DRAFT BUDGET DIRECTION - School Board Budget Direction FY28

The mission of Arlington Public Schools is to ensure all students learn and thrive in safe, healthy, and supportive learning environments. The School Board is committed to ensuring that APS implements efficient, effective, and sustainable system-wide operations to support the success of our students, staff, and community. The School Board, therefore, directs the Superintendent to prepare a needs-based* budget that includes scenarios* through which a balanced budget can be achieved, based on the assumption that the school division's needs will not be fully funded by projected revenues. The FY28 budget should:

- Align to the 2024-2030 Strategic Plan performance objectives and strategies.
- Prioritize recruiting, supporting, and retaining a high-quality and diverse workforce with a focus on compensation and benefits that are competitive within the regional market for specific roles, with an eye towards future budget years and anticipated ongoing fiscal challenges.
- Restrict new funding requests to items that directly advance performance objectives, including planning factor changes (including early childhood adjustments) that address the urgency of improving educational outcomes for students with disabilities, English learners, and economically disadvantaged students. Additionally, the school board will consider resource constraints tied to audit findings and management follow-up*.
- Identify opportunities for cost savings via equity-based reductions, efficiencies, and realignment of funds whenever possible, rather than across-the-board percentage cuts and consistent with the findings in recent audit reports.

The School Board further directs the Superintendent to provide detailed rationale for any changes in budget +/-3%. Rationale for investments or reductions shall include:

- Anticipated outcomes, aligned to the strategic performance objectives; how the outcomes will be measured; by whom; and on what timeline.
- Anticipated impact on students, staff, and/or schools; and how the reductions may inhibit progress on strategic performance objectives.
- The long-term trade-offs for budgetary action or inaction.
- Initial conversations to consider long-term reductions or efficiencies that may become necessary*.

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DRAFT BUDGET DIRECTION - School Board Budget Direction FY28, continued

The budget presentation should clearly indicate which budgetary items are required; operational; or discretionary, and the methodology of how the cost per pupil is established. The presentation should include:

- Additional details about changes in staffing in both the central office and schools; information about salary scales; and an explanation of how compensation and benefits are informed by collective bargaining.
- Contain a budget sheet with a clear per pupil comparison provided to our neighboring districts of Falls Church, Fairfax, and Alexandria, including what the City/County contributes vs. school system. Highlight for community members any Arlington specific programs or unique instructional opportunities that contribute to the cost per pupil.
- Minimize the use of general reserve funds for operating expenses, consistent with the principle that one-time funds should be used only for one-time costs. For FY28, no more than 10% of the reserve funds used in the budget will go toward ongoing operating expenses, with the exception that the Compensation Reserve Funds may be used for compensation purposes.
- Provide three-year forecasts of revenues and expenditures to guide multi-year planning and gauge long-term financial sustainability, with a focus on recommendations for potential action in the coming years.

*Needs-based budgeting, scenario planning (range of ways to meet the desired budget outcome), budgetary implications resultant from audit findings, planning factor improvements, and long-term budget planning, will be topics discussed at upcoming school board work sessions or COWs, beginning with the budget work session scheduled September 29th, 2026.

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