	-4.8%	(6,506,510)	48.6%	(7,056,310)	8.4%	(7,536,470)	6.8%	(8,023,840)	6.5%	(8,601,570)	7.2%
Less Columbia Pike TIF Real Estate	(1,737,840)	19.6%	(2,344,230)	34.9%	(2,521,540)	7.6%	(2,676,400)	6.1%	(2,833,580)	5.9%	(3,019,910)	6.6%
Less Ballston Quarter TIF Real Estate	(1,470,760)	14.0%	(1,725,620)	17.3%	(1,822,550)	5.6%	(1,865,730)	2.4%	(1,909,560)	2.3%	(1,961,510)	2.7%
Personal Property	142,730,733	7.6%	146,802,147	2.9%	149,112,147	1.6%	151,472,147	1.6%	153,872,147	1.6%	156,322,147	1.6%
BPOL	83,280,000	6.8%	86,552,100	3.9%	90,014,184	4.0%	93,614,751	4.0%	97,359,341	4.0%	101,253,715	4.0%
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SUBTOTAL: TAXES	1,271,165,033	5.1%	1,327,183,177	4.4%	1,354,699,625	2.1%	1,379,693,959	1.8%	1,402,916,355	1.7%	1,428,939,634	1.9%
State	89,847,550	4.1%	95,467,803	6.3%	96,422,481	1.0%	97,386,706	1.0%	98,360,573	1.0%	99,344,179	1.0%
Federal	23,123,142	-33.7%	18,681,302	-19.2%	18,681,302	-	18,681,302	-	18,681,302	-	18,681,302	-
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TOTAL REVENUE	1,551,630,987	3.5%	1,625,260,950	4.7%	1,600,189,794	-1.5%	1,625,448,065	1.6%	1,650,412,609	1.5%	1,678,307,910	1.7%

EXPENDITURES	Adopted		Proposed		Forecast		Forecast		Forecast		Forecast	
	FY 2024	% chg	FY 2025	% chg	FY 2026	% chg	FY 2027	% chg	FY 2028	% chg	FY 2029	% chg
Salaries	351,429,129	5.7%	358,306,503	2.0%	369,056,000	3.0%	380,128,000	3.0%	391,532,000	3.0%	403,278,000	3.0%
Benefits	158,461,031	19.9%	164,894,128	4.1%	168,830,443	2.4%	172,861,445	2.4%	176,989,427	2.4%	181,216,738	2.4%
Compensation one-time	8,966,400	-	1,717,815	-80.8%	-	-	-	-	-	-	-	-
SUBTOTAL: PERSONNEL	518,856,560	11.7%	524,918,446	1.2%	537,886,443	2.5%	552,989,445	2.8%	568,521,427	2.8%	584,494,738	2.8%
Ongoing Operating Expenses	221,068,208	-2.1%	242,690,348	9.8%	247,933,709	2.2%	253,329,821	2.2%	258,883,177	2.2%	258,883,177	0.0%
One-time Operating Expenses	14,908,922	9.5%	8,453,100	-43.3%	-	-	-	-	-	-	-	-
Metro	47,842,394	2.6%	49,753,571	4.0%	51,246,178	3.0%	83,547,752	63.0%	104,527,453	25.1%	107,811,510	3.1%
Contingents (General & CM)	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-	2,000,000	-
Economic Development Grants	1,500,000	-	1,500,000	-	1,500,000	-	1,500,000	-	1,500,000	-	1,200,000	-20.0%
One-time Economic Development Grants	528,730	-42.3%	682,819	29.1%	558,319	-18.2%	305,808	-45.2%	382,305	25.0%	-	-100.0%
Ongoing AHIF	9,673,250	8.7%	9,673,250	-	9,673,250	-	9,673,250	-	9,673,250	-	9,673,250	-
One-time AHIF**	4,815,004	-47.6%	25,000,000	419.2%	-	-	-	-	-	-	-	-
Regionals	7,669,143	3.7%	8,034,057	4.8%	8,034,057	-	8,034,057	-	8,034,057	-	8,034,057	-
Ongoing Capital	6,000,000	48.1%	6,000,000	-	6,000,000	-	6,000,000	-	6,000,000	-	6,000,000	-
One-time Capital	5,000,000	-20.0%	9,800,000	96.0%	-	-	-	-	-	-	-	-
Debt	79,531,024	3.1%	84,647,699	6.4%	92,131,231	8.8%	97,505,567	5.8%	97,116,342	-0.4%	102,947,230	6.0%
Debt Service for Short-term Finance	8,767,920	5.0%	9,206,316	5.0%	9,482,505	3.0%	9,766,981	3.0%	10,059,990	3.0%	10,361,790	3.0%
OPEB	14,100,000	-14.5%	14,100,000	-	14,100,000	-	14,100,000	-	14,100,000	-	14,100,000	-
SUBTOTAL: NONPERSONNEL	423,404,595	-4.7%	471,541,160	11.4%	442,659,250	-6.1%	485,763,236	9.7%	512,276,574	5.5%	521,011,013	1.7%
Schools Ongoing (based on 46.8% of tax revenue)	594,385,235	4.6%	621,121,727	4.5%	633,999,424	2.1%	645,696,773	1.8%	656,564,854	1.7%	668,743,749	1.9%
Schools One-time	13,841,500	0.0%	5,405,540	-60.9%	-	-	-	-	-	-	-	-
Transfers to Other Funds	1,143,097	3.9%	933,097	-18.4%	933,097	-	933,097	-	933,097	-	933,097	-
Operating Impact from CIP***	-	-	-	-	1,600,000	#DIV/0!	2,600,000	62.5%	2,633,000	1.3%	2,670,000	1.4%
TOTAL EXPENSES	1,551,630,987	3.5%	1,623,919,970	4.7%	1,617,078,214	-0.4%	1,687,982,551	4.4%	1,740,928,952	3.1%	1,777,852,597	2.1%

Shortfall/Surplus \$ (millions)	Adopted FY 2024	Proposed FY 2025	Forecast FY 2026	Forecast FY 2027	Forecast FY 2028	Forecast FY 2029
Revenue	1,551,630,987	1,625,260,950	1,600,189,794	1,625,448,065	1,650,412,609	1,678,307,910
Expenditures	1,551,630,987	1,623,919,970	1,617,078,214	1,687,982,551	1,740,928,952	1,777,852,597
Annual Deficit/Surplus+	-	1,340,980	(16,888,420)	(62,534,486)	(90,516,343)	(99,544,688)

*Sales and meals tax estimates in years FY 2024 through FY 2029 include growth attributable to the Ballston Quarter development and are net of contributions to the Ballston Quarter TIF.

**AHIF one-time includes the proposed \$15 million for Barcroft debt principal payment.

***The operating impact from the CIP is an estimate of future year operating costs including new facilities coming online and the transition of technology from capital to operating expenses.

*Arlington County is required to adopt a balanced budget each year. Deficits that appear in out-years will be reduced by the actions taken to balance the prior year.