



Fiscal Affairs Advisory Commission  
FY2026 Proposed Budget

**FAAC Report**

The Fiscal Affairs Advisory Commission (FAAC) appreciates the opportunity to provide input to the Arlington County Board regarding the Manager's proposed FY2026 budget. The Commission focused on four themes in reviewing this budget, dividing into subcommittees to perform the initial review of one theme, as set out below. The Commission then met three times during the budget season, on March 11, 12 and 27, to discuss the proposed budget.

Budget Theme	FAAC Subcommittee
Safety Net: Ability of the County to take care of neighbors in need (including kids)	Tony Weaver & Melissa Adelman
Flexibility	Claire Noakes & Scott Pedowitz
Investment in the Future	Gillian Burgess & Kris Brown
Core Services	Thelma Asky & Lauren Harris

Due to the compressed timeline of this budget season and unexpected illnesses, the Commission did not vote on official recommendations for this proposed budget. Instead, I am providing this Chair's Report summarizing our discussion.

**Budget Items that FAAC Supported Changing from the Manager's Proposal**

1. **Support for Libraries:** Consistent with the discussion during the Board worksession on the Libraries proposed budget, the Commission discussed the important role of libraries in our community as community cathedrals and as foundations of our democracy. In these times when the general economic picture is uncertain and many in our community face specific challenging circumstances, the library's resources serve an invaluable role. Thus, there was significant support in the Commission for **increasing one-time funding for Libraries collections**
  - a. To offset this one-time spending, there was significant support within the Commission for **not providing one-time funding for the redesign of the playground of Cherrydale Park (\$500K)**, in line with the recommendation of the Parks Commission that the County instead engage the community on the best use of and appropriate investment in this space.



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2. **Access Long Bridge Aquatic Center**: Commissioners expressed concern that significant County support is going to this facility that is not accessible by public transportation and might not be accessible to economically vulnerable Arlingtonians. The Commission was generally supportive of the proposal to begin increasing the net tax support of Long Bridge Aquatic Center to “stretch” the Boeing Funding into future fiscal years. However, the Commission sees an opportunity to **use more of the Boeing funding for the next few fiscal years to free up General Fund monies to fund a pilot to provide transit access to Long Bridge Aquatic Center**. That pilot could be a shuttle or microtransit and should include data collection and examination of the demographics of who is using the Aquatic Center, how they get there, and what barriers exist for access, which may include fee structure.
3. **Public Safety Compensation**: Commissioners understand why the Manager’s proposed budget includes significantly larger compensation increases for Police and Fire than for Sheriff, but many are concerned that this disparity could lead to poor morale and increased attrition in the Sheriff’s office. This is troublesome and could have negative budgetary implications, as their work must be covered by overtime. Commissioners were **supportive of increasing compensation for uniformed employees in the Sheriff’s Office**. The \$1.5 million of unallocated one-time funding in the proposal could be used to this end, though we recognize such use would necessarily be a bonus payment and not a raise.
4. **Principal Planner in CPHD**: Commissioners share the concerns expressed by the Planning Commission that eliminating a principal planner position in CPHD could further delay the permitting process, leading to more time with decreased commercial real estate tax revenue. Some Commissioners were **supportive of restoring this position if an on-going funding source could be identified**.

**Other Items Discussed by the Commission**

5. **Proposed Increase in the Meals Tax Rate**: Commissioners had differing views on the proposed increase in the meals tax rate:
  - a. On the one hand, some Commissioners supported increasing the meals tax rate over the real estate tax rate because paying the tax is essentially a choice and one that those impacted by negative economic conditions can generally avoid. Additionally, the meals tax is paid by many people who do not live in Arlington.
  - b. On the other hand, some Commissioners raised concerned about raising any tax



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rate during economic uncertainty. There was also a question of what impact an increased meal tax rate would have on restaurants' revenue and concern that an increased rate could burden small businesses and their employees. Restaurants are already facing labor shortages, supply chain disruptions, and higher costs of food, and are still operating in the long shadow of lost revenue during the COVID-19 pandemic. Raising the tax on dining out above that in DC, our restaurants' closest competitor, puts an extra burden on Arlington's restaurants.

6. **Advertised Increase in the Real Estate Tax Rate:** Commissioners were supportive of not increasing the real estate tax rate in addition to the proposed increase in the meals tax rate.
  - a. Some Commissioners preferred to increase the real estate tax rate instead of the meals tax rate in order to share the burden more broadly among Arlingtonians, instead of concentrating the burden on restaurant owners, workers and patrons.
  - b. More Commissioners preferred to increase the meals tax rate instead of the real estate tax rate for the reasons noted above, and noting that the meals tax increase would raise significantly more revenue.
7. **Permitting-Related Fees:** The Commission discussed the proposed increases in permitting-related fees. Commissioners were generally supportive of calibrating fees to cover 100% of the costs of the permitting process. However, Commissioners were concerned about the total burden - in terms of both fees and time - of the permitting process. The Commission encourages CHPD to look for ways to streamline and "right-size" the process to ensure the process does not take longer or cost more than necessary.
8. **Increase in Economic Stabilization Reserve:** Commissioners were supportive of the proposed increase in the Economic Stabilization Reserve to allow flexibility in addressing current economic and policy uncertainties, as laid out in the County Manager's Message to the proposed budget. To that end, if any of the potential stresses outlined in that message come to pass, we urge the County to seriously consider using this Reserve to continue to provide necessary services, consistent with this budget. If the County would like to recalibrate the permanent funding of this Reserve to 2%, we should have that discussion separately.
9. **Consolidate CHPD Housing Information Center:** This was mentioned in passing in the "Illustrative Examples of Reductions in Place of Revenue Increase" and while we did not



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gather further information on this idea, we wonder whether there could be ways to improve service at a lower cost with consolidation of information.

10. **Reduce service on ART 43 (Crystal City to Courthouse)**: Commissioners noted discomfort with reducing transit service, particularly in this central corridor of the County. However, given the very difficult budget situation, Commissioners did not identify any cuts that could offset extending this service and were not supportive of increasing tax rates beyond what was proposed.

### Future Considerations

These themes arose in our discussions of the FY2025 Proposed Budget. The Commission is likely to follow up on these themes in future meetings.

- A. **Pilot programs**: The County has funded a number of pilot programs through past operating budgets, but for most of those programs, there is not a clear way to find the evaluation of the pilot. Some examples:
- a. **Youth & Teen Investment**: At FY2023 close out and again in the FY2025 operating budget, the County provided significant funding to address youth & teen mental health and substance abuse issues. No centralized information found.
  - b. **Housing Grants for Youth Aging Out of Foster Care**: Funded in FY2025, the FY2026 proposed budget says that this program has performance metrics posted online, but the linked site is not about this program.
  - c. **Green Valley Neighborhood Partnership Initiative Pilot**: Funded in FY2025, no further information found.
  - d. **Performance Parking Pilot**: Started in 2023, with a website showing information [here](#).
  - e. **Fare-Free Buses Pilots**: Programs to provide students and low income residents free transit bus fares began in 2022. The student program has now been folded into transit funding. A [website exists](#) describing these pilots, but with no updated information or analysis.
  - f. **eBikes in the Arlington County Fleet**: Funded in FY2024, no information found.
  - g. **ART Battery Electric Buses**: Funded in FY2025, these buses have yet to be delivered.
  - h. **Vision Zero Program Street Safety Improvement Pilot Projects**: Arlington has provided funding since FY2023 for pilot projects through the Vision Zero Program. Information on the performance of those pilots is [clearly presented to the public](#)



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and used to inform future investment.

- B. **Overengineering**: Commissioners noted that Arlington strives with many projects to deliver the best-in-class product or service, when Arlington could get more done at slightly less quality. Some examples:
- a. **Sidewalk projects**: Commissioners questioned whether Arlington would be better served to install more temporary spaces for people to walk in the street but protected from driving cars with barriers. This method would fill in gaps in the network of safe places to walk quickly and these locations could be converted to full sidewalks as funding allows.
  - b. **Stormwater fee credit program**: Commissioners discussed the onerous annual requirements for the stormwater fee credit program as another example where Arlington could scale back requirements, reducing burden on both residents and staff.
- C. **Efficient Use of Public Property**: Arlington County is continually expected to do more with fewer resources. To this end, Commissioners discussed whether we are using our public facilities efficiently and whether there are opportunities for partnerships to better utilize the spaces the County owns.