FY28 Budget Kickoff

Presented by

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Purpose and Agenda

Purpose

- Brief introductory overview to kickoff FY28 budget development
- School Board discussion of FY28 priorities

Agenda

- Fiscal Environment
- School Board Priorities

FCPS Budget Development Calendar

Nov — Fiscal Forecast

Jan — Proposed Budget
Superintendent

Feb — Advertised Budget
School Board

Apr — Budget Markup
County

May — Budget Adoption
Final Approval

Meeting	Key Event	Date
SB All Day Work Session	Fiscal Forecast	November 10, 2026
Joint SB/BOS	Joint Budget Meeting on Fiscal Forecast	December 1, 2026
SB Regular Meeting	FY 2028 Proposed Budget Released	January 14, 2027
SB All Day Work Session	FY 2028 Proposed Budget	February 2, 2027
SB Budget Public Hearings	FY 2028 Budget Public Hearings	February 2, 2027 (Feb. 3 if needed)
SB PM Work Session	FY 2028 Proposed Budget	February 18, 2027
Joint SB/BOS	Joint SB/BOS Budget Meeting	February 23, 2027
SB Regular Meeting	School Board Adopts FY 2028 Advertised Budget	February 25, 2027
BOS	SB Presents FY 2028 Budget to BOS	April 13, 2027
BOS Budget Public Hearings	BOS FY 2028 Budget Public Hearings	April 13-15, 2027
BOS	BOS FY 2028 Budget Markup	April 27, 2027
BOS	BOS Adopts FY 2028 Budget, Tax Rates, and FCPS Transfer	May 4, 2027
SB Regular Meeting	FY 2028 Approved Budget Presented to School Board	May 13, 2027
SB Budget Public Hearings	FY 2028 Budget Public Hearings	May 19, 2027 (May 20 if needed)
SB Work Session	FY 2028 Approved Budget	May 20, 2027
SB Regular Meeting	School Board Adopts FY 2028 Approved Budget	May 27, 2027
	FY 2028 Begins	July 1, 2027

County Budget Phases

April - May

County budget guidance for future budget

December

County fiscal forecast may provide additional insight

February

County executive advertised including recommended school transfer

April - May

County Board adopts budget

County Transfer Increase for School Operations
$ in millions

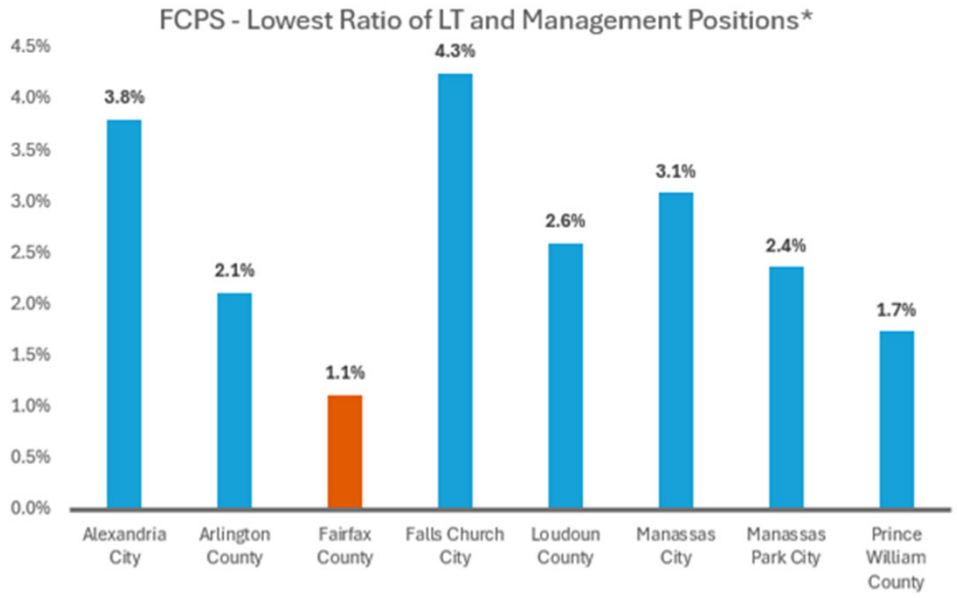
Fiscal Year	Joint Fiscal Forecast	County Advertised	County Adopted
2027 *	n/a	$99.2	$98.8
2026	n/a	$118.6	$118.6
2025	n/a	$165.0	$165.0
2024	$139.0	$144.1	$144.1

* Advertised and Adopted transfer includes funding of $4-5M for programs shifting to FCPS.

Over the past 4 years there have been minimal changes between the County Executive's proposed funding to schools and final appropriation

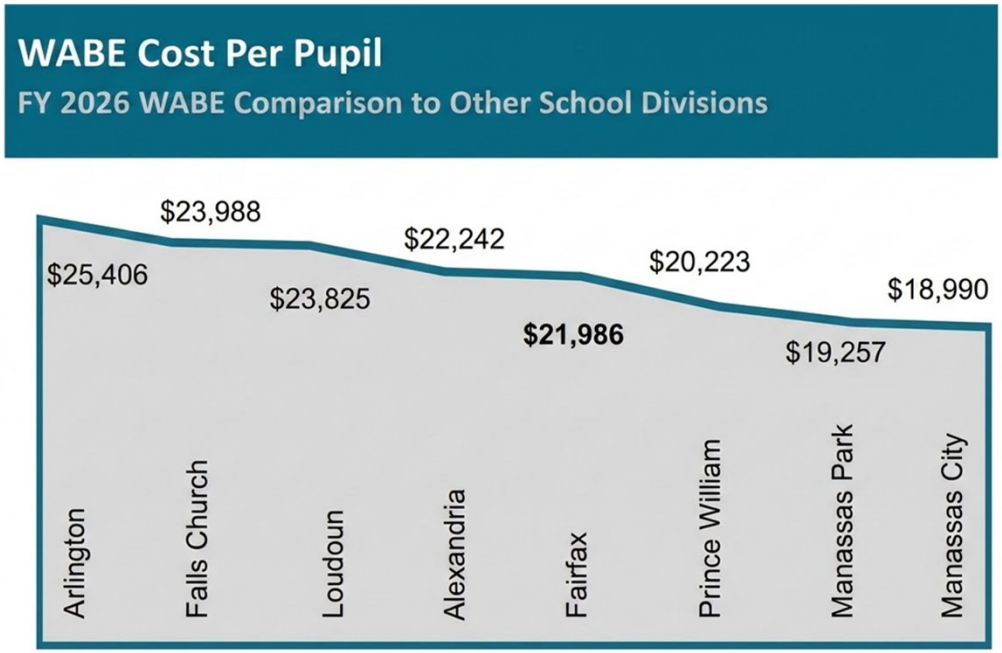
FCPS Demonstrated Efficiencies (WABE)

Management Positions



Our ratio of Leadership Team and management positions is 1.1% compared to 1.7-4.3% at surrounding jurisdictions

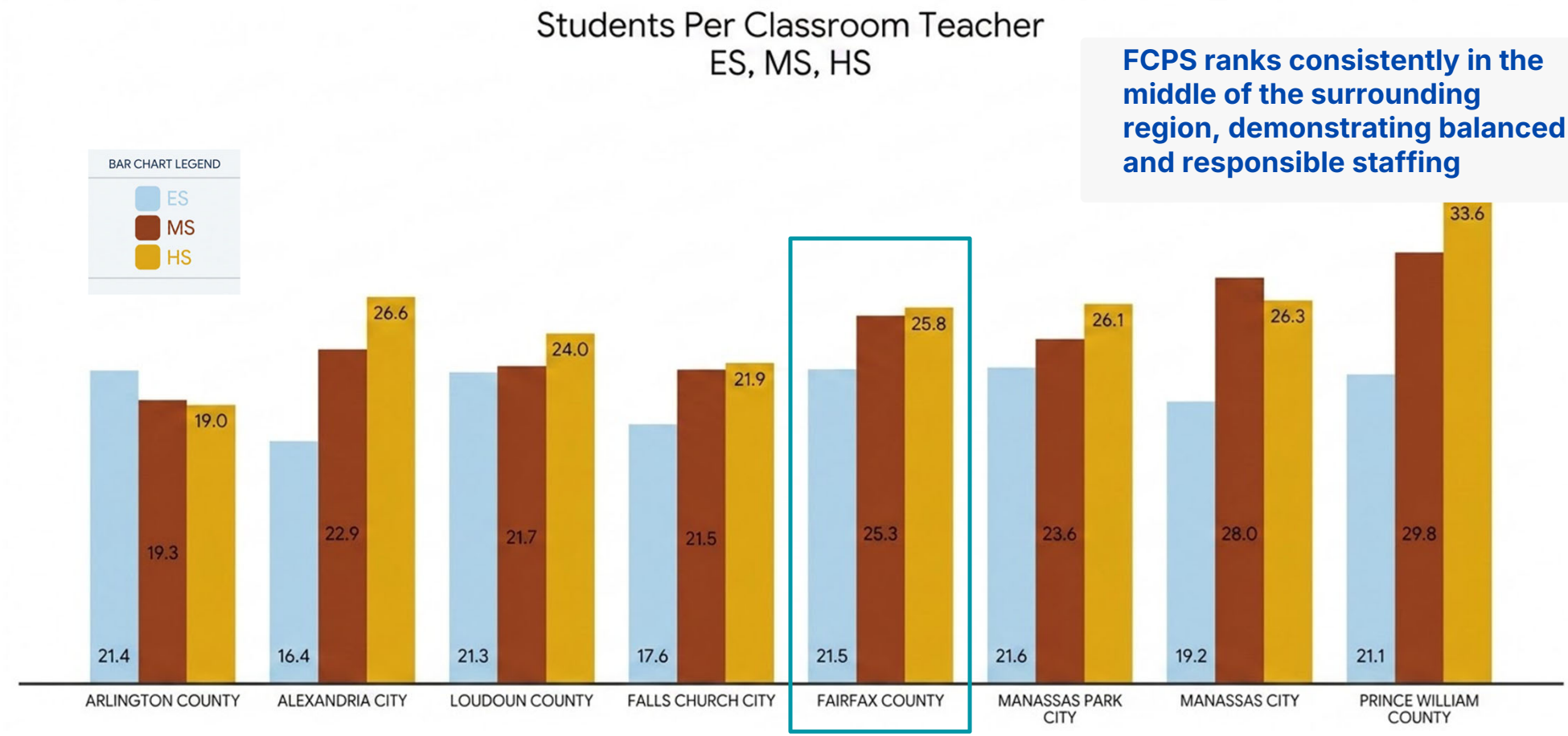
Cost Per Pupil



Our cost per pupil ranks in the middle of the region

*Source: FY 2026 Washington Area Boards of Education (WABE) Guide
Management positions include the following: directors, senior managers, department administrators and supervisors, special assistants, and senior analysts

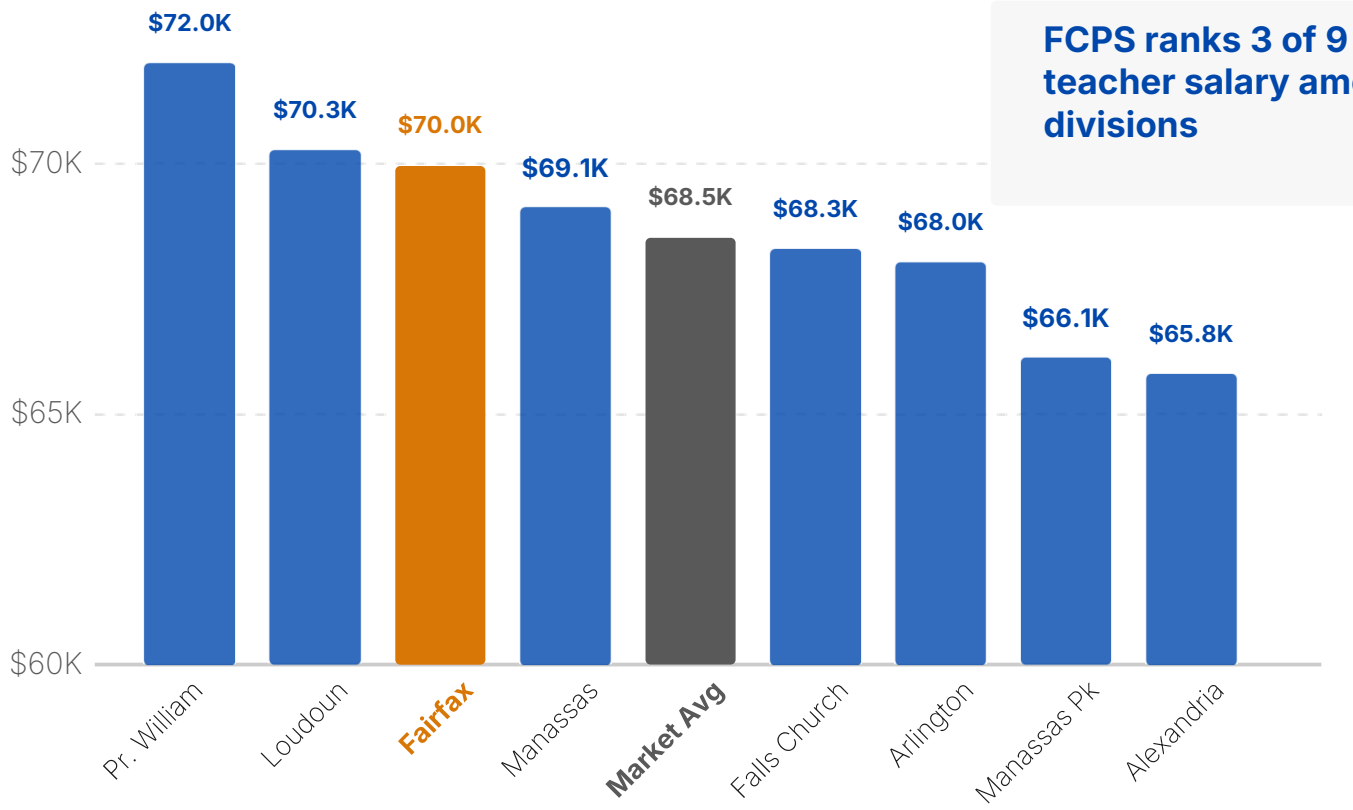
FCPS Demonstrated Efficiencies (WABE)



FCPS ranks consistently in the middle of the surrounding region, demonstrating balanced and responsible staffing

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

FY27 Salary Comparison for Beginning Teachers with Master's



FCPS ranks 3 of 9 in beginning teacher salary among WABE divisions

Challenges

Cost of commitments exceeds likely revenue targets

Revenue Suppression

Federal actions and inflationary pressures are likely to suppress local revenue.

State Limits

Second year of state biennial budget is already established, potentially limiting new funding.

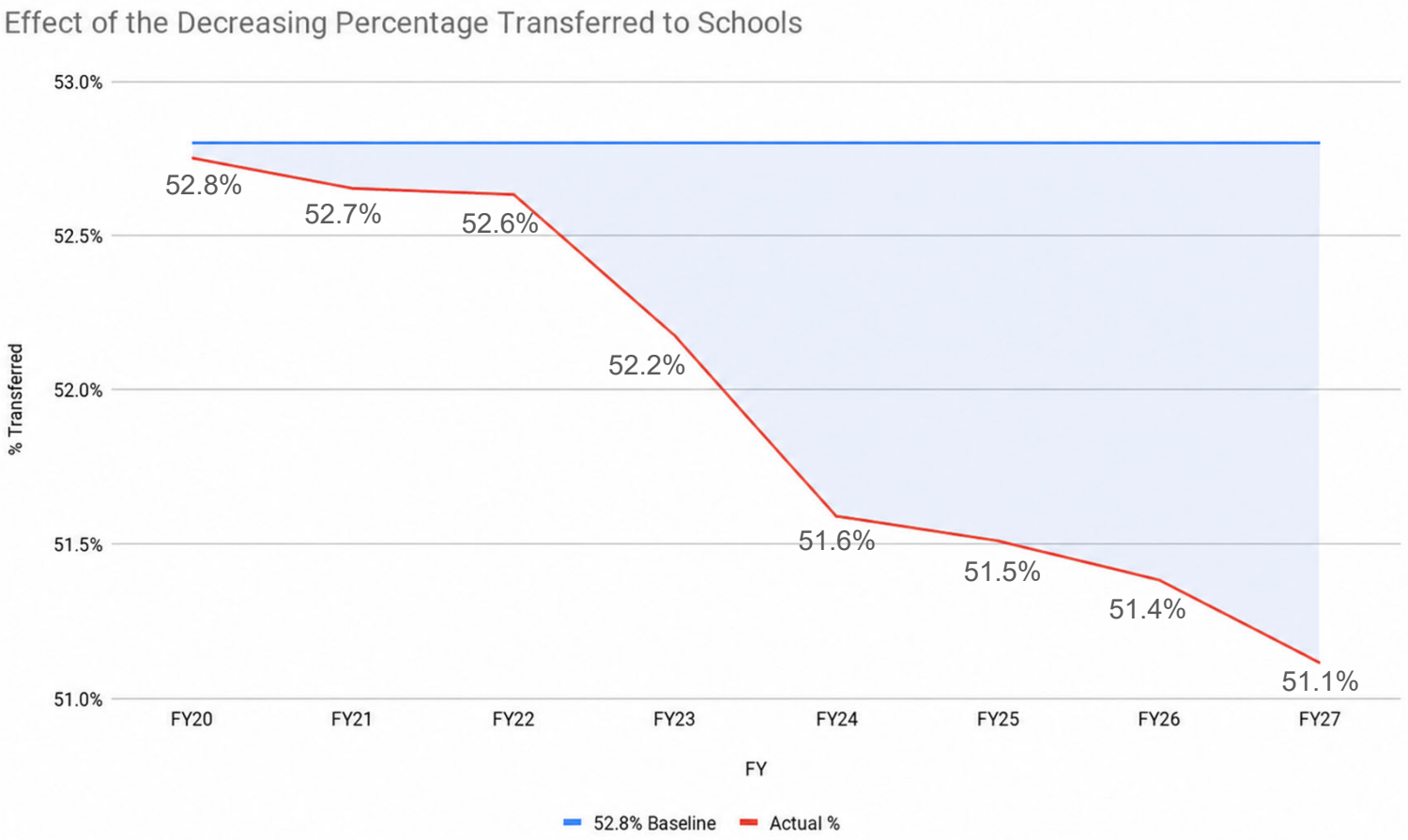
Commitments

Collective bargaining, retirement, healthcare, and multiyear initiatives are expected to outpace revenue.

Rising Fixed Costs

Geopolitical tensions and energy demands drive higher fuel, utility, and other fixed costs.

School Transfer as Percentage of County Disbursements



- Cumulative impact of $339.9M since FY20
- Impact of $97.5M in FY27 alone
- The percentage of local funding provided to FCPS has eroded significantly over the past 7 years

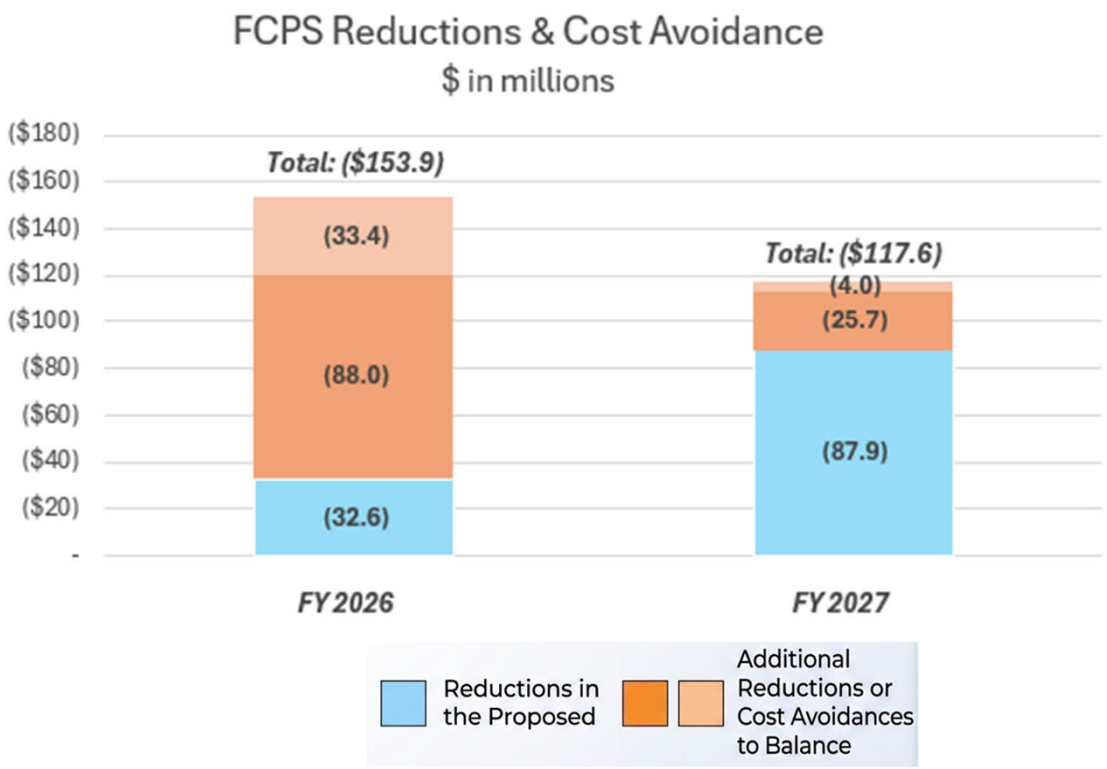
County and Schools Pay Increases

Average Compensation Increases COUNTY					
	Fire and Rescue Uniformed	Sheriff Uniformed	Police Uniformed	DPSC Uniformed	General County
FY 2027	4.50%	4.22%	5.52%	4.90%	4.26%
FY 2026	5.58%	4.24%	6.58%	6.11%	4.19%
FY 2025	7.85%	7.85%	10.69%	8.73%	3.83%
FY 2024	7.83%	7.83%	12.83%	7.83%	7.50%
FY 2023	9.31%	9.31%	9.31%	18.11%	6.16%
Average	*7.01%*	*6.69%*	*8.99%*	*9.14%*	*5.19%*

Average Compensation Increases SCHOOLS				
	Fairfax Education Unions - Instructional	Fairfax Education Unions - Operational	Fairfax County Federation of Principals, Supervisors, and Administrators	Hourly Band
FY 2027	5.56%	5.72%	5.73%	3.00%
FY 2026	6.00%	6.00%	5.00%	5.00%
FY 2025	4.00%	4.00%	4.00%	4.00%
FY 2024	7.22%	7.22%	7.22%	7.22%
FY 2023	6.68%	6.68%	6.68%	8.68%
Average	*5.89%*	*5.92%*	*5.73%*	*5.58%*

Yellow highlighted year indicates the first year of bargaining agreements

FY26 and FY27 Reductions and Cost Avoidances



- Average over the last two years was approximately $135M in reductions and cost avoidances to help balance the budget
- Funding levels in FY 2026 required reopening of the CBA

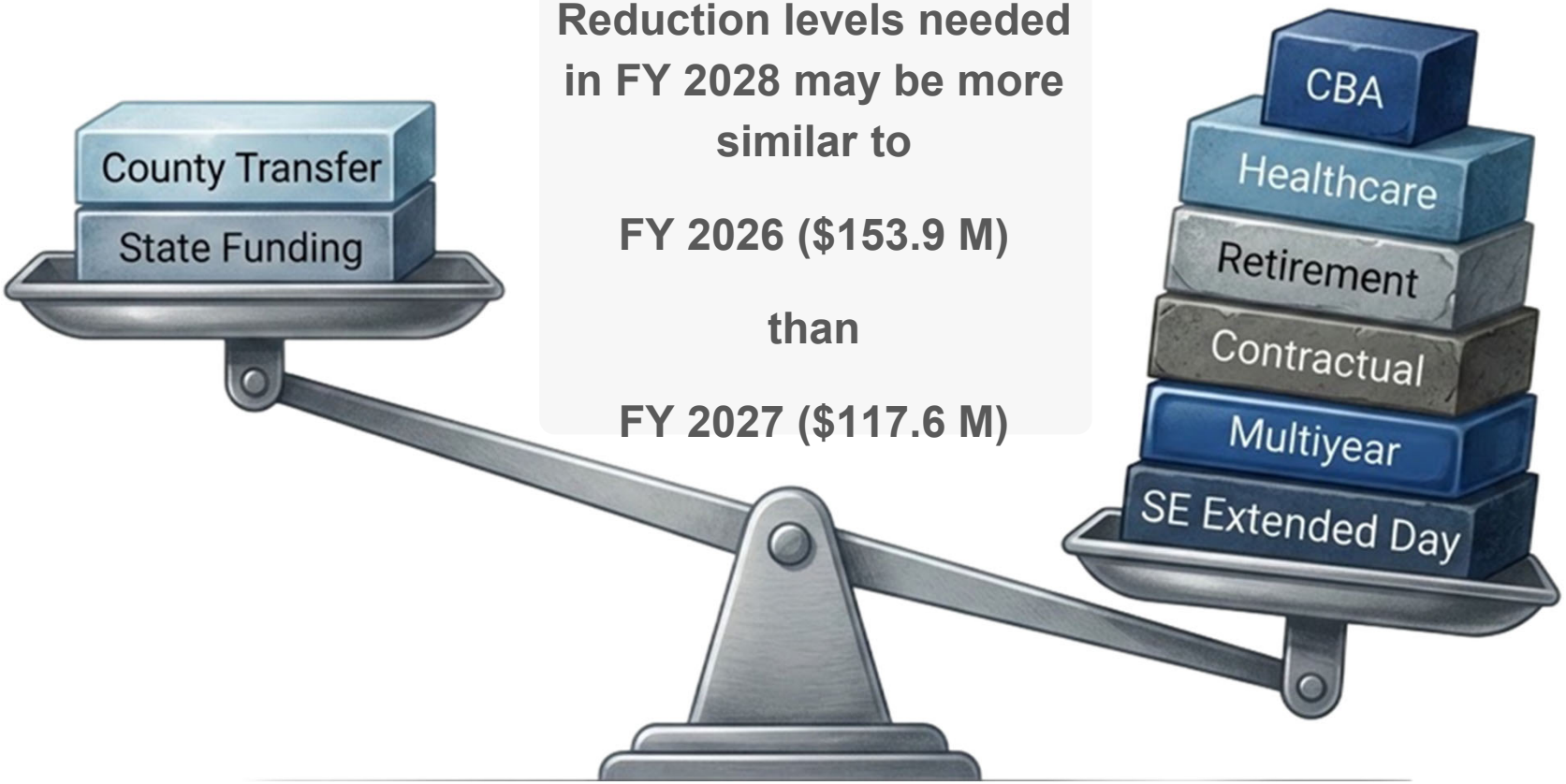
Potential Funding Gap

Reduction levels needed in FY 2028 may be more similar to

FY 2026 ($153.9 M)

than

FY 2027 ($117.6 M)



Magnitude of Hypothetical Reductions or Cost Avoidances

Compensation

A cost avoidance of 1 percent MSA saves approximately $32.6M.

Contemplated only in the event of insufficient funding levels given current collective bargaining agreements

Class Sizes

Increasing class size by 1 student saves approximately $35M.

Recall class size adjustments in FY26 and FY27 budgets

Needs-based Staffing

A reduction of 1 percent in needs-based staffing would save approximately $1M based on the FY26 Program Budget.

Central Office Budgets

As part of FY28 budget development, central offices have again been asked to prepare 5 percent reduction options.

State Requirements

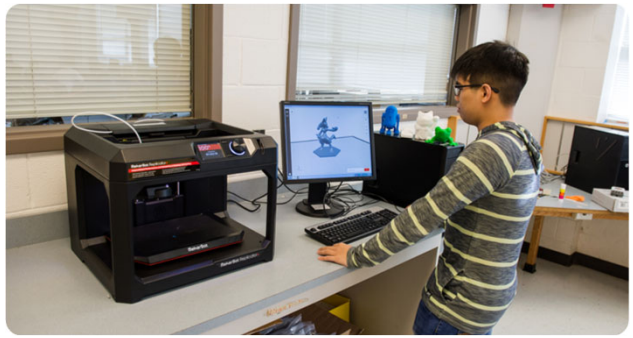
FCPS prides itself on exceeding state Standards of Quality (SOQ) requirements but may need to reduce to state levels in some areas.





Board Discussion of Priorities





Conclusion of Budget Kickoff