

Executive Limitation #5: Financial Planning

The Superintendent shall not fail to develop and maintain a multi-year financial plan that is data-driven, comprehensive, transparent, and part of a long-term plan to achieve the Board's Strategic Plan goals for students. In preparing the Division budget, the Superintendent shall not fail to utilize best practices for budgetary planning and financial reporting, implement needs based resource allocation, and substantially involve all appropriate stakeholder groups.



The Superintendent shall not fail to:

1. *Develop an annual budget that:*
 - a. *Reflects Board priorities expressed as a part of the annual budgeting process and the Division's Strategic Plan;*
 - b. *Is based on realistic assumptions and a current and ongoing assessment of local, state, and federal funding sources;*
 - c. *Is easily accessible, transparent, and understandable by the community;*
 - d. *Presents all material budgetary assumptions;*
 - e. *Accurately describes revenues and expenditures;*
 - f. *Explains how new, expanded, or eliminated budget initiatives are aligned with the priorities within the Division's Strategic Plan;*
 - g. *Shows the amount budgeted for each major fund type for the most recently completed fiscal year, for the current fiscal year, and the next fiscal year;*
 - h. *Uses budgeting practices and procedures that are sustainable and typical for similar and highly effective organizations;*
 - i. *Includes program evaluations in budgetary planning discussions;*
 - j. *Maintains a School Board Flexibility Reserve of budgeted General Fund expenditures of no less than \$8 million;*
 - k. *Includes such amounts as the Board determines to be necessary for its governing function, including School Board staff, Board member training, consultation, attendance at professional conferences and events, and other matters determined by the Board to be necessary for it to effectively perform its governance duties.*
2. *Provide the Board with a multi-year plan that:*
 - a. *Projects fiscal needs five (5) years into the future;*
 - b. *Considers the needs of schools and departments;*
 - c. *Is responsive to projections of student enrollment, student needs, and programmatic needs;*
 - d. *Anticipates changes in employee compensation and benefits;*
 - e. *Analyzes current trends to identify relevant investment needs;*
 - f. *Identifies unfunded obligations.*
3. *Provide timely advice to the Board, allowing the Board adequate time to consider the information presented of:*
 - a. *Actual or anticipated material deviations in the adopted, annual and/or four (4) year budget, as early as possible;*
 - b. *Changes or conditions that reasonably are expected to materially affect the Division's financial condition;*
 - c. *Material variances in the budget.*

4. *Take all reasonable, prudent, anticipatory and proactive actions in securing financial resources for the Division from relevant funding/revenue sources.*

Superintendent's Interpretation:

This Executive Limitation calls on the Superintendent to develop and maintain a multi-year financial plan that is data-driven, comprehensive, transparent, and aligns with the Board's Strategic Plan goals.

I interpret this to mean that the Superintendent shall not fail to ensure that when preparing the annual budget, that best practices for budgetary planning and financial reporting will be utilized. Additionally the Superintendent will implement needs-based resource allocations and involve all stakeholder groups in the planning process.

Further, I also interpret this Executive Limitation to mean that it is the responsibility of the Superintendent to direct the work of the Division so that organizational structures are in place to implement and monitor our progress in these areas and to share updates related to this progress with the Board on a regular basis.

Certification:

I hereby present my monitoring report on Executive Limitation #5: Financial Planning (EL-5) in accordance with the reporting schedule set forth in the Board calendar. I certify that the information contained in the report is true as of October 10, 2024 to the best of my knowledge, information, and belief.

Evidence of Compliance: October 10, 2024

At the time of this report, to the best of my knowledge, information, and belief, I have gathered information and evidence that I believe supports compliance with the Board's Executive Limitation associated with this topic. In particular, I share with the board the following information and indicators which I believe meets Executive Limitation #5.

Indicators Include, But Are Not Limited To, The Following:

1. Develop an annual budget that:

- a. *Reflects Board priorities expressed as a part of the annual budgeting process and the Division's Strategic Plan;*
- b. *Is based on realistic assumptions and a current and ongoing assessment of local, state, and federal funding sources;*
- c. *Is easily accessible, transparent, and understandable by the community;*
- d. *Presents all material budgetary assumptions;*
- e. *Accurately describes revenues and expenditures;*
- f. *Explains how new, expanded, or eliminated budget initiatives are aligned with the priorities within the Division's Strategic Plan;*
- g. *Shows the amount budgeted for each major fund type for the most recently completed fiscal year, for the current fiscal year, and the next fiscal year;*
- h. *Uses budgeting practices and procedures that are sustainable and typical for similar and highly effective organizations;*
- i. *Includes program evaluations in budgetary planning discussions;*

- j. *Maintains a School Board Flexibility Reserve of budgeted General Fund expenditures of no less than \$8 million;*
- k. *Includes such amounts as the Board determines to be necessary for its governing function, including School Board staff, Board member training, consultation, attendance at professional conferences and events, and other matters determined by the Board to be necessary for it to effectively perform its governance duties.*

Points below are evidence of 1a-1k.

Newly Added or Updated Evidence:

- On September 9, 2024 FCPS was recognized with the Baldrige Spirit Award at The Ohio State University for completing the Baldrige organization profile, which is the first step in submitting an application for a Baldrige Award. FCPS plans to submit a complete 50-page application for the Award in winter 2025. To ensure that FCPS receives the most feedback possible from examiners, a 25-page application will be submitted in spring 2025. Examiner feedback from that application will be incorporated into the full 50-page submission. A site visit would then take place during the summer of 2026 with feedback and recognition for years 2024, 2025, and 2026.
- FCPS budget documents have received awards from both the Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA).
 - FCPS received the 2024–2025 Meritorious Budget Award (MBA) from ASBO.
 - FCPS submitted the FY 2025 Approved Budget document to ASBO for the Meritorious Budget Award and GFOA for the Distinguished Budget Presentation Award Program. (The GFOA award was pending at the time this report was compiled.)
- The Office of Budget Services works closely with departments and offices to develop the Division's fiscal forecast which serves as the starting point for the FY 2026 proposed budget discussions. The FCPS Strategic Plan, historical growth rates, economic assumptions, and expenditure requirements are all used in developing the proposed budget which is presented to the School Board in January.
 - For FY 2026, departments are asked to provide projected funding increases or decreases for all contractually required items. Due to the uncertain fiscal climate, new resource requests will not be considered at this time and departments are encouraged to review their budgets and repurpose existing resources for other programmatic needs.
- Data is collected throughout the year to support the Superintendent in making programmatic decisions in budgetary matters. This includes, but is not limited to, Goal Reports whereby data is presented and recommendations are made for strategic programmatic investments for long-term growth.
- In response to the Joint Legislative Audit & Review Commission (JLARC) report on Virginia's K-12 Funding Formula, FCPS communications, budget, and government relations staff collaborated on public facing social media infographics and supporting documentation. This internal collaboration has strengthened FCPS' ability to present more consistent messaging and partner more effectively on future budget development, legislative matters, and other initiatives. Below are images from the document provided to Board members.

Addressing Students Requiring Additional Support

FY 2025 budget priorities include funding to maintain existing class size formulas and provide necessary support to all students. This accounts for increases in enrollment and the need for resources and staffing to sustainably support students eligible for free and reduced-price meals (FRM), English for Speakers of Other Languages (ESOL) services, and special education (SE) services.

While FCPS enrollment is expected to have increased by 2.3% since FY23, FRM enrollment is expected to be up 19.4%, ESOL 12.9%, and special education by 10.7%.

FCPS FY25 Projected Enrollment

181,701



Special Education Funding Gaps

Individuals with Disabilities Education Act (IDEA)

In 1975, the federal government made a commitment to fund **40% of the excess** of special education costs.

Over the last 10 years, per pupil state funding for special education students has declined by **16%.**

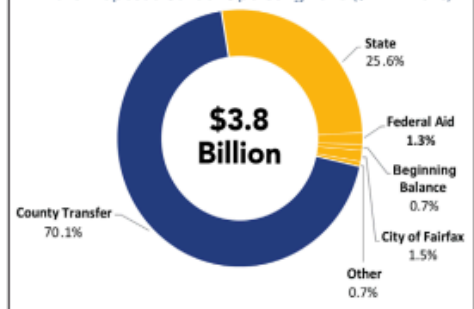
Federal funding only covers **9.7%** of FCPS' excess special education costs.

In FY 2024, the estimated shortfall in federal funding to cover FCPS' excess special education costs totals **\$112.1 million**

Most of FCPS' funding comes from the County Transfer.

Where It Comes From—Revenue

FY 2025 Proposed School Operating Fund (\$ in millions)



State Rebenchmarking

The amount of funding that FCPS will receive in FY25 and FY26, based on the Governor's Introduced budget, is far less than FCPS has historically received after a biennial rebenchmarking of Direct Aid to Public Instruction funding formulas.

Continuing Evidence:

- The FCPS finance team has earned the [Certificate of Excellence for Annual Comprehensive Financial Report from the Association of School Business Officials \(ASBO\)](#) indicating that the Division met the association's standards for financial reporting and transparency.
- During the FY 2025 Proposed Budget presentation, the Superintendent provided a response to a school board directive to develop a student-focused, equitable, and needs-based Proposed Budget for FY 2025, which aligned to the Division's Strategic Plan. Strategic priorities outlined in [FY 2025 Approved Budget](#) included:
 - workforce recruitment and retention to include competitive compensation
 - student academic success, access to enrichment and mental health supports, and the closing of achievement gaps
 - strengthening student well-being outside of the classroom with expanded athletic offerings, additional athletic trainers, and enhanced stipends for fine and performing arts
 - maintaining class sizes and expansion of inclusive preschool

FY25 Approved Budget Summary

FY25 SUMMARY	CHANGE FROM FY24 (\$ in millions)
State Revenue	\$61.2
Federal Revenue	\$2.3
Beginning Balance and Other Revenue	\$4.7
County Transfer	\$165.0
Total FY25 Revenue Adjustments	\$233.2
Compensation	\$98.4
Required Adjustments	\$127.7
Multiyear Investments	\$7.1
Total FY25 Expenditure Adjustments	\$233.2

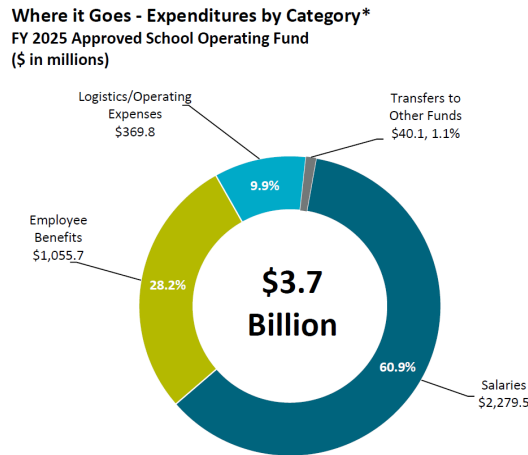
- The FY 2025 Fiscal Forecast included a preliminary summary of projected state and federal revenue funding as well as projected expenditures, from which a funding gap was identified. ([FY 2025 Fiscal Forecast, Slide 4](#)). The FY 2026 Fiscal Forecast will be shared as part of the upcoming budget cycle later this year.

Preliminary Fiscal Forecast from November 2023

FY 2025 SUMMARY	CHANGE FROM FY 2024 APPROVED
State Revenue	\$64,564,123
Federal Revenue	\$0
Beginning Balance and Other Revenue	\$1,568,208
Total FY25 Projected Revenue	\$66,132,331
Compensation	\$166,129,939
Required Adjustments	\$97,097,475
Multiyear Investments	\$5,505,428
Total Expenditure Projection	\$268,732,842
Projected Gap	(\$202,600,512)

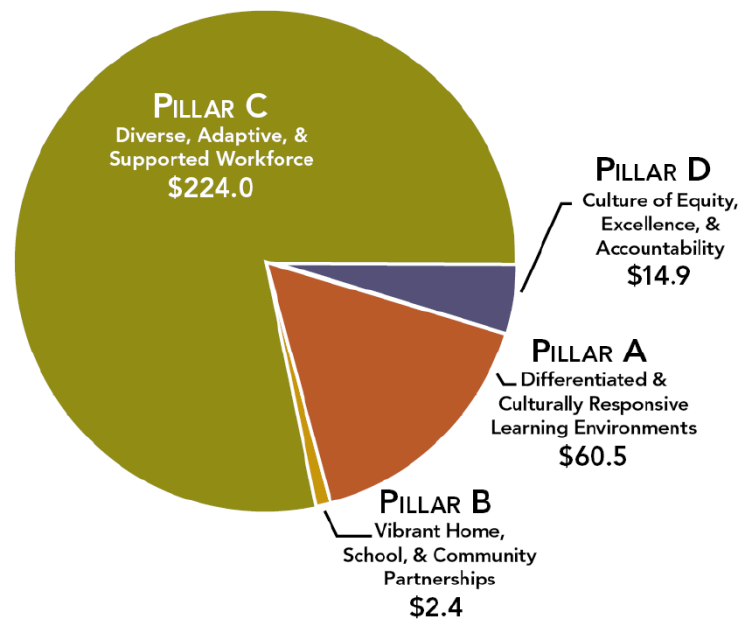
- The [FCPS FY 2025 Budget Highlights](#) is an infographic that provides high-level budget information for all stakeholders. The information highlighted includes projected enrollment and student demographics, current year's budget alongside next year's proposed budget detail overview, as well as a calendar of important budget development milestones.
- Information about the budget process is shared with employees and the community via the budget area of the [FCPS website](#), Employee News, and the Division newsletter (*FCPS This Week*). Additionally all [budget documents](#) are available to the public throughout the budget cycle.
- [FY 2025 Approved Budget Book](#) is a comprehensive presentation of the budget that includes:

- School operating fund revenue section which introduces various revenue streams and then provides details for each revenue stream as to its historical fiscal contribution and anticipated sums. (pp. 140-151)
- School operating fund expenditures section provides detailed guidance on how revenue is budgeted and allocated to specific areas of operations, such as salaries, employee benefits, and additional operating expenses. (pp. 152-170)



*Does not add due to rounding.

- Detailed information pertaining to material budgetary assumptions related to the school operating fund followed by a summary. (pp. 49- 59)
- Summary by fund presented with current fiscal year approved and revised budget and upcoming fiscal year's proposed budget and proposed changes. (p. 33)
- Detailed School Operating Fund Expenditure details featuring proposed expenditures, current fiscal year's approved and revised details, and actuals for previous three fiscal years. (pp.433-439)
- Summary by expenditure presented with current fiscal year approved and revised budget and upcoming fiscal year's proposed budget and proposed changes. (p. 41)
- The FCPS Budget Book for FY 2025 outlines additional revenue streams the Division receives such as tuition for out-of-county students and fees collected for parking permits, instrument rentals, and sale of used vehicles and equipment. (p. 37)
- Appendix includes tables highlighting staffing standards, calculations and details from the FY 2024 Approved Budget, FY 2025 Approved Budget as well as the State Staffing Standards. (pp. 388-448)
- Structures are in place to ensure budget initiatives are aligned with the priorities within the Division's Strategic Plan:
 - Budget adjustments presented in alignment to Strategic Plan Pillars and Goals ([*FY 2025 Proposed Budget Presentation, Slide 6*](#))
 - School Board resolutions direct Superintendent to adopt budget priorities as aligned to the Strategic Plan ([*FY 2025 Proposed Budget Presentation, Slides 13-14*](#))
 - A fact sheet is provided for School Board members that provides additional details about specific uses of funds as aligned to the four Pillars of the FCPS Strategic Plan.



- FCPS follows a budget process that is typical of effective organizations.
 - A proposed budget is shared in February and serves as the starting point for the next year's fiscal budget. In this proposed budget, revenue and expenditures are presented both in detail by fund and within the School Operating Fund.
 - After the proposed budget is released, public hearings are held, and the School Board has the opportunity to make changes to the Superintendent's Proposed budget. The amended budget is adopted by the School Board in February and becomes the School Board's advertised budget.
 - Once Fairfax County adopts its budget, FCPS has definite information regarding the share of local revenue the Division will receive from the County. Since the majority of funding comes directly from the County, understanding local revenue is critical to FCPS' budget. Once revenue for the coming year is known, the School Board works with employees and citizens to finalize the budget for the coming year. This budget is passed as the approved budget in May, and it details all revenues and expenditures for the next fiscal year, which begins July 1. (*FY 2025 Proposed Budget Book*, "Guide to Understanding", pp. vi-vii)
- As per a follow-on motion from January 25, 2024, FCPS will be presenting recommendations detailing scope, sequence, and timeline for a comprehensive and cyclical efficiency review, aligned to the Strategic Plan, of all Division programs, to include a rationale and prioritization of what can be accomplished to inform the annual budget process in FY 2026 and beyond.
 - In response to this follow-on motion, the recommendation is to seek the Baldrige Award for Performance Excellence. The Baldrige Criteria for Performance Excellence is a framework used to assess and improve organizational performance across various sectors, including education. School divisions pursuing Baldrige certification typically focus on improving efficiency as part of their overall performance excellence journey, addressing it within the context of seven criteria.
 - To earn the certification, a school division needs to show that they excel in areas like leadership, strategy, customer satisfaction (including students, parents, and the community), using data and knowledge to improve, supporting and developing staff, and how efficiently operations are run. It can serve as a report card for the whole organization. School divisions undergo a rigorous evaluation process where experts examine every part of a school division to see how well they are doing. The Baldrige certification process looks at areas such as decision-making, goal

setting, communication with parents and students, how challenges are handled, and the academic results.

- If FCPS meets the high standards set by the Baldrige program, we would earn the certification, which shows that FCPS is committed to efficiency, excellence, and always striving to improve, as well as a dedication to providing the best education possible for all students. This is important work central to the success of the Division both today and tomorrow. It will utilize a process that includes a needs-based resource lens and one that ties financial planning and management to student educational outcomes. This is an aspirational process that allows for benchmarking with the very best across the public and private sector enabling FCPS to get a clear return on investment (ROI) picture.
- Budget development process includes gathering community and employee feedback. ([FY 2025 Approved Budget Book](#), p. 20)
- In FY 2025, FCPS has four reserves in the School Operating Fund:
 - future year beginning balance reserve
 - School Board flexibility reserve
 - The School Board flexibility reserve is committed to meet unforeseen circumstances. Any unused portion is carried forward to the next fiscal year with the School Board approval. The future year beginning balance, School Board flexibility, and fuel contingency reserves are only reflected in the current year's revised budget and are not included in the proposed, advertised, or approved budget totals ([FY 2025 Approved Budget Book](#), p. 138)
 - fuel contingency reserve
 - staffing contingency reserve to address class size
 - [FY 2025 Approved Budget Book](#) verifies the School Board Flexibility Reserve has been maintained at the required \$8 million (p.138)
- The School Board Office provides executive administrative and technology support to the 12 elected members of the Fairfax County School Board. The office is responsible for maintaining official exhibit files of all School Board meetings and historical legal records.
 - Responsibilities also include compiling and publishing agendas and agenda items for all School Board meetings, maintaining the School Board webpage, and posting information, such as School Board meeting minutes and calendars of School Board meetings to keep the community informed on FCPS activities and School Board objectives.
 - The office is also responsible for coordinating, maintaining, and posting all current FCPS policies, regulations, and notices to the webpage.
 - [FY 2025 Approved Budget](#) outlines salaries and logistical expenses for the FCPS School Board. (pp. 195-196)
 - [FY 2024 Program Budget](#) provides detailed budget considerations, explanation, and impact scope for programmatic needs of the FCPS School Board. (pp. 252-254)

2. Provide the Board with a multi-year plan that:

- a. *Projects fiscal needs five (5) years into the future;*
- b. *Considers the needs of schools and departments;*
- c. *Is responsive to projections of student enrollment, student needs, and programmatic needs;*
- d. *Anticipates changes in employee compensation and benefits;*
- e. *Analyzes current trends to identify relevant investment needs;*
- f. *Identifies unfunded obligations.*

Points below are evidence of 2a-2f.

Newly Added or Updated Evidence:

- The FY 2026 Approved Budget will incorporate five year projections as required by indicator 2a, and will be impacted by Collective Bargaining agreements.
- FCPS plans to accelerate the timeline for student enrollment projections to allow for incorporation into the fiscal forecast. This would minimize changes between the fiscal forecast and the proposed budget.
- The JLARC study indicated that Fairfax could receive an estimated additional \$568.7 million in state revenue if the General Assembly were to adopt all of JLARC's Near- and Long-Term Recommendations
 - The General Assembly created a Joint Subcommittee to Study Elementary and Secondary Education funding to further consider the possible implementation of JLARC recommendations, with an initial meeting on September 16, 2024 and future meetings planned for October 31, 2024, and December 9, 2024.
 - FCPS continues to advocate for the adoption of JLARC recommendations, including meetings with Joint Subcommittee members and collaboration with our County funding partners and other interested K-12 education stakeholders.

Continuing Evidence:

- A Fiscal Forecast is provided with detailed revenue and expenditure assumptions with projections through FY 2028 ([FY 2025 Approved Budget](#), pp. 323-325).

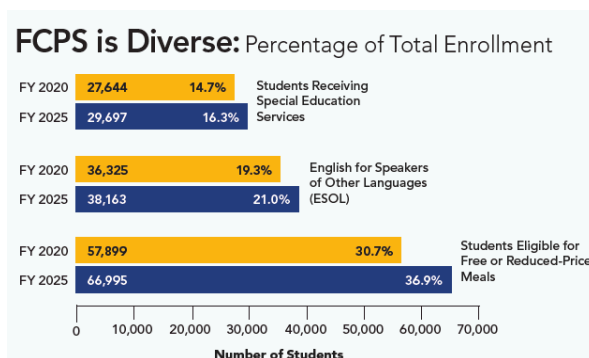
School Operating Fund Forecast Summary ^{1,2} (\$ in millions)									
Type	FY 2021 Actuals	FY 2022 Actuals	FY 2023 Actuals	FY 2024 Approved	FY 2024 Revised	FY 2025 Approved	FY 2026 Forecast	FY 2027 Forecast	FY 2028 Forecast
County	\$2,143.3	\$2,172.7	\$2,275.3	\$2,419.4	\$2,419.4	\$2,584.4	\$2,584.4	\$2,584.4	\$2,584.4
State	781.9	796.6	886.9	935.3	955.0	996.4	1,014.3	1,042.2	1,055.2
Federal	93.2	167.1	169.7	48.8	115.8	51.1	50.1	50.1	50.1
Other	63.6	71.9	79.2	80.3	83.5	85.0	92.6	92.6	92.6
One-time	144.5	236.2	295.1	28.1	336.4	28.1	28.1	28.1	28.1
Funds Available	\$3,226.5	\$3,444.5	\$3,706.2	\$3,511.8	\$3,910.0	\$3,745.0	\$3,769.4	\$3,797.4	\$3,810.3
Compensation	\$2,648.2	\$2,805.6	\$2,956.1	\$3,120.9	\$3,250.2	\$3,335.4	\$3,576.2	\$3,726.4	\$3,882.9
Logistics	289.7	294.2	349.9	344.5	571.8	360.1	379.1	379.1	379.1
Transfers and Other Funds	52.4	49.6	63.9	46.4	60.0	49.5	61.6	63.6	65.6
Reserves	31.9	31.9	35.0	0.0	28.1	0.0	0.0	0.0	0.0
Commitments & Carryover	147.1	194.2	198.9	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Adjustments	57.2	69.1	102.5	0.0	0.0	0.0	0.0	0.0	0.0
Funds Required	\$3,226.5	\$3,444.5	\$3,706.2	\$3,511.8	\$3,910.0	\$3,745.0	\$4,016.9	\$4,169.0	\$4,327.6
Forecast Surplus/(Deficit) Assuming Prior Years Balanced							(\$247.4)	(\$124.2)	(\$145.6)
Change in County Transfer to Balance							9.6%	4.4%	4.9%

¹Does not include new resource requests.

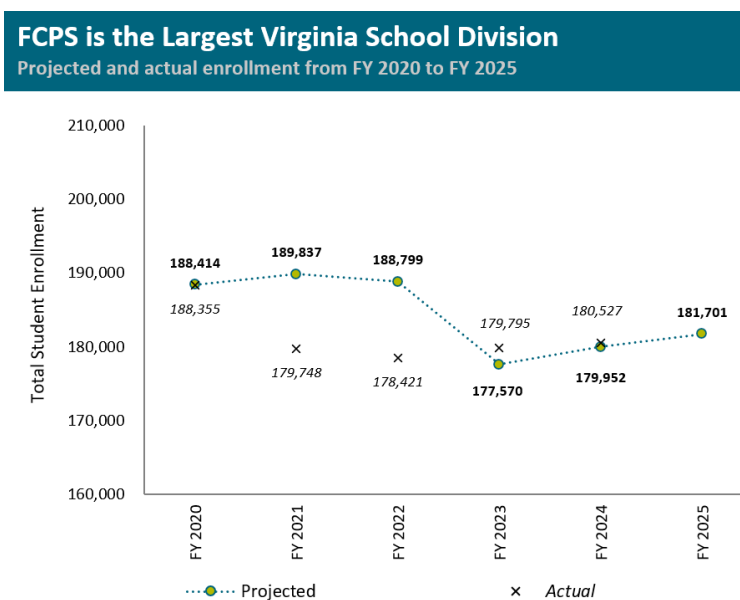
²Does not add due to rounding.

- Fiscal forecasts are projected in the Capital Improvement Plan to ensure that school construction projects remain well-resourced. CIP Program Funding provides a summary of needs for 5 years and an overview explanation of cost analysis ([Proposed Capital Improvement Program Fiscal Year 2025-29 Presentation](#), Slide 10) and outlines projected costs to support school(s) capacity for increased student enrollment. ([Adopted Capital Improvement Plan, FY 2025-29](#), pp. 34-48).
- The fiscal budget includes considerations for the needs of schools and departments. Projected school and departmental staffing needs are outlined alongside state staffing standards. ([FY 2025 Approved Budget Book](#), pp. 388-401)
 - The budgeting process takes into account both the number of students enrolled, forecasted changes in enrollment, and the needs of individual departments. Enrollment data, such as that found in the ([FY 2025 Proposed Budget and Enrollment](#), Slides 6-18), helps determine the

overall number of students and their individual needs, which in turn informs decisions about how resources should be allocated.



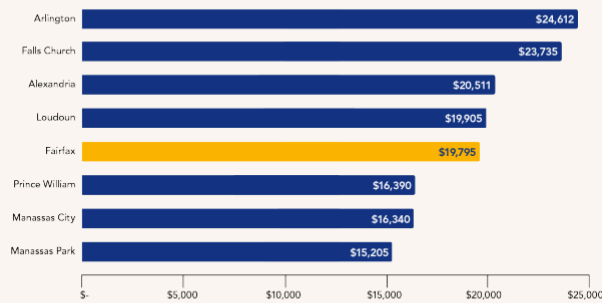
- Departments submit budget requests that outline their specific funding requirements in order to meet their programmatic goals. ([FY 2024 Program Budget](#))
- Moving forward, collective bargaining unions and departments provide input and requests as the budget is being developed for the next fiscal year.
- By considering both enrollment data and departmental budget requests, the budgeting process aims to ensure that there are sufficient resources to support both the students and the academic programs offered.



- The fiscal budgeting process communicates projected student enrollment and how it impacts programmatic needs ([FY 2025 Proposed Budget and Enrollment, Slides 6-18](#))
 - Student enrollment impact is also presented by cost and staffing impact.
 - Provides information on Cost Per Pupil and Cost Per Service guidelines ([FY 2025 Approved Budget Book](#), pp. 363-367)
 - Outlines major staffing changes over last 5 fiscal years ([FY 2025 Approved Budget Book](#), p. 351)

FCPS COST PER PUPIL

FY 2024 WABE Comparison to Other School Divisions^{1,2,3,4}



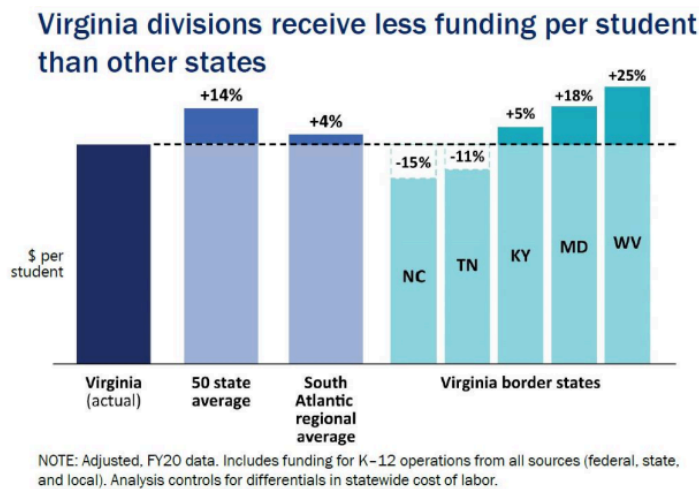
¹ Source: FY 2024 Washington Area Boards of Education (WABE) Guide.

² Uniform formulas were developed by the WABE committee for consistency area wide. These numbers are comparable; however, the cost per pupil reported here may differ from that reported in individual districts' budget documents or other reports.

³ Prince George's County and Montgomery County were unable to participate in the FY 2024 WABE Guide.

⁴ Excludes federal stimulus funding.

- Anticipated changes to employee compensation and required state adjustments are shared each year during the budgeting process. (*FY 2025 Approved Budget Book*, p. 8)
- Systematic annual cyclical reviews of job classifications and compensation ensure that all positions are reviewed within a five year time frame. During FY 2022 and FY 2023, a review was conducted for select school-based and departmental positions. The upcoming 5-year cycle for review will include reviews of all position titles for FCPS contributing to fair, equitable, and consistent pay practices. (*Proposed Budget Work Session 2/20*, Slides 8-11)
- Relevant investment needs are clearly identified and outlined (*FY 2025 Approved Budget Book*, pp. 8-9)
 - The FY 2025 Budget also includes considerations for multi-year investments including:
 - inclusive preschool expansion,
 - the third and final year of the Joint Environmental Task Force (JET) implementation,
 - the third year of the Human Capital Management Project (HCM),
 - the second year of a five-year plan to provide one additional certified athletic trainer in each of the 25 high schools. (*FY 2025 Approved Budget Book*, p. 50)
- School divisions are required to comply with federal and state mandates, often without adequate funding to implement these increasing regulatory requirements. Unfunded Federal Mandates include (*FY 2025 Approved Budget Book*, pp. 96-101)
 - Every Student Succeeds Act of 2015 (ESSA)
 - Individuals with Disabilities Education Act (IDEA)
 - Impact Aid
 - Clean Water Act (CWA)
 - Section 504
- A 2023 Joint Legislative Audit and Review Commission (JLARC) study shows that Virginia school divisions receive less funding per student than the 50 state average and the regional average with many neighboring states spending more per pupil (Kentucky, West Virginia, and Maryland). (*FY 2025 Fiscal Forecast*, Slide 10)



3. Provide timely advice to the Board, allowing the Board adequate time to consider the information presented of:

- Actual or anticipated material deviations in the adopted, annual and/or four (4) year budget, as early as possible;*
- Changes or conditions that reasonably are expected to materially affect the Division's financial condition;*
- Material variances in the budget.*

Points below are evidence of 3a-3c.

Newly Added or Updated Evidence:

- During the FY 2025 budget process, 114 [budget questions](#) were answered, more than double the prior fiscal year. Enhancements to the budget question process are planned for FY 2026.

Budget Questions			
	FY 2023	FY 2024	FY 2025
Number of Budget Questions Answered	50	55	114

Continuing Evidence:

- The annual Budget Process provides ample time and opportunity for collaboration and feedback with a variety of stakeholders.
 - A joint meeting with the Fairfax County Board of Supervisors takes place in November and February prior to the new fiscal year.
 - A [Fiscal Forecast presentation](#) is prepared for the Board and presented approximately eight months prior to the start of the fiscal year and outlines a preliminary summary of forecasted revenues and projections of expenditures.
 - Public Hearings are held at various stages of the budget process to allow for community stakeholders to provide feedback on the proposed budget.

- [Budget-related questions](#) are asked by the School Board and the Board of Supervisors throughout the budget development process. Those questions and responses are made available to the public and posted on BoardDocs.
- [Quarterly budget reviews](#) are conducted, and made publicly available. These reviews provide details of actual or anticipated deviations from the adopted budget. These variances include budget expenditure adjustments and necessary reallocation of funds.
- The Superintendent sends a Friday Letter to the School Board each week that serves as a regular opportunity to inform the Board of time-sensitive financial planning updates and emerging issues. In the event that a Friday Letter is not shared due to vacations, breaks, or other reasons, the Board will be informed in advance.

4. Take all reasonable, prudent, anticipatory and proactive actions in securing financial resources for the Division from relevant funding/revenue sources.

Newly Added or Updated Evidence:

- Grants development is presented in the quarterly budget review process. Below is a summary of grants showing an increase in submissions and higher award rate from FY 2024 3rd Quarter to FY 2024 4th Quarter. FY 2025 updates will be posted on the [FCPS Quarterly Budget Reviews webpage](#) when available.

Competitive Grants for FY 2024				
	As of 3rd quarter FY24		As of 4th Quarter FY 24	
Competitive grants submitted	\$41.1 million	40 grants	\$63.6 million	75 grants
Competitive grants awarded	\$21.2 million	31 grants	\$22.9 million	52 grants
Competitive grants denied	\$19.7 million	3 grants	\$19.9 million	10 grants
Competitive grants pending	\$0.4 million	6 grants	\$21 million	13 grants

Entitlement Grants for FY 2024				
	As of 3rd quarter FY24		As of 4th Quarter FY 24	
Entitlement grants submitted	\$77.0 million	7 grants	\$121.5 million	9 grants
Entitlement grants awarded	\$42.7 million	6 grants	\$80.5 million	8 grants
Entitlement grants pending	\$35.8 million	1 grant	\$41.9 million	1 grant

Continuing Evidence:

- Our [quarterly budget review](#) process includes a section called “Grants Development.” This area, found at the end of each quarterly budget review, includes updates on the status of grants within the current fiscal year and previous fiscal year (when applicable).