

FY 2027 General Fund Budget Comparison

Selected Virginia Counties

Proposed Budgets for Fiscal Year Beginning July 1, 2026

At-a-Glance: General Fund Summary

County	GF Budget	vs. FY26	Tax Rate	Key Note
Chesterfield	\$1.1B	+4.7%	89¢ (flat)	Largest GF growth in the group; driven by population growth
Henrico	\$1.4B	+3.3%	83¢ (flat)	Growth masks 3% dept. cuts and \$23M reduction in school funding
Hanover	\$427M	+3.3%	81¢ (flat)	Lowest tax rate in region; slowest growth in recent years
Fairfax	~\$7.7B	+3.5%	\$1.1225 (flat)	\$32.9M in cuts + 107 positions eliminated to balance growth
Arlington	\$1.69B	-0.1%	\$1.048 (+1.5¢)	Only county cutting GF AND raising tax rate; office vacancies driving revenue loss
Powhatan	TBD	TBD	75¢–79¢ (TBD)	Still in budget workshops; no formal proposal released yet

County-by-County Analysis

Chesterfield County — +4.7% General Fund

Chesterfield leads the group in general fund growth. The \$1.1 billion general fund represents a \$49 million increase over FY 2026, with approximately 83% of the budget directed to the county's core priorities of education, public safety, and infrastructure. This growth is fueled by a rapidly expanding population now exceeding 400,000 residents.

Note: The county's total budget shows a headline decrease of 3.6%, but this reflects changes in capital and utility funds — not cuts to day-to-day operating services. The general fund, which funds core services, is growing strongly. The real estate tax rate remains at 89 cents per \$100 assessed value.

Henrico County — +3.3% General Fund

Henrico's nearly \$2 billion proposal includes a \$1.4 billion general fund, an increase of \$44.3 million (3.3%) over the current year. However, this net growth masks significant internal reallocation: County Manager Vitoulkas recommended a 3% reduction across all county departments, along with approximately a \$23 million reduction in the Henrico County Public Schools (HCPS) budget.

These cuts were largely offset by salary increases and other new obligations, resulting in modest overall growth. The real estate tax rate holds at 83 cents.

Hanover County — +3.3% General Fund

Hanover's \$427 million general fund matches Henrico's growth rate of 3.3% — but on a much smaller base. County leadership noted this is slower growth than in previous years, citing financial uncertainty at the state level. The real estate tax rate remains at 81 cents per \$100 assessed value, the lowest among the Richmond region's largest localities.

Budget priorities continue to focus on schools, public safety, infrastructure, and workforce competitiveness.

Fairfax County — ~+3.5% General Fund

Fairfax is the largest county in Virginia and the most complex to analyze. The advertised budget projects \$270.65 million in total new revenue, with \$32.85 million in agency-level reductions and 107 county positions eliminated. A balance of \$23.17 million is left for the Board of Supervisors to allocate as they finalize the budget.

The general fund grows in dollar terms due to rising residential real estate assessments (+4.31%), but the county is simultaneously cutting agencies to fund compensation increases, debt service, and school support. The real estate tax rate holds flat at \$1.1225 per \$100 assessed value.

Arlington County — -0.1% General Fund (Only Decrease)

Arlington is in the most challenging fiscal position among the group. The \$1.69 billion proposed budget represents a 0.1% decrease compared to FY 2026 — the only county in this comparison with an outright general fund reduction. The proposal includes \$10.6 million in funding cuts alongside a 1.5-cent increase in the real estate tax rate, making Arlington the only county raising its tax rate.

The cause: a roughly 19% decline in office building property values driven by post-pandemic remote work trends. This has significantly eroded Arlington's commercial tax base, forcing simultaneous cuts and tax increases to maintain services.

Powhatan County — Budget Not Yet Proposed

Powhatan is still in the early budget workshop phase. No formal general fund proposal has been released. County staff have outlined three real estate tax rate scenarios — 75¢, 77¢, and 79¢ — noting that cost growth is outpacing natural revenue growth and that the county must weigh compensation adjustments against affordability.

Check the Powhatan County website for updates as the formal proposal is expected to be released in the coming weeks.

Key Takeaway: Richmond Region vs. Northern Virginia

Richmond Area (Chesterfield, Henrico, Hanover)

General funds growing 3–5%, tax rates flat, managing through internal efficiencies. Population and economic growth are sustaining revenue.

Northern Virginia (Arlington, Fairfax)

Facing structural revenue pressure from commercial real estate weakness. Arlington is cutting and raising taxes; Fairfax holds tax rates flat but is making mandatory agency reductions.

Data sourced from proposed/advertised FY 2027 county budgets as of March 2026. All figures reflect proposed amounts prior to final Board adoption.

Powhatan County figures pending formal budget proposal release.