2027 Budget and Work Program *(15 mins)*



Proposed 2027 Budget & Work Program

2027
Schedule and Process

2027 Budget and Work Program Schedule

June

Mo	Tu	We	Th	Fr
1	2	3	4	5
8	9	10	11	12
15	16	17	18	19
22	23	24	25	26
29	30			

July

Mo	Tu	We	Th	Fr
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	31

August

Mo	Tu	We	Th	Fr
3	4	5	6	7
10	11	**12**	13	14
17	18	19	20	21
24	25	26	27	28
31				

September

Mo	Tu	We	Th	Fr
	1	2	3	4
7	8	**9**	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30		

October

Mo	Tu	We	Th	Fr
			1	2
5	6	7	8	9
12	13	**14**	15	16
19	20	21	22	23
26	27	28	29	30

November

Mo	Tu	We	Th	Fr
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30				

December

Mo	Tu	We	Th	Fr
	1	2	3	4
7	8	9	10	11
14	15	16	17	18
21	22	23	24	25
28	29	30	31	

ARC Board Day

Tentative Key Dates

		Status
13-Jul	Prep Session with Departments about the Budget	✓
23-Jul	Training Session with Departments	✓
27-Jul	Provide Budget Preparation Materials to Departments	✓
2-Sep	All Budget and Work Program Info to Finance	✓
Sep 15- Sep 24	Budget Hearings	✓
Sep 28 - Oct 9	Executive Investment Council Discussions / UPWP	✓
12-Oct	Review Draft Executive Investment Council	✓
21-Oct	Budget Provided to the Board / Bars Meeting	✓
12-Nov	Board Discussion Budget and Work Program / First Chance to Adopt Budget and Work Program	

2027 Budget Process Highlights

- **Process**
  - Process began in June and will conclude in November or December
  - Submission of information to EIC in September for prioritization
  - Proposed budget to be provided to the board on October 21st
- **Information collected**
  - Operational Plans : MIPs, KPIs aligned to Performance Framework
  - Financial : Personnel, Other Operational, Contracts
- **Executive Investment Council (EIC)**
  - Departmental Hearings in September / Identify Strategic Initiatives for the year
- **Budget and Work Program Document**
  - Incorporates all aspects of performance management structure.

2027
Budget

2027 Proposed Budget

In Millions ($)	Proposed 2027 Budget
Total Revenues	**$101.4**
Total Expenses	**$102.1**
***Projected increase/(-) reduction in Fund Balance**	**($0.7)**
Fund Balance - Beginning	**$23.3**
Fund Balance - Ending	**$22.6**
Fund Balance % Exp.	**22.1%**

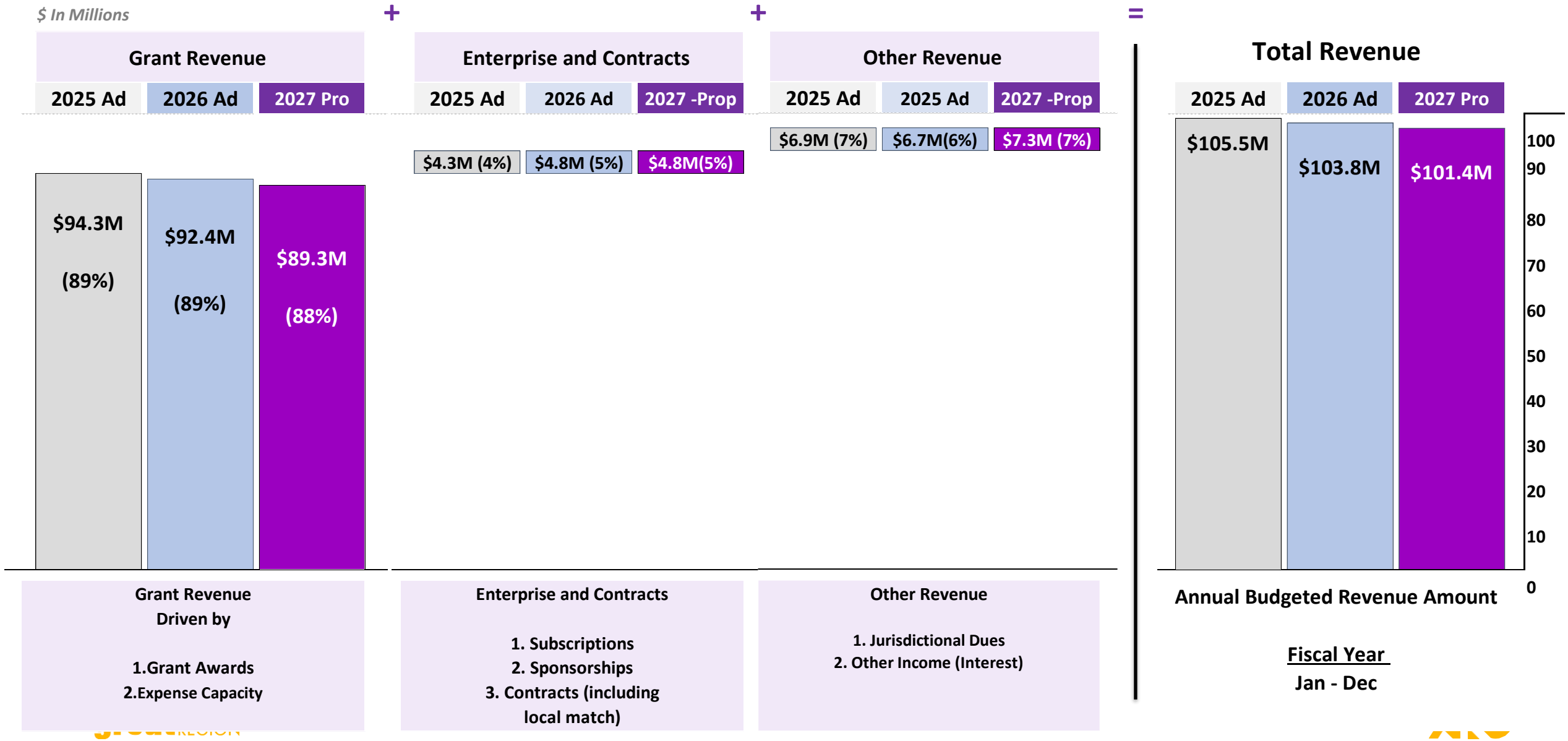
Highlights

Budget and Work Program is balanced with a combination of revenues and the use of fund balance

- Budget of $102.1M
- Projected use of fund balance is $686K
- Budgeted fund balance as a percentage of total expenses is 22% (continue our progress towards reaching 25% or three months of expenses by 2029)
- Proposed budget includes appropriated unallocated reserve of $350K (approx. 5% of annual dues) . Reserve will provide the agency with resources to address unknown cost pressures, emergencies, and to take advantage grant opportunities

2027 Revenue Budget - $101.4 million

$ In Millions



Grant Revenue
Driven by

1.Grant Awards
2.Expense Capacity

Enterprise and Contracts

1. Subscriptions
2. Sponsorships
3. Contracts (including local match)

Other Revenue

1. Jurisdictional Dues
2. Other Income (Interest)

2027 Budget Structure
Expense Budget

Operational Group

In millions	2026	2027	◊	
Research & Innovation	$ 4.2	$ 4.3	$ 0.1	Approx. 86% of Annual Budget
Community Development	6.3	6.2	(0.1)	
Natural Resources	4.8	4.4	(0.4)	Direct Program Costs (Excluding Indirect Allocation)
Workforce Solutions	9.7	8.9	(0.8)	
Mobility Services	15.1	14.3	(0.8)	
Transportation Planning	18.6	18.7	0.1	
Aging & Independence Services	33.9	33.2	(0.7)	
Homeland Security & Recovery	5.9	8.4	2.5	

Administration & Other Programs Group

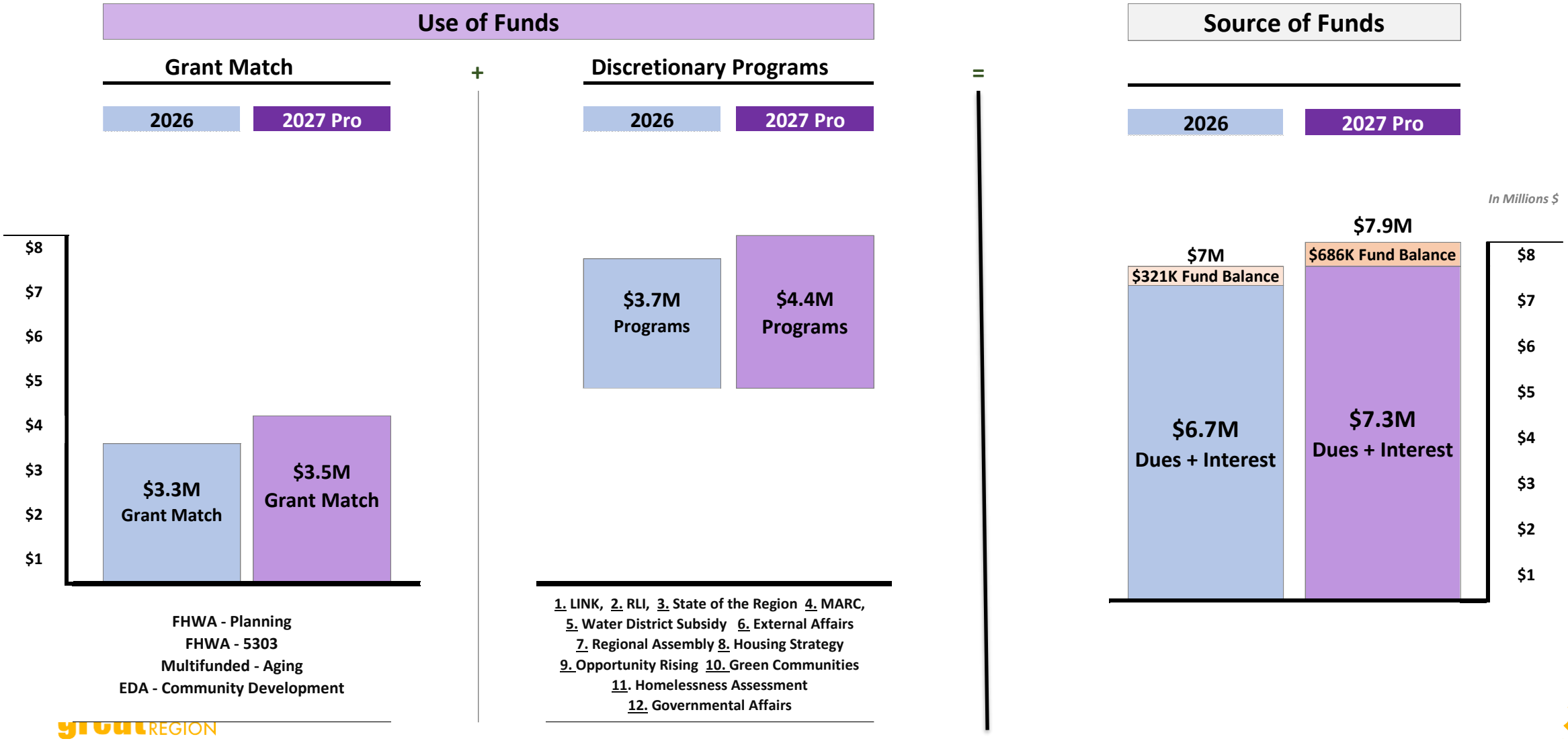
In millions	2026	2027	◊	
Executive Director and CEO	$ 1.0	$ 1.1	$ 0.1	Approx. 14 % of Annual Budget
External Affairs	3.0	3.1	0.1	
Legal and Procurement	1.3	1.5	0.2	Admin Costs Allocated to Operational Programs Indirect Rate and Other Programs
Finance	4.9	2.8	(2.1)	
General Services	0.7	0.6	(0.1)	
Information Technology	2.8	3.2	0.4	
Human Resources	1.5	1.7	0.2	
Chief Operating Officer	0.7	0.7	(0.1)	

*$87.4M | $14.7M

Approx $102.1 Million Expense Budget

* Net of Indirect Allocation

2027 Annual Dues, Other Revenue, and Use of Fund Balance



2027 Proposed Budget and Work Program by Goal (Strategic Framework)

	Livable Communities	Strategic Investments	Stakeholder Engagement	Competitive Economy	Operational Excellence	2027 Proposed Budget
In ($) Expense Budget by Goal	28,565,395	$48,057,583	$ 4,625,570	$ 8,343,148	$12,494,106	$102,085,802
Percentage of the Budget	28%	47%	5%	8%	12%	
Key Programs by Goal	**A.** Georgia Commute Options **B.** Urban Area Security Initiative **C.** Water District Activities **D.** Air Quality Planning **E.** Regional Housing Strategy	**A.** Metropolitan Planning Funds **B.** Federal Transit Administration 5303 **C.** Surface Transportation Block Grant Program (STBGP) **D.** Community Based Services - Seniors	**A.** Executive Director Activities **B.** External Affairs **C.** LINK **D.**RLI **E.** Census **F.** Regional Assembly	**A.** Workforce Innovation and Opportunity Act **B.** Dislocated Worker **C.** Regional Economic Development **D.** Opportunity Raising **E.** Building Georgia	**A.** Human Resources **B.** Information Technology **C.** Finance **D.** Legal and Procurement **E.** General Services	

Note: Table outlines a limited set of programs within each goal.

2027 Key Assumptions

- The agency assumed a 3% average increase in salaries. Employee specific increase will be determine based on outcome of 2026 performance management assessment in early 2027
- The indirect rate was set at 29.5%. A 1.5% decline from 2026
- Benefits are estimated at 53.5% of salaries. A 1.5% increase from 2026
- Employer contributions for healthcare insurance premiums are projected to increase by approximately 10%
- Reduction in FTE total count from 230 in 2026 to 229 in 2027. Change is driven primarily by a reduction in Mobility Services (3), with other changes offsetting the reduction
- Interest rates to remain stable

2027 Initiatives

- **Housing Strategy** : Program to identify housing needs and target investments geographically, ensuring current and future demand are met through construction and preservation
- **Opportunity Rising :** Program to address low levels of economic mobility in our region
- **Homelessness Assessment** : Assessment to identify service gaps, find opportunities to strengthen coordination, and provide recommendations to align resources
- **Building Georgia :** Continuation of initiative to support training options for jobs in infrastructure sectors
- **Compliance:** Quadrennial and triennial federal compliance reviews
- **Comprehensive Evacuation Plan :** Downtown evacuation strategy in collaboration with public safety agencies, transportation authorities, and private-sector partners
- Transportation Improvement Program (TIP), Transit Survey, and Regional Household Travel Survey
- **Census :** Decennial census stakeholder engagement and planning effort
- **Live Beyond Expectations (LBE) :** Implementation of the LBE 2026–2031 strategic plan
- **Green Communities Expansion :** Fosters a healthier and more livable region by providing a framework for cities and counties on their sustainability paths

Appendix

2026 Budget vs Forecast

In Millions ($)	Amended 2026 Budget	Forecast 2026 Actual
Total Revenues	$103.8	$87.8
Total Expenses	$104.1	$87.3
*Projected increase/(-) reduction in Fund Balance	($0.3)	$0.5
Fund Balance - Beginning	$21.8	$22.8
Fund Balance - Ending	$21.4	$23.3
	A	B
Change Fund Balance Budget vs Forecast		$1.8 B-A

Highlights

2025 results impacting 2026

- Ending fund balance in 2025 was greater than projected in 2026 adopted budget by approx. **$1M**

Projected Results 2026

- 2026 Revenue over expenses projected at approx. $483K. Delta from adopted budget assumption of **$800K**
- Change in 2026 projected ending fund balance from original budget **$1.8M**

Budget Execution

- Projected budget execution at 87%. Slightly higher than 2025

Financial Pressures on the Horizon

- Policy Related Areas

Federal Budget

Government Shutdown

Two shutdowns over the past two years (Total shutdown in 2025 for 45 days)

Debt Ceiling

Cap expected to be reached in 2027

Midterm Elections

Greater gridlock affecting budget and debt ceiling negotiations

Liquidity Challenge

OMB Proposed Changes

- Modifications to the federal framework for managing grants is being considered
- Changes include new requirements regarding
  - Indirect Cost (allocation of administrative expenses)
  - Cost allowability of professional activity and professional licenses (travel, memberships)
  - Outreach activities

Funding Limitations

Federal Priorities

SAVE America Act could directly impact the Urban Area Security Initiative (UASI) by withholding federal counterterrorism grant resources – up to 20%

- Unknown if withholding is on award or reimbursement
- Adherence to conditions stipulated by the federal government is outside of ARC's discretion

Potential : Additional Match Needed

Financial Pressures on the Horizon (continued)
- Organization and Business Areas

Programmatic Demands 2027-Beyond

Regional Housing Strategy
Initiative to address affordable housing in the metro area through collaboration and planning among local governments and stakeholders.

Economic Mobility
Initiative to improve upward economic mobility across the metro region by expanding access to quality jobs, workforce development, education, entrepreneurship, and other opportunities that promote long-term economic prosperity and financial stability.

Regional Assembly
Event that brings together public officials to foster collaboration, share best practices, strengthen regional partnerships, and address common challenges through collective problem-solving.

Flagship Program Development
LINK, State of the Region, MARC, Green Communities, RLI and others

Limited or No Grant Funding

Change in Dues by Jurisdiction

	In Millions $	2026 Basis	2027 Pop	2027 Pop. + 10 cents	2026 Vs 2027 Pop. Only	2026 vs 2027 Po.+10C
		A	B	C	B-A	C-A
Counties	Gwinnett County	$1.23	$1.25	$1.35	0.01	0.12
	Fulton County	1.01	$1.03	1.12	0.02	0.11
	Cobb County	0.96	$0.96	1.04	0.00	0.08
	DeKalb County	0.91	$0.92	0.99	0.00	0.08
	Clayton County	0.37	$0.37	0.40	0.00	0.03
	Cherokee County	0.36	$0.37	0.40	0.00	0.03
	Forsyth County	0.34	$0.35	0.37	0.01	0.03
	Henry County	0.32	$0.33	0.35	0.00	0.03
	Douglas County	0.19	$0.19	0.20	0.00	0.02
	Fayette County	0.15	$0.15	0.17	0.00	0.01
	Rockdale County	0.12	$0.12	0.13	0.00	0.01
City	City of Atlanta	0.39	$0.40	0.43	0.01	0.04
	Total	**$6.36**	**$6.43**	**$6.96**	**$0.07**	**$0.60**

Jurisdictional Dues

Per Capita Adjustment in 2027

- On August 12, 2026, ARC's Board approved a **10¢** increase to the rate used to calculate annual dues. The per capita rate was adjusted from $1.20 to $1.30 and will be reflected in the annual dues amount provided by jurisdictions in 2027
- The impact on dues revenue is estimated at $600,000
- Dues are ARC's working capital to manage liquidity for the agency, provide the required match for government grants, and cover flagship programs
- The adjustment will help mitigate a range of policy and organizational pressures while ensuring that ARC's financial stability strategy remains on track

Use of Jurisdictional Dues and Fund Balance

In Thousands $

Department	Required Match 2026	2027	Diff
Operational Departments			
Research & Innovation Total	$ 436	$ 463	$ 27
Community Development Total	456	459	3
Natural Resources Total	101	38	(64)
Workforce Solutions Total	-	-	-
Mobility Services Total	-	-	-
Transportation Planning Total	1,718	2,029	311
Aging & Independence Services Total	523	550	27
Homeland Security & Recovery Total	-	-	-
Required Match	**$3,234**	**$3,539**	**$ 305**

In Thousands $

Department	Discretionary Allocation 2026	2027	Diff
Operational Departments			
Research & Innovation Total	$ 150	$ 348	$ 198
Community Development Total	457	441	(16)
Natural Resources Total	509	577	69
Workforce Solutions Total	-	-	-
Mobility Services Total	-	-	-
Transportation Planning Total	-	-	-
Aging & Independence Services Total	73	-	(73)
Homeland Security & Recovery Total	3	-	(3)
Administrative Departments			
Office of Executive Director Total	$ 402	$ 430	$ 28
External Affairs Total	1,491	1,826	335
Legal and Procurement Total	$ 50	$ 358	$ 308
Finance Total	550	350	(200)
General Services Total	$ 50	$ 30	$ (20)
Information Technology Total	-	-	-
HR Total	$ 20	$ 51	$ 31
COO Total	-	-	-
Discretionary Allocation	**$ 3,754**	**$ 4,411**	**$ 658**