ARLINGTON
VIRGINIA

NON-DEPARTMENTAL BUDGET SUMMARY

Non-departmental accounts include County-wide costs for insurance premiums and claims (including workers' compensation), fringe benefits for retirees (health and life insurance premiums), miscellaneous expenses, County building rent, overhead charges to certain County agencies, and contingents held for future County Board actions, such as the Affordable Housing Investment Fund.

NON-DEPARTMENTAL FINANCIAL SUMMARY

	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	% Change '25 to '26
Insurance	$6,433,135	$5,700,000	$6,030,000	6%
Retiree Benefits/Health Plan Adjustment	19,231,391	14,890,000	13,875,000	-7%
Miscellaneous	24,922,188	30,151,256	27,826,632	-8%
Contingents	56,731,779	25,106,069	21,306,069	-15%
GASB*	(50,977)	-	-	-
Total Expenditures	$107,267,516	$75,847,325	$69,037,701	-9%

** Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.*

INSURANCE COSTS

The County's insurance portfolio is comprised of commercially purchased insurance and a program of fully funded self-insurance. Arlington County is a member of The Virginia Association of Counties Group Self-Insurance Risk Pool (VAcorp).

The self-insurance program provides coverage for general liability, auto liability, and Worker's Compensation. Nineteen policies of insurance are purchased to provide coverage for various risk exposures of Arlington County. These policies include excess umbrella coverage for auto and general liability, medical malpractice, comprehensive and collision coverage for Arlington County Fire Department (ACFD) vehicles and equipment, and other smaller miscellaneous policies.

- ↑ Insurance increases to align the budget with actual costs ($330,000).

The County also maintains a Self-Insurance Reserve ($7,139,000) and a General Fund Operating Reserve funded at five and one-half percent of General Fund expenditures. The County's Stabilization Reserve is proposed to increase from 1.3% ($21.5 million) to 2.0% ($33.0 million) of the General Fund Budget.

	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	% Change '25 to '26
Insurance Cost	$6,433,135	$5,700,000	$6,030,000	6%
Total Expenditures	$6,433,135	$5,700,000	$6,030,000	6%

RETIREE BENEFITS AND HEALTH PLAN ADJUSTMENTS

This account includes the employer's share of Virginia Line of Duty Act (LODA) costs, contributions to the trust fund for retiree benefits payments, and adjustments related to the employer's share of health plan expenses for general employees.

	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	% Change '25 to '26
Retirees' Health & Life Insurance	$711,518	$790,000	$875,000	11%
Other Post Employment Benefits (OPEB - trust)	16,000,000	14,100,000	13,000,000	-8%
Health Plan Adjustment	2,519,873	-	-	-
Total Expenditures	$19,231,391	$14,890,000	$13,875,000	-7%

- OPEB funding levels are based on the most recent actuarial study and ensure that the County is fully meeting its annual required contribution to the fund. The total funding for OPEB (current costs plus future liability) is $13 million in FY 2026.

MISCELLANEOUS EXPENSES

These County expenses include rent, overhead charge-backs to some County agencies, the cost of the County's annual external audit and other consulting fees, national and state association memberships (National League of Cities, National Association of Counties, Virginia Municipal League, and Virginia Association of Counties), and other miscellaneous expenses not allocated to County departments.

	FY 2024 Actual	FY 2025 Adopted	FY 2026 Proposed	% Change '25 to '26
Facility Rent and Operating Charges	$12,876,575	$12,872,835	$13,679,429	6%
Intra-County Charges	(451,568)	(469,209)	(479,241)	-
Consultants	1,645,462	6,701,314	2,191,444	-67%
Contracted Services	665,728	478,000	478,000	-
Memberships	163,068	214,000	194,000	-9%
Special Events	86,539	150,000	150,000	-
Mass Transit Credit	(359,321)	-	-	-
Employer of Choice	460,943	(1,602,000)	(1,987,000)	24%
Fuel, Fleet, & Utility Savings	-	(500,000)	(500,000)	-
Short-term Financing	6,363,758	9,206,316	11,000,000	19%
Bank Fees	752,844	700,000	700,000	-
IDA Debt Service on Ballston Skating Facility	2,718,160	2,400,000	2,400,000	-
Total Expenditures	$24,922,188	$30,151,256	$27,826,632	-8%

↓ Consultant expenses decrease primarily due to the removal of FY 2025 adopted one-time funding for the Climate Action Fund ($3.5 million one-time) and a DPR after school programs pilot with APS ($1.5 million one-time), the balance of which will be carried over into FY 2026 as well as removal of one-time funding for interdepartmental planning efforts ($400,000), funding for teen programming ($500,000), and funding for the Resiliency Notice of Funding Award (NOFA) ($110,000). These decreases are partially offset by the addition of proposed funding for the Climate Action Planning ($500,000 one-time) and Economic Development Tools and Incentives ($750,000 one-time).

- ↓ Employer of Choice program funding decreases primarily due to the removal of FY 2025 one-time funding for student loan supplements for new hires ($830,000 one-time) and a negative adjustment to the budget to reflect savings from holding positions vacant where the incumbent participated in the early retirement option ($750,000); the remaining budget is corporate credit for turnover (CFT) to account for the anticipated continued challenges of hiring throughout the organization. Specific departmental CFT is accounted for in each department; however, it is anticipated that additional budgetary personnel savings will be achieved throughout the fiscal year across the organization.
- ↑ Short-term Financing increases based on an inflationary adjustment for the financing of projects in the Pay-As-You-Go capital fund.
- ▪ The Ballston Skating Facility, the practice facility for the National Hockey League's Washington Capitals ice hockey team, which opened in November 2006, was financed with Industrial Development Authority (IDA) taxable revenue bonds. It is projected that lease payments to the IDA from the Capitals will be sufficient to pay the debt service on the bonds.

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The non-departmental accounts also hold the County Board's contingents. These contingents are appropriated funds established to cover unforeseen expense items, new projects initiated after a fiscal year has begun, or for a particular purpose (Affordable Housing Investment Fund).

In December 2021, the County Board provided a $150 million loan to support acquisition of the property by Jair Lynch Real Estate Partners. This County loan, in combination with a $160 million low-rate loan from the Amazon Housing Equity Fund, will support the preservation of all Barcroft apartments as affordable units. Beginning with the FY 2024 adopted budget, both existing balances and new revenue in the Columbia Pike TIF will be dedicated to this investment in Barcroft Apartments.

The FY 2026 proposed budget includes a total of $7 million dedicated to preserving the affordability of the Barcroft Apartments, of which $5 million is one-time General Fund funding for a payment towards principal, bringing the principal balance down to $115 million, and $2 million is ongoing Columbia Pike TIF funding to contribute to debt service. The remainder of the debt service will be paid out of AHIF funding.

The Affordable Housing Investment Fund (AHIF) for the FY 2026 proposed budget totals $12.3 million. This includes:

- $9.7 million of ongoing General Fund support;
- $2.0 million in one-time General Fund support; and
- $0.6 million in federal HOME monies budgeted in the Housing and Community Development Fund.

Source	Funding
General Fund Support - ongoing	$9,673,250
General Fund Support - one-time	2,000,000
Federal HOME (in Housing and Community Development Fund)	623,191
TOTAL	**$12,296,441**

The Economic Development Contingent increase in FY 2026 is based on projected payments for economic incentive grants. Economic incentives are used to attract businesses to Arlington to help reduce the office vacancy rate and spur investment in the Arlington community. The total funding for economic incentives is $2,632,819, including $1,132,819 in one-time funds and $1,500,000 in ongoing funding.

The Proposed Budget includes a $2.0 million County Manager's Contingent to address unforeseen needs which arise during the fiscal year.

The American Rescue Plan Act (ARPA) funding concluded in FY 2024. ARPA funding had been used to support critical programs throughout the COVID-19 pandemic including childcare needs, eviction prevention, housing needs, and a number of other human service and housing programs.

	FY 2024 Actual	FY 2025 Adopted	FY 026 Proposed	% Change '25 to '26
Affordable Housing Investment Fund (AHIF) [1]	$21,231,378	$20,673,250	$11,673,250	-44%
Barcroft Financing	30,000,000	-	5,000,000	-
Economic Development Contingent	2,552,434	2,432,819	2,632,819	8%
County Manager's Contingent	2,029,302	2,000,000	2,000,000	-
Countywide ARPA Programs/COVID Contingent	918,665	-	-	-
GASB[2]	(50,977)	-	-	-
Total Expenditures	$56,680,802	$25,106,069	$21,306,069	-15%

[1] The FY 2026 AHIF budget shown in the table reflects the General Fund portion only ($11.7 million). The remaining amount is budgeted in the Community Development Fund ($0.6 million).

[2] Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.