

County Manager's Proposed FY 2027 Budget

Debt Service

*County Board Work Session
April 10, 2026 | 1:00 p.m.*



FY 2027 Budget Highlights

	FY25 Actual	FY26 Adopted	FY27 Proposed	% Change 26 to '27
Principal	61,020,000	65,185,000	68,509,500	5%
Interest	35,572,861	41,366,275	40,638,869	(2%)
Other	9,411	125,000	125,000	-
Total Expenditures	96,602,272	106,676,275	109,273,369	2%
Less: Debt Service Supported by AHIF	(6,462,881)	(8,966,025)	(11,595,012)	29%
Less: Short-Term Finance Revenue Bonds	(5,654,375)	(9,515,250)	(7,941,250)	-17%
Total General Fund Supported Debt Service	84,485,016	88,195,000	89,737,107	2%

- FY 2027 General Fund debt service budget increases by \$3.0 million to \$91.2 million.
 - AHIF debt service increases \$2.6 million due to principal repayment beginning on the Barcroft Line of Credit
- CY 2026 bond sale planning currently underway
 - Includes FY 2026 projects and the deferred FY 2025 bond sale projects
 - Evaluating current project needs and will return to the board in May with final issuance amount

Key Budget Considerations

- Deferral of CY2025 bond sale increases CY2026 bonds to be issued
 - Reviewing combined list of projects to lower final amount of issuance
 - Deferral results in one-time savings in FY2026 of \$6.4 million
- Future Barcroft principal repayments will increase AHIF annual contributions
 - \$120 million remaining balance to be repaid
 - Current line of credit expires in December 2026 (5-years)
 - New lending facility to be in place by year-end

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Metro

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FY 2027 Budget Highlights

(in \$millions)	FY 2025 Actual	FY 2026 Adopted	FY 2027 Proposed	FY 2027 Revised	% Change '26 to '27	FY 2028 Projection	FY 2029 Projection
Metrobus	\$44.9	\$44.1	\$46.1	\$45.9	4%	\$47.5	\$48.9
Metrorail	78.4	97.6	86.8	85.4	-13%	89.4	92.1
MetroAccess	1.8	1.6	2.8	2.6	62%	2.9	3.0
Total Gross WMATA Subsidy	125.1	143.3	135.7	133.9	-7%	139.8	144.0
Source of Contributions							
State Transit Aid	75.0	89.6	84.3	84.2	-6%	84.1	91.2
<i>State Transit Aid - Ongoing</i>	36.2	39.8	39.8	39.8	0%	42.3	43.5
<i>State Transit Aid - One-Time</i>	24.5	32.1	26.7	3.4	-89%		5.0
Commonwealth Funding	14.3	17.7	17.7	41.0	132%	41.8	42.7
Regional Gas Tax	\$0.0	\$2.6	\$2.6	\$2.6	0%	\$4.6	\$2.0
Total Revenues/Other Sources	75.0	92.2	86.9	86.8	-6%	88.7	93.2
Transportation Capital Fund	0.3	0.3	0.3	0.3	14%	0.3	0.3
DES - 16M NVTC Commuter Choice Grant			2.2	2.2	-	3.0	
Total Revenues / Other Sources	75.3	92.5	89.5	89.4	-3%	92.0	93.5
NET GENERAL FUND SUPPORT	\$49.8	\$50.8	\$46.2	\$44.5	-12%	\$47.8	\$50.5

FY 2027 WMATA Proposed Budget Includes:

- 3% Subsidy Increases (Cap) plus loss of federal one-time funds
- Assumes ongoing Commonwealth Funding beginning FY27
- Correction for F26 Subsidy Error
- Continued capitalization of Preventative Maintenance
- Additional Local Funding from Arlington's NVTC Fund Balances
- \$4.5MM Decrease to General Fund Support in FY 2027, due entirely to the subsidy error

Key Budget Considerations

- FY 2027 Budget continues the significant increase in total jurisdictional subsidy from FY 2025
- FY 2027 budgets assumes new ongoing Commonwealth funding to replace expiring two-year funding from FY 2025 & FY 2026
 - Approximately \$41 million annual contribution
 - Funding still being finalized and not yet a certainty
- Significant gap in County General Fund support for WMATA in FY 2028 if no additional Commonwealth assistance reached this year
 - \$26 million increase in FY2027
 - \$52 million total increase in FY 2028