

Fairfax County PUBLIC SCHOOLS
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FISCAL YEAR

2027 BUDGET

A Joint Meeting of the Board of Supervisors and School Board

February 24, 2026

COUNTY OF FAIRFAX 1742 VIRGINIA



FY 2027 County Advertised Budget Highlights

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

- Proposal is based on existing Real Estate Tax rate of $1.1225 per $100 of assessed value
  - Real estate tax base increasing 3.77 percent, both residential and non-residential assessments are up
  - Recognizes full-year impact of Food and Beverage Tax implementation
- Provides $118.1 million in increased transfers for Schools operations, construction and debt service
  - Partially funds the Superintendent's Proposed Budget
  - When combined with state action in the former Governor's proposed budget, results in approximately $224 million of funding flexibility for FCPS
- Includes funding for the County's compensation program
- Focus on significant needs for maintenance and renewal of aging facilities and modernization of IT systems
- County priorities are offset by $32.9 million in agency reductions, including 107 merit positions
- Balance of $23.17 million after recommended adjustments
  - In addition, $1.93 million identified for potential loss of UASI funding and $2.55 million in recurring funding remains in Reserve for Economic Uncertainty

FY 2027 Revenue Overview

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

COUNTY REVENUE

Revenue Category	Change from FY 2026 [1] ($ in millions)
Real Estate [2]	$132.52
Personal Property	$56.14
Local Sales Tax	$7.01
Food and Beverage Tax	$67.90
BPOL	$3.42
Charges for Service	$6.30
Transient Occupancy [3]	($5.86)
Other Revenue	$1.96
Total FY 2027 Projected Revenue Increase	**$269.39**

[1] *Revenue change is shown compared to the FY 2026 Adopted Budget Plan.*

[2] *Based on proposed Real Estate Tax rate of $1.1225 per $100 of assessed value.*

[3] *Includes the redirection of Tourism revenue to Fund 10030, Contributories.*

SCHOOLS REVENUE

Revenue Category	Change from FY 2026 ($ in millions)
County Transfer Request [4]	$138.45
Sales Tax and State Aid	$71.11
Federal Revenue	($0.22)
Beginning Balance and Other Revenue	($12.37)
Total FY 2027 Projected Revenue Increase	**$196.96**

[4] *Reflects the operating transfer increase requested by the Schools in its FY 2027 Proposed Budget. The County's FY 2027 Advertised Budget Plan proposes an operating transfer increase of $99.19 million, including a base increase of $94.61 million as well as $4.59 million related to the transfer of programs to the School system.*

Real Estate Tax Base

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

The projected value of 1 Penny on the Real Estate tax rate equals $35.15 million in revenue in FY 2027

At the Real Estate tax rate of $1.1225 per $100 of assessed value, the average tax bill increase is $357

The Commercial/Industrial percentage of the total real estate assessment base decreased from 14.80% in FY 2026 to 14.42% in FY 2027

	2022	2023	2024	2025	2026	2027
Residential Equalization	4.25%	9.57%	6.97%	2.86%	6.17%	3.99%
Residential Growth	0.76%	0.78%	0.85%	0.54%	0.48%	0.32%
Total Residential	**5.01%**	**10.35%**	**7.82%**	**3.40%**	**6.65%**	**4.31%**
Non-Residential Equalization	(4.05%)	2.27%	1.65%	(1.24%)	(0.38%)	0.92%
Non-Residential Growth	1.13%	1.08%	1.10%	1.78%	1.29%	0.92%
Total Non-Residential	**(2.92%)**	**3.35%**	**2.75%**	**0.54%**	**0.91%**	**1.84%**
Total Equalization	2.02%	7.72%	5.68%	1.91%	4.68%	3.32%
Total Growth	0.86%	0.85%	0.91%	0.82%	0.66%	0.45%
TOTAL	**2.88%**	**8.57%**	**6.59%**	**2.73%**	**5.34%**	**3.77%**

Adjustments Included in the FY 2027 County and Schools Budgets

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

	County	School Operating	Programs Transferred to School Operating	School Debt Service	School Construction	Unallocated
FY 2027 Resources						
Projected Revenue at Current Real Estate Tax Rate	$132.71	$94.61	$4.59	$11.40	$7.50	$25.10
Redirect Tourism Revenue to Contributory Fund	--	--	--	--	--	($6.52)
Net Impact of Transfers In	$1.26	--	--	--	--	--
Additional Schools Revenue	--	$58.52	--	--	--	--
Total Available	**$133.98**	**$153.12**	**$4.59**	**$11.40**	**$7.50**	**$18.57**
FY 2027 Requirements						
Compensation (Pay and Benefits)	$102.55	$178.44	--	--	--	--
Debt Service	$7.42	--	--	$11.40	--	--
Capital Renewal/Maintenance	$12.51	--	--	--	$7.50	--
Programs Transferred to FCPS	($4.59)	--	$4.59	--	--	--
Other Priorities	$61.45	$54.23	--	--	--	--
Reductions / School Enrollment	($32.85)	($35.71)	--	--	--	--
Subtotal	**$133.98**	**$196.96**	**$4.59**	**$11.40**	**$7.50**	**$0.00**
Reserve for Loss of UASI Funding	--	--		--	--	$1.93
Reserve for Tourism moved to Contributory Fund	--	--		--	--	($6.52)
Total Uses	**$133.98**	**$196.96**	**$4.59**	**$11.40**	**$7.50**	**($4.59)**
Available Balance	**$0.00**	**($43.84)**	**$0.00**	**$0.00**	**$0.00**	**$23.17**

Pay Adjustment Comparisons

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

	COUNTY					SCHOOLS		
	General Government	Fire & Rescue Uniformed	Police Uniformed	Sheriff Uniformed	DPSC Uniformed	Fairfax Education Unions – Instructional	Fairfax Education Unions – Operational	Fairfax County Federation of Principals, Supervisors and Administrators
Proposed FY 2027	4.26%	4.50%	5.52%	4.22%	4.90%	5.56%	5.72%	5.73%
FY 2026	4.19%	5.58%	6.58%	4.24%	6.11%	6.00%	6.00%	5.00%
FY 2025	3.83%	7.85%	10.69%	7.85%	8.73%	4.00%	4.00%	4.00%
AVERAGE	***4.09%***	***5.98%***	***7.60%***	***5.44%***	***6.58%***	***5.19%***	***5.24%***	***4.91%***

County Fire & Rescue, Police and DPSC compensation adjustments include the impact of collective bargaining agreements beginning in FY 2025.

Schools Fairfax Education Unions (Instructional and Operational) compensation adjustments include the impact of collective bargaining agreements beginning in FY 2026.

County General Government and Schools Fairfax County Federation of Principals, Supervisors and Administrators compensation adjustments include the impact of collective bargaining agreements beginning in FY 2027.

Budget Timeline

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

	COUNTY	FCPS	STATE
Joint County/Schools Budget Committee Meeting to discuss FY 2027 budget and tax rate	February 24	February 24	
School Board adopts FY 2027 Advertised Budget		February 26	
Board of Supervisors advertises FY 2027 tax rates	March 17		
Last day for Governor's action on legislation by midnight			March 24
Board of Supervisors holds public hearings on FY 2027 Budget	April 14-16		
Board of Supervisors marks up FY 2027 Budget	April 28		
Board of Supervisors adopts FY 2027 Adopted Budget	May 5		
School Board holds public hearings on budget		May 12	
School Board adopts FY 2027 Approved Budget		May 21	
FY 2027 Budget Year begins	July 1	July 1	July 1

Looking Forward

JOINT PRESENTATION ON THE COUNTY AND SCHOOLS FY 2027 BUDGETS

- Staff will continue to monitor revenues, federal action, and General Assembly actions and will return to the Board with additional recommendations as part of the Add-On package in April
  - Tracking Food and Beverage Tax revenues as initial payments are received
- Two upcoming Budget Committee meetings (March 10 and 24) to discuss budget issues in more detail
- FY 2028 presents significant fiscal challenges
  - Slowing residential market indicators
  - Collective bargaining agreements, including new public safety agreements
  - Rising retirement and health care contributions
  - Increased debt service
  - Continued operating cost growth
  - Transportation funding requirements

FISCAL YEAR

2027

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Thank You

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