

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 school community 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 8, 2026 to the best of my knowledge, information, and belief.

Evidence of Compliance: October 8, 2026

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.

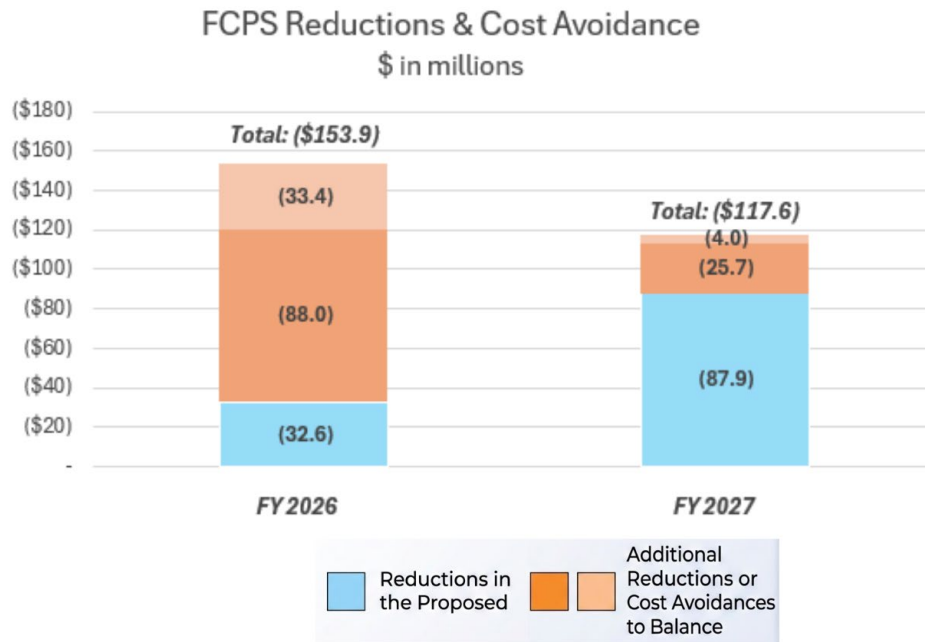
Indicators Include, But Are Not Limited To, The Following:

NEW OR NEWLY ADDED EVIDENCE

- The fiscal year 2027 budget continues to reflect our commitment to attracting and retaining talented professionals who make student success possible. We fully funded collective bargaining agreements in fiscal year 2027, strengthening our commitment to valuing staff voices and ensuring competitive employee compensation. The fiscal year 2027 budget also includes funding for multiyear investments, including academic resources and our athletic and arts programs, which enrich the student experience and support mental health and wellness. The budget also maintains support for additional family liaisons to strengthen the connection between home and school. (indicator 1)
- The fiscal year 2027 budget cycle presented significant challenges. A \$28.9 million funding shortfall added pressure to a budget already strained by years of longstanding inequities in state funding (i.e. [JLARC 2023 report](#)). As a result, FCPS faced difficult decisions, including reducing the staffing reserve, deferring microcredentialing initiatives, extending the refresh cycle for FCPSON technology devices, reducing math curriculum adoption materials, and reducing targeted strategic funding. (indicator 1)
- The budget question tracking and routing application was upgraded with over a dozen enhancements that will be in place during the upcoming FY 2028 budget question season. Upgrades focused on expanding the system beyond the budget office and reducing bottlenecks.
- The [FY 2027 Approved Budget](#) expenditure highlights were updated to enhance linkage with the Strategic Plan (p.53), and the budget now includes Strategic Plan performance measures (p.91).
- In response to a January 25, 2024 Board directive focused on an efficiency review to inform the annual budget process in FY26 and beyond, FCPS initiated a process of an internal review using the Baldrige Excellence Framework to identify opportunities for improved efficiencies. The framework supports

organizational improvement by examining the extent to which processes are aligned to strategic priorities, supported by evidence, and producing effective results.

- This process has increased the capacity of the Division to identify targeted opportunities for cost savings, while ensuring crucial work continues in the system. In FY26 and FY27, the following reductions included targeted budget savings made within the framework of the ongoing engagement in the Baldrige process:



- In May 2026, FCPS received the 2026 Gold Award for Achievement of Excellence by the Partnership for Excellence (TPE) using the Baldrige Framework. Evaluation feedback emphasized strengths in senior leadership, strategy development, and strategy implementation. In particular, the examiners noted the Division’s student focus, visionary leadership, and strategic alignment as central FCPS strengths and identified a strong connection between mission, vision, and beliefs to organizational decisions. The examiners also highlighted FCPS’ systematic planning process, alignment of school and department improvement efforts with Strategic Plan goals, and use of research-based improvement frameworks.
- During the September 2026 worksession an FY 2028 budget kickoff was provided to give an earlier assessment of the budget landscape, engage the School Board and community, and establish expectations headed into the November fiscal forecast.

ONGOING EVIDENCE

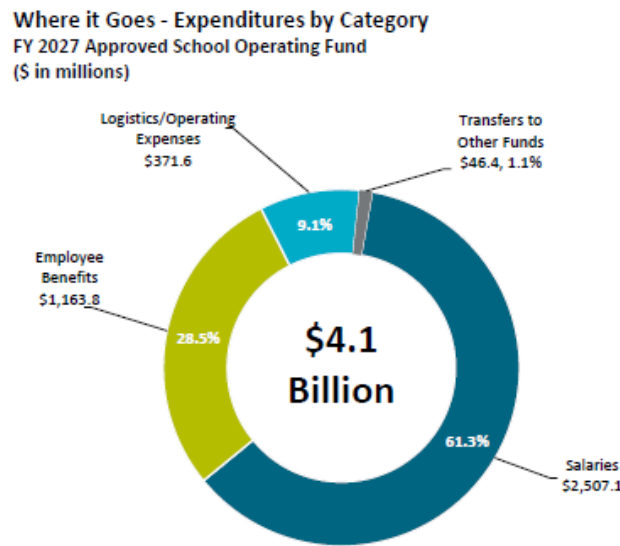
POLICIES AND REGULATIONS

- 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 ([Fiscal Year 2027 Approved Budget Book](#), pp. 92-98; indicator 2)
 - Every Student Succeeds Act of 2015 (ESSA)
 - Individuals with Disabilities Education Act (IDEA)
 - Impact Aid
 - Clean Water Act (CWA)
 - Section 504
- [Regulation 5501: Annual Budget Manual](#) (last revised April 4, 2025) establishes an annual budget manual. (indicator 1)
- [Regulation 5510: Periodic Budget Reviews](#) (last revised August 15, 2023) provides guidance for periodic review of all appropriated School Board funds. (indicator 1)

PRACTICES

- FCPS follows a budget process that is typical of effective organizations. (indicator 1)
 - The fiscal forecast is an early estimate of projected revenue and expenditure requirements, providing a preview of the more detailed budget process to follow.
 - The Superintendent's proposed budget is released in January and serves as the starting point for the next fiscal year's budget. In the 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 the Fairfax County Board of Supervisors 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. The 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. ([Fiscal Year 2027 Approved Budget Book](#), "Guide to Understanding the Budget", pp. vii-xii)
- The budget development process includes gathering community and employee feedback via budget presentations to community groups and employee associations. Citizens are encouraged to sign up to speak at public hearings throughout the budget cycle. ([Fiscal Year 2027 Approved Budget Book](#), pp. 33; indicator 1)
- 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 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. (indicator 1)
- 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. (indicator 1)
- The fiscal year 2027 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. ([Fiscal Year 2027 Fiscal Forecast](#), slides 6 and 7). The FY 2028 Fiscal Forecast will be shared as part of the upcoming budget cycle later this year. (indicator 1)

- The [FCPS Fiscal Year 2027 Budget Highlights](#) is an infographic that provides high-level budget information. 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. (indicator 1)
- [Fiscal Year 2027 Approved Budget Book](#) is a comprehensive presentation of the budget that includes: (indicator 1)
 - 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. 138-150)
 - 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. 151-169)



- Detailed information pertaining to material budgetary assumptions related to the school operating fund followed by a summary. (pp. 52-61)
- Summary by fund presented with actuals for the previous three years, prior fiscal year approved and revised budgets, and current fiscal year's approved budget and changes. (p. 36)
- Detailed School Operating Fund Expenditure details featuring approved expenditures, prior fiscal year's approved and revised details, and actuals for the previous three fiscal years. (pp. 446-452)
- Summary by expenditure presented with prior fiscal year approved and revised budget and current fiscal year's approved budget and changes. (p. 45)
- The FCPS Budget Book for fiscal year 2027 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. 41)
- The appendix of the FCPS Budget Book for fiscal year 2027 includes tables highlighting staffing standards, calculations and details from the FY 2026 Approved Budget, Fiscal Year 2027 Approved Budget, as well as the State Staffing Standards. (pp. 397-410)

FY27 Approved Budget Summary

FY27 Summary	Change from FY26 (\$ in millions)
County Transfer	\$98.8
State Revenue	71.1
Federal Revenue	(0.2)
Other Revenue	(1.6)
Total FY27 Revenue Adjustments*	\$168.0
Compensation	\$178.4
Baseline Adjustments	11.7
Multiyear Investments	7.5
Budget Reductions	(29.6)
Total FY27 Expenditure Adjustments	\$168.0

*Does not add due to rounding

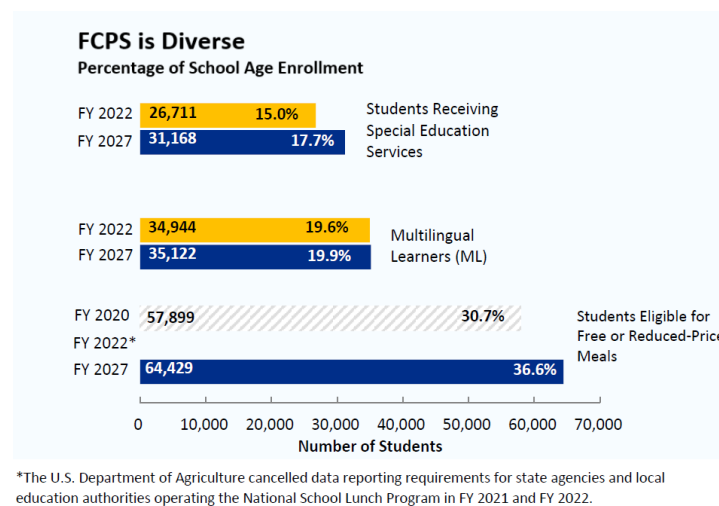
- FCPS has three reserves in the School Operating Fund: (indicator 1)
 - School Board flexibility reserve
 - The School Board flexibility reserve is committed to meet unforeseen circumstances. Any unused portion is carried forward to the next fiscal year with the School Board approval.
 - Fuel contingency reserve
 - The fuel contingency reserve is budgeted at \$4.0 million for FY 2027. Historically, the reserve was budgeted at \$2.0 million. However, the FY 2027 Revised Budget was increased by \$2.0 million to help mitigate fuel rate fluctuations related to market uncertainty and geopolitical conflicts.
 - 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 ([Fiscal Year 2027 Approved Budget Book](#), p. 136)
 - Staffing contingency reserve to address class size, enrollment fluctuations, and unique circumstances.
- A Fiscal Forecast is provided with detailed revenue and expenditure assumptions with a five year projection through FY 2032 ([Fiscal Year 2027 Approved Budget](#), pp. 324-326; indicator 2)

School Operating Fund Forecast Summary ^{1,2} (\$ in millions)											
Type	FY 2023 Actuals	FY 2024 Actuals	FY 2025 Actuals	FY 2026 Approved	FY 2026 Revised	FY 2027 Approved	FY 2028 Forecast	FY 2029 Forecast	FY 2030 Forecast	FY 2031 Forecast	FY 2032 Forecast
County	\$2,275.3	\$2,419.4	\$2,584.4	\$2,703.1	\$2,703.1	\$2,801.8	\$2,801.8	\$2,801.8	\$2,801.8	\$2,801.8	\$2,801.8
State	886.9	947.8	1,020.6	1,047.9	1,046.5	1,119.0	1,168.8	1,201.1	1,215.9	1,249.6	1,264.9
Federal	169.7	109.5	52.4	50.1	62.6	49.9	46.6	46.6	46.6	46.6	46.6
Other	79.2	91.5	98.2	91.7	91.7	107.4	106.1	109.8	113.7	117.6	121.8
One-time	295.1	336.4	385.0	28.1	379.9	10.7	28.5	28.5	28.5	28.5	28.5
Funds Available	\$3,706.2	\$3,904.6	\$4,140.7	\$3,920.8	\$4,283.7	\$4,088.9	\$4,151.9	\$4,188.0	\$4,206.5	\$4,244.2	\$4,263.7
Compensation	\$2,955.8	\$3,124.9	\$3,341.5	\$3,487.4	\$3,553.2	\$3,670.9	\$3,908.8	\$4,054.3	\$4,228.1	\$4,409.9	\$4,612.9
Logistics	350.1	331.7	359.3	368.1	602.2	359.2	387.9	387.9	387.9	387.9	387.9
Transfers and Other Funds	63.9	62.9	60.0	65.4	104.3	58.7	64.7	64.7	64.7	64.7	64.7
Reserves	35.0	38.1	32.0	0.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0
Commitments & Carryover	198.9	282.8	284.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Administrative Adjustments	102.5	64.2	63.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Funds Required	\$3,706.2	\$3,904.6	\$4,140.7	\$3,920.8	\$4,283.7	\$4,088.9	\$4,361.4	\$4,506.9	\$4,680.7	\$4,862.5	\$5,065.5
Forecast Surplus/(Deficit) Assuming Prior Years Balanced							(\$209.6)	(\$109.3)	(\$155.3)	(\$144.1)	(\$183.6)
Change in County Transfer to Balance							7.5%	3.6%	5.0%	4.4%	5.4%

¹Does not include new resource requests.

²Does not add due to rounding.

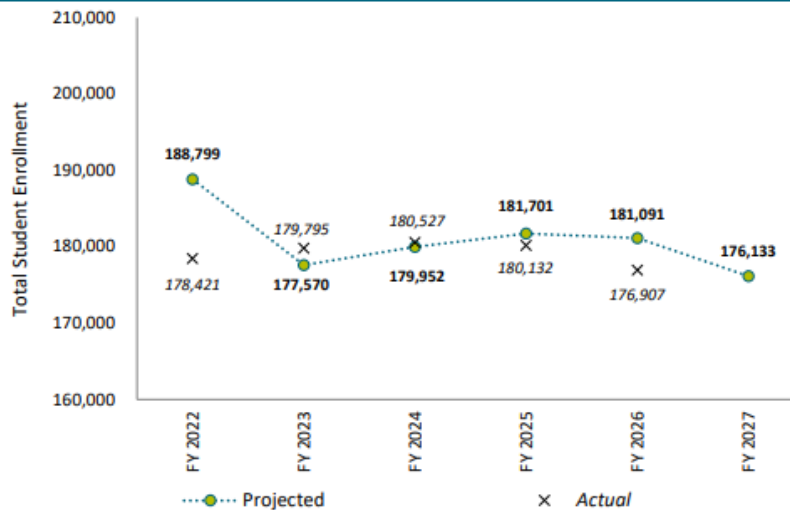
- Fiscal forecasts are projected in the Capital Improvement Plan to ensure that school construction projects remain well-resourced. CIP Program Funding provides a summary of needs for 5 years and an overview explanation of cost analysis and outlines projected costs to support school(s) capacity for increased student enrollment. ([Adopted Capital Improvement Plan, Fiscal Year 2027-31](#), pp. 36-41; indicator 2)
- The fiscal budget includes considerations for the needs of schools and departments. Projected school and departmental staffing needs are outlined alongside state staffing standards. ([Fiscal Year 2027 Approved Budget Book](#), pp. 397-410; indicator 2)
 - 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 [Fiscal Year 2027 Proposed Budget](#) (p. 125) 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 2026 Program Budget](#), note that FY27 Program Budget will be published in October)
- 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.

FCPS Historical Enrollment Chart

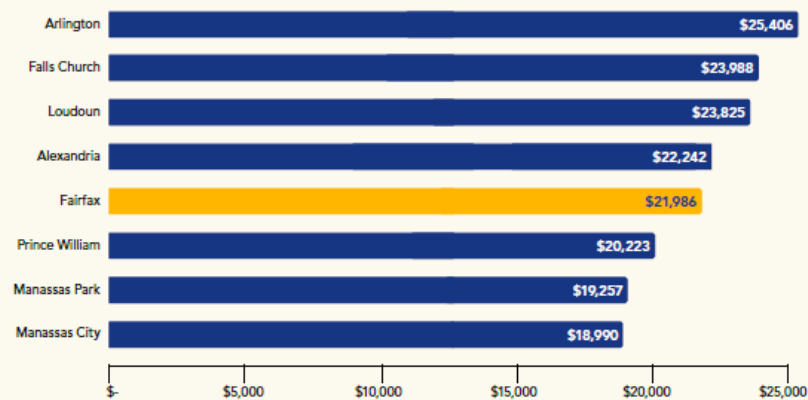
Projected and Actual Enrollment from FY 2022 to FY 2027



- The fiscal budgeting process communicates projected student enrollment and how it impacts programmatic needs. Student enrollment impact is also presented by cost and staffing impact.
 - Provides information on Cost Per Pupil and Cost Per Service guidelines ([Fiscal Year 2027 Approved Budget Book](#), pp. 367-371)
 - Outlines major staffing changes over last 5 fiscal years ([Fiscal Year 2027 Approved Budget Book](#), pp. 355)

FCPS COST PER PUPIL

FY 2026 WABE Comparison to Other School Divisions^{1,2,3}



¹ Source: FY 2026 Washington Area Boards of Education (WABE) Guide.

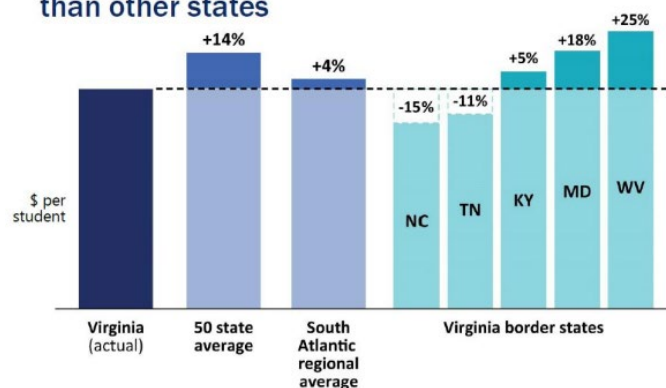
² Uniform formulas were developed by the WABE committee for consistency area wide. These numbers are comparable; however, the cost per pupil reported here may differ from that reported in individual districts' budget documents or other reports.

³ Montgomery County and Prince George's County were unable to participate in the FY 2026 WABE Guide.

- Anticipated changes to employee compensation and required state adjustments are shared each year during the budgeting process. ([Fiscal Year 2027 Approved Budget Book](#), p.12; indicator 2)
- [Fiscal Year 2027 Approved Budget](#) outlines salaries and logistical expenses for the FCPS School Board. (pp. 194-195; indicator 1)
- [FY 2026 Program Budget](#) provides detailed budget considerations, explanation, and impact scope for programmatic needs of the FCPS School Board. (pp. 218-222; indicator 1)
- The annual Budget Process provides opportunity for collaboration and feedback with a variety of audiences. (indicator 3)
 - Joint meetings with the Fairfax County Board of Supervisors take 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 audiences 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.
- Beginning in FY 2026, the timeline for projected enrollment was accelerated to ensure each future fiscal forecast is informed by the most up to date information possible, minimizing changes between the fiscal forecast and the proposed budget. (indicator 2)
- 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. (indicator 3)
- The Office of Budget Services collaborates with the School Board budget committee to improve the timeliness of budget question responses, to focus on questions directly related to the budget, and manage the volume of budget questions [in the Fiscal Year 2027 Budget Question Process](#) (slide 14-17; indicator 3)
 - Budget Services launched the pilot of the budget question tool in November 2024, which streamlines the budget question process through the automation of tasks; improved efficiency and response time; and facilitated communication and coordination through the use of workflow. The budget question tool also provides real-time reporting capabilities to track progress and monitor timely completion of each question.
 - During the fiscal year 2027 budget process enhancements to the budget question process were implemented, and 50 responses were completed. (indicator 3)
- [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. (indicator 3)
- The [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). (indicator 4)
- Grants development updates are presented in the quarterly budget review process. FCPS actively seeks and applies for grants offered by various government agencies and private funders, and the number of grants submitted and awarded are dependent upon specific grant programs that are available to FCPS. FY 2026 updates are posted on the [FCPS Quarterly Budget Reviews webpage](#). See below for a Summary of grants for Fiscal year 2026. (indicator 4)

- Competitive grants
 - 67 submitted (\$44.0 million)
 - 48 awarded (\$11.3 million)
 - 7 not awarded (\$0.8 million)
 - 12 pending (\$31.9 million)
- Entitlement grants
 - 11 submitted (\$93.0 million)
 - 10 awarded (\$91.2 million)
 - 0 not awarded
 - 1 pending (\$2.2 million)
- 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. (indicator 2)
 - Since the release of the July 2023 [JLARC study](#), the Joint Subcommittee to Study Elementary and Secondary Education Funding convened meetings on September 6, October 31, and December 9, 2024, to discuss potential reforms. Initial recommendations have emphasized prioritizing near-term recommendations based on JLARC’s findings, with a focus on several key areas. The General Assembly:
 - Increased the cap on state funding for support positions during the 2025 Session for the 2024–2026 biennium;
 - Established a special education add-on to basic aid for higher-need students beginning in FY 2026; and
 - Continued efforts to improve statewide data on staffing, compensation, and service costs to support more accurate future funding decisions.
 - Increased the special education add-on rates for FY 2027 and FY 2028, while continuing the SOQ review of staffing and caseload standards.
 - Provided support for the Joint Subcommittee’s review of JLARC recommendations and development of a new K-12 funding formula.

2023 JLARC Student on Virginia’s K-12 Funding Formula
Virginia divisions receive less funding per student than other states



NOTE: Adjusted, FY20 data. Includes funding for K–12 operations from all sources (federal, state, and local). Analysis controls for differentials in statewide cost of labor.

PUBLIC

- 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. (indicator 1)
- FCPS budget documents have [received awards](#) from both the Association of School Business Officials International (ASBO) and the Government Finance Officers Association (GFOA). (indicator 1)
 - FCPS received the 2025–2026 Meritorious Budget Award (MBA) from ASBO.
 - FCPS was awarded the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for 2025-2026.
 - FCPS submitted the fiscal year 2027 Approved Budget document to ASBO for the Meritorious Budget Award and GFOA for the Distinguished Budget Presentation Award Program.
- 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. (indicator 1)