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Message from the Superintendent

July 1, 2005

Sustaining excellence and strengthening accountability are the two pillars on which this budget has been developed. Using the School Board's strategic goals and targets as a road map, we have worked with the community and taken a strategic approach to prioritize needs, stretch resources, and align them with student needs. This budget, totaling \$1.9 billion or 7 percent more than the FY 2005 approved budget, meets the challenges that face our community as we strive to maintain world class excellence by educating all students to meet high academic standards and to prepare them to be responsible citizens in the 21st century.

The first major challenge addressed by the budget is the continuing change to our student population. Today students come from more than 200 countries and speak nearly 100 different languages. Fairfax County now teaches approximately 45 percent of the limited English proficient students in the Commonwealth of Virginia. What's more, one in five of our students is economically disadvantaged, as evidenced by eligibility for free or reduced-priced meals, and students with disabilities represent an increasing percentage of students taught in general education classrooms. This increasing diversity demands more strategic use of scarce resources. On average, a special education student costs over \$7,500 more to educate than a general education student and a student for whom English is a secondary language costs \$3,200 more.

A second challenge is posed by the rising goals of the federal No Child Left Behind legislation. Last year only 27 schools in Fairfax County failed to meet at least one of the numerous benchmarks set forth in this legislation. However, the benchmarks jump substantially next year, and without continuing improvement in our test scores, the number of schools that will not pass could more than double. All of our schools are working hard to meet the mark and we recognize the need to direct resources to the schools most at risk of falling short of the new goals.

To address these challenges, we are putting our money where our strength is. Our biggest asset in the struggle to maintain world-class schools is our world-class staff. Recruiting and retaining the finest is our number one priority. Over 86 percent of the total FY 2006 budget is allocated for compensation-related expenditures. Next year, all employees will receive a three percent market scale adjustment. In addition, money has been earmarked to increase beginning teacher salaries to \$40,000 so that we can continue to recruit and maintain the best teaching force in the nation. FCPS will also maintain a competitive benefit package by contributing an additional 0.5 percent of employees' VRS retirement contribution. Rising rates for employee benefits add

Message from the Superintendent

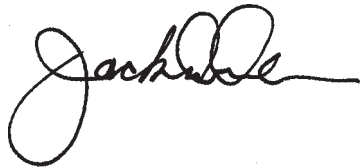
\$7.0 million for retirement increases and \$15.3 million for health insurance increases. Taken together, these compensation-related increases will cost \$123.4 million next year.

Secondly, all major program enhancements for FY 2006 focus on meeting the No Child Left Behind (NCLB) benchmarks. Since research has demonstrated that full-day kindergarten has a significant impact on reading development, this budget strategically expands the full-day kindergarten initiative at five additional schools at a cost of \$1.4 million. In FY 2006, 67 elementary schools will have full-day kindergarten. Recognizing that the most effective staff development occurs in the teacher's own classroom, this budget places 24 instructional coaches (\$2.2 million) in elementary and middle schools that are in jeopardy of not meeting NCLB standards. At the same time, assessment coaches will be added to each high school to improve student achievement by analyzing test data and ensuring that the curriculum is appropriately aligned with required tests.

Recognizing that technology has become increasingly integrated in the instructional programs, 85 new school-based technology positions (\$6.0 million) have been added to provide full-time support in our schools. What's more, reducing class size by 0.5 students (\$1.9 million) in our middle schools sets the stage for improved learning before our students embark on the high-stakes tests required for high school graduation.

The School Board's mission and goals refined this budget, targeting resources to ensure that all children have the opportunity to succeed in our schools. Working together, our schools and community will meet established priorities to fulfill the excellent educational promise that is the hallmark of Fairfax County Public Schools.

Sincerely,



Jack D. Dale
Superintendent of Schools

“The School Board’s strategic goals and targets serve as the road map to align resources with student needs and community priorities.”

Budget at a Glance

Expenditure Highlights

- FY 2006 approved operating budget totals \$1.9 billion, which is an increase of \$125.8 million, or 7.0 percent over the FY 2005 approved budget
- A total of 21,859.4 positions are funded in the FY 2006 approved budget

	Positions	Percent
School-Based:	20,141.1	92.1%
Nonschool-Based	1,718.3	7.9%
Total	21,859.4	100.0%

Expenditure adjustments include:

(\$ in millions)

Compensation

Market Scale Adjustment	\$43.2
Step Increases	\$35.2
Teacher & IA Salary Scale Adjustment (beginning teacher salary to \$40,000)	\$14.7
Bus Driver Salary Scale Adjustment	\$0.9
Pick-up 0.5% of Employee VRS Contribution	\$5.3
Retirement Rate Increases	\$7.0
Health and Dental Insurance Increases	\$15.3
Teacher Retention & Recruitment Initiative	\$1.8

New Resources - Addressing Student Needs

School Technology Support	\$6.0
Instructional Coaches	\$2.2
Class Size: 0.5 Reduction in Middle Schools	\$1.9
Certified Athletic Trainers	\$1.4
High School Assessment Coaches	\$1.3
Full-Day Kindergarten	\$1.4
FECEP/Head Start	\$0.8
Community-Based Summer School	\$2.5

Baseline Funding

Replacement Equipment	\$2.4
Building Maintenance	\$6.8
Replacement Buses	\$1.2
Textbook Adoption	\$1.3
Replacement Vehicles	\$0.5

Revenue Highlights

- Increase in the county transfer is 8.24 percent, or \$109.0 million
- 74.1 percent of the budget is funded by the county
- A beginning balance of \$30.0 million is included
- When compared with other school divisions in Virginia, Fairfax funds a much larger portion of its school budget with local funds. The average Virginia school division receives approximately half of its financial support from its local government, while FCPS must rely on local funds for three-fourths of its budget.



Schools and Centers

In FY 2006, FCPS schools and centers include:

Elementary (K-6)	136
Middle Schools (7-8)	19
Middle Schools (6-8)	3
Secondary Schools (7-12)	4
High Schools (9-12)	21
Alternative High Schools	3
Special Education Centers	<u>13</u>

TOTAL **199**

Budget at a Glance

Academic Excellence

- Eighty-nine percent of FCPS graduates continue on to postsecondary education, and 60 percent of the special education student graduates continue in higher education
- FCPS SAT average of 1105 exceeds both the state average of 1024 and the national average of 1026
- The number of FCPS students taking Advanced Placement (AP) exams rose from 8,716 in 2001 to 10,570 in 2004
- This year, 30 FCPS teachers achieved certification as National Board Certified Teachers which means FCPS now has 214 teachers who have earned this certification
- In the Washington Post's annual Challenge Index - which measures a school's effort to challenge students - all FCPS high schools were rated in the top 5 percent nationwide
- Ninety-five percent of our schools are fully accredited, compared to the statewide rate of 84 percent

FCPS is Efficient

- FCPS ranks fifth when compared to other local area districts in average cost per pupil. In FY 2005, the FCPS average cost per pupil for all instructional programs was \$11,022, according to the WABE Guide. In FY 2006, the FCPS average cost per pupil for all instructional programs is \$11,915.
- 92.1 percent of full-time personnel are based in schools
- Eighty-eight cents of every dollar goes directly to the schools; the remaining 12 cents provides support to the schools

Student Membership

- In FY 2006, \$4.1 million and 27.4 positions are required to accommodate membership adjustments, the opening of a new secondary school, and the advance staffing for a new elementary school opening in FY 2007.

• FCPS Total Projected Membership: 164,918

Special Education	
Total Services	48,544
Unduplicated Student Count	23,915
Level 2 and Preschool	12,299
English for Speakers	22,003
of Other Languages	
Students Eligible for Free and	33,642
Reduced-Price Meals	

• Membership by Grade Level:	
Kindergarten	10,689
Grade 1	11,523
Grade 2	11,506
Grade 3	12,003
Grade 4	11,495
Grade 5	11,332
Grade 6	11,443
Grade 7	11,389
Grade 8	11,382
Grade 9	11,959
Grade 10	11,784
Grade 11	11,986
Grade 12	<u>10,865</u>
Subtotal	149,356

Spec. Ed. Level 2 and Preschool	12,299
FECEP	1,138
Alternative	<u>2,125</u>

Total 164,918



School Board Targets

Vision

The vision of Fairfax County Public Schools is “to provide a gifted-quality education to every child in an instructional setting appropriate for his or her need.” This vision is supported by a mission “to educate all students to meet high academic standards and to prepare all students to be responsible citizens in the 21st century.”

Strategic Goals

We in Fairfax County Public Schools (FCPS) focus our work on educating every child. We provide a rigorous instructional program and academic excellence in an environment in which all students can learn. Our job is to educate and prepare our students to be responsible citizens in the 21st century.

The School Board has set forth a vision of providing a gifted-quality education for each of our students. This vision drives the three strategic goals that direct how we target resources to meet every child’s needs:

Strategic Goal 1

All students will meet academic performance standards at benchmarked grade levels.

Strategic Goal 2

Students will demonstrate exceptional performance via completion of advanced coursework.

Strategic Goal 3

The climate in all FCPS facilities will be safe and secure.

Setting these goals in motion is accomplished through ten divisionwide targets that set the priorities and direction of the entire budget process. Over time, these targets serve as a benchmark for the School Board and community to measure how to best direct resources to meet student needs and offer a blueprint for the direction of all planning and budgeting. Each target and the related new measurements of achievement allow for the evaluation of progress over time towards meeting the School Board’s goals, as reported on the following pages. The resource initiatives tied to each target are also provided since all new resources have been considered in light of these targets and goals.

Targeting Resources

Target 1: Measures of Achievement

Percent of second grade students reading at grade level by the end of second grade as defined by scores on the DRA

		FY 2002 2001-02	FY 2003 2002-03	FY 2004 2003-04	FY 2005 2004-05	FY 2006 2005-06
Measure 1.1						
2nd grade, excluding special education and LEP students	Goal:	92.0%	93.0%	94.0%	94.0%	94.0%
	Actual:	93.0%	92.1%	93.3%		
Measure 1.2						
2nd grade LEP students	Goal:	51.7%	52.0%	53.0%	54.0%	55.0%
	Actual:	51.7%	51.0%	55.5%		
Measure 1.3						
2nd grade special education students	Goal:	46.8%	48.0%	50.0%	51.0%	52.0%
	Actual:	46.8%	48.8%	49.2%		
Measure 1.4						
Reduction in the gap between economically disadvantaged students and others	Goal:				5.0%	5.0%
	Actual:			new in FY 2005		

Target 1

All students will be reading at or above grade level by the end of second grade.

FY 2006 New Resource Initiatives:

- Instructional Coaches
- Full-Day Kindergarten in Five Additional Schools
- FECEP/Head Start Funding
- Community-Based Summer School

Target 2: Measures of Achievement

All schools will meet or exceed the Virginia Standards of Accreditation, as measured by the SOL tests in mathematics, science, English, and social science.

		FY 2002 2001-02	FY 2003 2002-03	FY 2004 2003-04	FY 2005 2004-05	FY 2006 2005-06
Measure 2.1						
Percent of general education schools that meet or exceed the Virginia Standards of Accreditation	Goal:	85.0%	93.0%	94.0%	95.0%	96.0%
	Actual:	83.0%	92.0%	93.0%		
Measure 2.2						
Percent of non-Title I schools meeting Adequate Yearly Progress (AYP)	Goal:				60.0%	65.0%
	Actual:			new in FY 2006		
Measure 2.3						
Percent of Title I schools meeting AYP	Goal:				50.0%	55.0%
	Actual:			new in FY 2005		
Measure 2.4						
Teachers/staff trained on EDSL data capability for NCLB	Goal:				2,000	3,000
	Actual:			new in FY 2005		

Target 2

All schools will meet Virginia accreditation and No Child Left Behind Adequate Yearly Progress standards.

FY 2006 New Resource Initiatives:

- Full-Day Kindergarten in Five Additional Schools
- Accountability Test Analyst and Administrator
- Instructional Coaches
- High School Assessment Coaches
- Community-Based Summer School
- School Technology Support

Targeting Resources

Target 3

Participation & performance of juniors and seniors in Advanced Placement and International Baccalaureate courses will increase.

Target 3 Measures of Achievement

Participation and achievement in AP and IB courses

		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
		2001-02	2002-03	2003-04	2004-05	2005-06
Measure 3.1						
Percent of Juniors and Seniors enrolled and passing AP or IB courses	Goal:	new in 2004-2005			> previous yr	
	Actual:	50.2%	50.4%			
Measure 3.2						
Percent of Juniors and Seniors passing AP or IB exams	Goal:	new in 2004-2005			> previous yr	
	Actual:	72.5%	74.1%			
Measure 3.3						
Percent increase in scores of subgroups scoring below FCPS average	Goal:	new in 2004-2005			5.0%	5.0%
	Actual:					
Measure 3.4						
Percent increase in scores of subgroups scoring above FCPS average	Goal:	new in 2004-2005			1.0%	1.0%
	Actual:					

FY 2006 New Resource Initiatives:

- High School Assessment Coaches
- Middle School Class Size Reduction
- AVID Funding
- Community-Based Summer School

Target 4

All grade 11 students will have the required verified credits for graduation by the end of 11th grade.

Target 4 Measures of Achievement

Verified Credits for 11th Grade Students

		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
		2001-02	2002-03	2003-04	2004-05	2005-06
Measure 4.1						
Percent of 11th graders with required verified credits for graduation	Goal:	new in 2004-2005			90.0%	92.0%
	Actual:					

FY 2006 New Resource Initiatives:

- High School Assessment Coaches
- Instructional Coaches
- School Technology Support

Targeting Resources

Target 5 Measures of Achievement

SAT scores		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
		2001-02	2002-03	2003-04	2004-05	2005-06
Measure 5.1						
Percent increase in scores of subgroups scoring below national average	Goal:	new in 2004-2005		3.0%	3.0%	
	Actual:					
Measure 5.2						
Percent increase in scores of subgroups scoring above national average	Goal:	new in 2004-2005		2.0%	2.0%	
	Actual:					

FY 2006 New Resource Initiatives:

- High School Assessment Coaches
- Middle School Class Size Reduction
- Instructional Coaches

Target 6 Measures of Achievement

GT program participation by Black, Hispanic, and economically disadvantaged students		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
		2001-02	2002-03	2003-04	2004-05	2005-06
Measure 6.1						
Percent increase in Black and Hispanic students participating in GT programs	Goal:	new in 2004-2005		5.0%	5.0%	
	Actual:		21.0%	15.0%		
Measure 6.2						
Percent increase in economically disadvantaged students participating in GT	Goal:	new in 2004-2005		3.0%	3.0%	
	Actual:					

FY 2006 New Resource Initiatives:

- Young Scholars Program
- AVID Funding
- Community-Based Summer School
- Instructional Coaches

Target 5

The achievement of all students taking the SAT in their senior year will increase.

Target 6

The participation of Black, Hispanic, and economically disadvantaged students in gifted and talented programs will increase.

Targeting Resources

Target 7

The percentage of students in professional technical courses who pass the corresponding industry certification tests will increase.

Target 7 Measures of Achievement

Passing rate for professional technical certification tests will increase

	FY 2002 2001-02	FY 2003 2002-03	FY 2004 2003-04	FY 2005 2004-05	FY 2006 2005-06
Measure 7.1					
Percent increase in students receiving certification in professional technical studies courses			Goal: new in 2004-2005 Actual:	5.0%	5.0%

FY 2006 New Resource Initiatives:

- High School Assessment Coaches
- School Technology Support

Target 8

The reading and mathematics Standards of Learning (SOL) scores for all grade 8 students will increase.

Target 8 Measures of Achievement

Reading and math SOL scores for eighth grade students

	FY 2002 2001-02	FY 2003 2002-03	FY 2004 2003-04	FY 2005 2004-05	FY 2006 2005-06
Measure 8.1					
Percent increase in reading scores of subgroups scoring below FCPS average			Goal: new in 2004-2005 Actual:	2.0%	2.0%
Measure 8.2					
Percent increase in reading scores of subgroups scoring above FCPS average			Goal: new in 2004-2005 Actual:	1.0%	1.0%
Measure 8.3					
Percent increase in math scores of subgroups scoring below FCPS average			Goal: new in 2004-2005 Actual:	2.0%	2.0%
Measure 8.4					
Percent increase in math scores of subgroups scoring above FCPS average			Goal: new in 2004-2005 Actual:	1.0%	1.0%

FY 2006 New Resource Initiatives:

- Middle School Class Size Reduction
- Instructional Coaches

Targeting Resources

Target 9 Measures of Achievement

Safe and secure schools						
		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
		2001-02	2002-03	2003-04	2004-05	2005-06
Measure 9.1						
Divisionwide secondary suspension rate	Goal:	new in 2004-2005			< 9.0%	< 8.5%
	Actual:			10.4%	7.1%	
Measure 9.2						
Divisionwide suspension rate for Black and Hispanic students	Goal:	new in 2004-2005			<10.0%	< 9.5%
	Actual:			11.1%	7.9%	
Measure 9.3						
Reduction in behaviors that lead to student expulsion recommendations	Goal:	new in 2004-2005			-10.0%	-9.5%
	Actual:			-27.0%		

FY 2006 New Resource Initiatives:

- Certified Athletic Trainers

Target 10 Measures of Achievement

Majority of students with low incidence disabilities served in their base school general education classrooms						
		FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
		2001-02	2002-03	2003-04	2004-05	2005-06
Measure 10.1						
Percent of high school students served at base school	Goal:	new in 2004-2005			80.0%	85.0%
	Actual:					
Measure 10.2						
Percent of middle school students served at base school	Goal:	new in 2004-2005			95.0%	100.0%
	Actual:					
Measure 10.3						
Percent of elementary school students served at base school	Goal:	new in 2004-2005			80.0%	85.0%
	Actual:					

FY 2006 New Resource Initiatives:

- Community-Based Summer School
- School Technology Support

Target 9

All schools will be safe and secure.

Target 10

All schools will increase their ability to serve students with disabilities in general education classrooms.

FCPS: School Board

Get Involved!

Residents of the county are invited and encouraged to attend public meetings of the School Board, or to watch them on cable Channel 21. To speak before the School Board, call 703-246-3646.



Fairfax County School Board

The Fairfax County School Board is charged by the statutes of Virginia and the regulations of the Virginia Board of Education to provide and operate the public schools of Fairfax County. It is the function of the Board to set general school policy and, within the framework of State Board regulations, to establish guidelines and rules that will ensure the proper administration of the county school program. Residents are encouraged to attend School Board meetings and public hearings.

Phillip A. Niedzielski-Eichner, Chair, Providence District
Director of energy, environment, and infrastructure for Resource Consultants, Inc.; and former director of the U.S. Department of Energy Office of Nuclear Materials Management Policy. Master's degree in public administration from Ohio State University, and a B.S. from John Carroll University. Served as an at-large member of the Fairfax Park Authority Board; past vice president for budget for the Fairfax County Council of PTAs; past president and vice president of the Jefferson High School for Science and Technology PTSA; former soccer coach for Chantilly Youth Association; member of two countywide task forces on (1) school funding challenges and (2) Fairfax County's overdependence on homeowner property taxes to fund public services. Board service January 1, 2004, to present.



Ilryong Moon, Vice Chair, Member at Large
Partner with the law firm of Moon, Park and Associates. B.A. from Harvard University and J.D. from the Marshall-Wythe School of Law, College of William and Mary. Member of the Annandale Rotary Club and the Korean United Methodist Church of Greater Washington. Treasurer of the American Youth Philharmonic Orchestras. Former Fairfax County Planning Commissioner. Former ESOL student and father of two children in Fairfax County Public Schools. Board service 1995-99 and January 1, 2004, to present.



Catherine Belter, Springfield District
Former reference librarian with Fairfax County Public Library. M.L.S. from the University of Maryland and B.A. from Good Counsel College. Former president of the Virginia PTA and the Fairfax Public Library Employees Association and vice president for legislative activity, National PTA. Consultant on the National Coalition for Parent Involvement in Education. Member of League of Women Voters and the Fairfax Committee of 100. Served on Virginia Advisory Committee for the Education of the Gifted and FCPS Advisory Committee for Special Education. Board service January 1, 2000, to present.

FCPS: School Board

Brad Center, Lee District

Senior project manager for Science Applications International Corporation. M.A. from American University and B.A. from Temple University, both in political science. Currently manages the Department of Education's regional IT infrastructure support. Has been PTA president and vice president at Lane Elementary, facilities chair for the County Council of PTAs, an FCPS substitute teacher, a member of the Superintendent's Community Advisory Council and Parent's Advisory Committee, and a member of the school bond committee. Board service January 1, 2004, to present.



Stuart D. Gibson, Hunter Mill District

Senior Litigation Counsel for the U.S. Dept. of Justice, Tax Division. Received Attorney General's Distinguished Service Award, 2004. Seven-time recipient of the Tax Division's outstanding performance award. J.D., cum laude, University of Minnesota Law School and B.S. in journalism from Northwestern University. Former legislation chair for Fairfax County Council of PTAs and former co-president of the Lake Anne Elementary PTA. Member of Reston Optimists. An avid choral singer and father of two daughters who graduated from South Lakes High School. Board service January 1, 1996, to present.



Stephen Hunt, Member at Large

Senior systems analyst for Science Applications International Corporation. Retired U.S. Navy naval flight officer and TOPGUN grad who flew in F-4 and F-14 fighter aircraft. B.S. in civil engineering from Duke University and member of Chi Epsilon Engineering Honor Society. Former chair of the FCPS School Health Advisory Committee and member of the FCPS Family Life Education Curriculum Advisory Committee. Vice commander of American Legion Post 1995; Cub Scout Pack and Boy Scout Troop sponsor representative; and president of board at Assist Pregnancy Center. Board service January 1, 2004, to present.



Kaye Kory, Mason District

Advocate for parent and community involvement in public schools for over 20 years; 16-year Mason District resident. Has been PTA president at Sleepy Hollow Elementary and Glasgow Middle Schools and PTA board member at Stuart High School; served on the Fairfax County Council of PTAs and the Fairfax County Community Action Board. Program development and management positions include project analyst, Fairfax County Department of Community Action, and executive director, S. B. Moon Senior Center-South County Transportation. Two sons who are FCPS graduates and a daughter who is currently an FCPS student. Board service July 8, 1999, to present.



FCPS: School Board



Janet Oleszek, Member at Large
M.Ed. from American University and B.A. from University of California. Education advocate for many years serving on PTA boards at Oak View and Bonnie Brae Elementary Schools and Robinson Secondary School. Former Virginia state PTA legislation chair and Fairfax County Council of PTAs legislative committee representative to the Virginia General Assembly. Served on FCPS Math and Science Curriculum Advisory Committees, cochaired the Fairfax County School Board Election Coalition. Founding committee member of Coalition for Good Schools and founding member of ProFairfax. Mother of two sons who graduated from FCPS. Board service January 1, 2004, to present.



Kathy L. Smith, Sully District
B.A. degree from Muhlenberg College; was an elementary school teacher; served as a member of the Superintendent's Accountability Advisory Council; former Vice President of the Fairfax County Council of PTAs; former PTA President of Chantilly High, Rocky Run Middle, and Poplar Tree Elementary Schools; mother of four children; three are current FCPS students, and one graduated June 2002. Board service March 7, 2002, to present.



Daniel Storck, Mount Vernon District
Founder and managing member of health center, founder and consultant for national health care management firm, and joint developer of a book on managed care. M.B.A. in management and finance and B.S. from Miami University. Coaches Ft. Hunt youth basketball, gives Abraham Lincoln presentations to schools and communities, and is former vice president and board member of Good Shepherd Housing and Family Services. Member of Board of Directors Southeast Fairfax Development Corp. and former member of FCPS' Budget Task Force. Board service January 1, 2004, to present.



Jane K. Strauss, Dranesville District
Active in education for over 30 years. Former elementary and preschool teacher. M.A.T. from Harvard Graduate School of Education and B.A. from George Washington University. Past president of the Franklin Sherman PTA and the Fairfax County Council of PTAs. Served on numerous education and youth affairs committees including the FCPS Career and Technical Preparation Task Force, the Division Planning Committee, the Citizens Bond Committee, and the Fairfax Framework for Student Success. Chair of the School Board Budget Committee 1996-99 and 2002. Board vice chair 2000 and Board chair 2001. Mother of four former FCPS students. Board service 1991-93, and January 1, 1996, to present.

FCPS: School Board

Judith (Tessie) Wilson, Braddock District
Owner of CW Accounting Services. B.A. from American University. Fairfax County resident for 31 years. Served on the Superintendent's Advisory Council, Middle School Language and Grammar Textbook Advisory Committee, and Task Force on Middle School Grading. Was vice president of Bonnie Brae PTA and cofounder of the Youth Council. Past treasurer of Robinson PTSA and co-founder for the Scholarship Fund of Fairfax. Mother of two FCPS graduates. Board service January 1, 2000, to present.



Samantha Kunkel, Student Representative

Senior at Lake Braddock Secondary School. Captain of the club soccer team and also plays lacrosse. Active in Lake Braddock's Student Government Association and is a past member of the FCPS Student Advisory Council. Volunteers for D.C. United and the Burke Animal Clinic. Works as a lifeguard for Northern Virginia Pools and attends Young Life.



Jack D. Dale, Superintendent of Schools

Dr. Jack D. Dale, appointed superintendent of Fairfax County Public Schools in July 2004, previously served as superintendent of Frederick County Public Schools, from 1996 until June 2004. Dr. Dale was named Maryland's Superintendent of the Year in 2000. Served as associate superintendent, Edmonds School District, Edmonds, Washington; director of personnel, Everett Washington School District; assistant to the director, Center for the Assessment of Administrative Performance, University of Washington; director of school instructional services; assistant principal; and mathematics teacher in the Bellevue School District, Washington. Born in Seattle, Dr. Dale holds a B.A. in mathematics and education; a Master's in educational administration; and a Doctorate in education from the University of Washington.



The Budget Process

The Budget Process begins with the Targets.

Budgeting Timeline

Spring 2004

School Board sets goals and targets

Summer 2004

Superintendent solicits input from community groups

Fall 2004

Departments and Clusters submit requests

Winter 2005

Superintendent releases proposed budget and School Board holds public hearings

Spring 2005

Board of Supervisors sets school transfer and School Board approves FY 2006 budget

July 2005

FY 2006 Begins

At the center of all FCPS' planning activities are the School Board's mission and strategic goals which direct the development and measurement of ten strategic targets that are adopted annually after collaboration with the community. The School Board targets drive the allocation of resources throughout the budget process.

The baseline budgets for schools and special education centers are determined primarily by application of standards which meet or exceed state requirements and have been approved by the School Board. Baseline budgets for offices and departments are determined by assigned missions, objectives, and responsibilities and are reviewed by the Office of Budget Services. These requests must be justified every year.

The following calendar of events more fully explains activities that contribute to the budget development and approval process.

April through June

- School Board adopts strategic targets that serve as the blueprint for the budget process

July and August

- Through meetings, focus groups, and surveys, the Superintendent solicits input from community groups on budget priorities
- The financial forecast is presented to the School Board framing the underlying assumptions on expected costs, revenue, turnover, inflation, and membership driving the budget development

September and October

- Departments and clusters submit budget requests
- The chief financial officer and assistant superintendents meet before making final baseline budget recommendations to the Superintendent
- The per-pupil staffing budgets are prepared so that the calculations can be made for the costs to operate the schools
- Compensation budget projections are prepared, based on the current year compensation budget

November

- The Superintendent works with the Leadership Team and the School Board to prioritize recommended initiatives
- The proposed budget is prepared

The Budget Process

December

- The proposed budget is finalized
- The Governor's budget is released, including Local Composite Index (LCI) and grant revenue details

January

- The Superintendent releases the FCPS proposed budget
- The Superintendent meets with community, county, and employee groups on the proposed budget
- The School Board reviews the proposed budget by holding public hearings and work sessions on the budget

February

- The School Board adopts the FCPS advertised budget
- The County Executive releases the county's advertised budget including a proposed transfer to FCPS

March

- The Superintendent forwards the FCPS advertised budget to the county Board of Supervisors (BOS) for funding consideration

April

- The School Board presents its budget request to the BOS
- The county adopts its budget and determines the funding level to be transferred to FCPS

May

- The School Board holds public hearings and work sessions and makes final funding decisions based on the most current information
- The School Board adopts its approved budget for the next budget year

June

- The Superintendent sets in motion the focus groups and survey methods that serve as the foundation for the development of the following year's budget

FY 2006 Budget Calendar

Spring 2004	School Board adopted Targets
July 1, 2004	FY 2005 began
Sept. 2004	Clusters and departments submitted FY 2006 budget requests
Sept. - Nov. 2004	Budget requests were reviewed and centralized account requirements calculated
Jan. 13, 2005	Superintendent released the FY 2006 proposed budget
Jan. 24, 2005	School Board budget work session
Feb. 2, 2005	School Board public hearing
Feb. 3, 2005	School Board budget work session
Feb. 10, 2005	School Board advertised budget adopted
Apr. 5, 2005	School Board budget presentation to Board of Supervisors (BOS)
Apr. 4-6, 2005	County BOS public hearings on budget
Apr. 25, 2005	County BOS approved transfer to schools
May 16, 2005	School Board public hearing
May 26, 2005	School Board adopted FY 2006 approved budget
July 1, 2005	FY 2006 began

Citizen Involvement

What Can You Do?

Sign up to speak at School Board public hearings by calling 703-246-3646 or sign up online at: <http://www.fcps.edu/schlbld/requestspeak.htm>

Sign up to speak at Fairfax County Board of Supervisors public hearings by calling 703-324-3151

Contact your state legislators regarding additional funding: <http://legis.state.va.us>

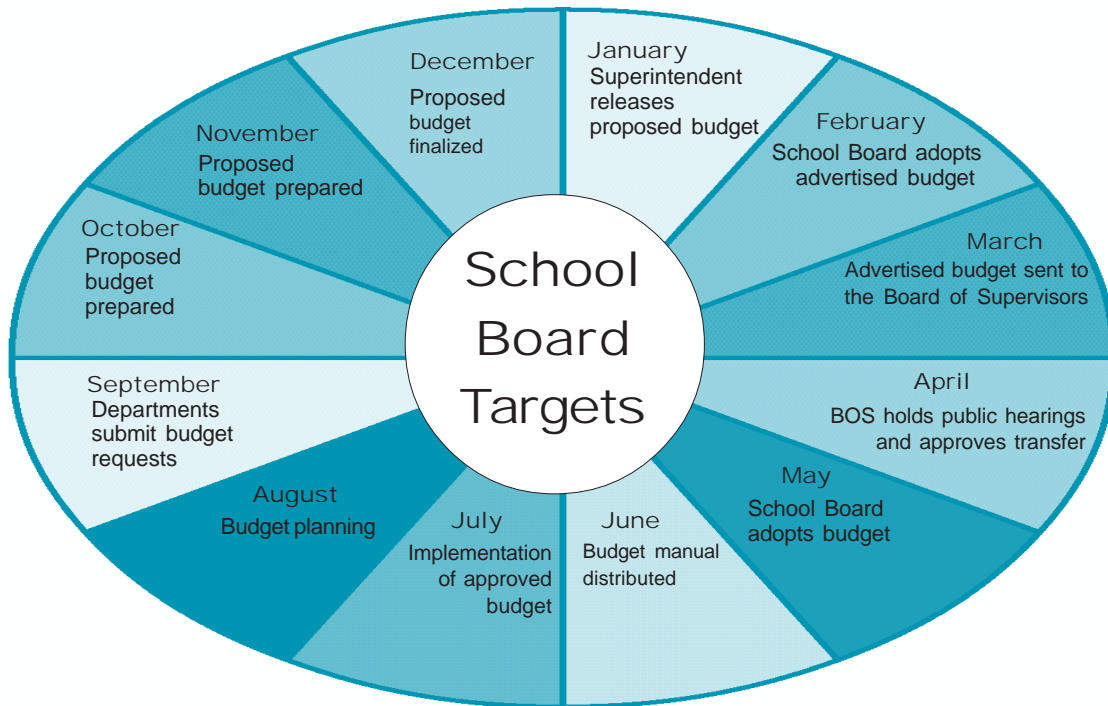
Citizens in the Budget Process

Throughout the budget development process, there are many opportunities for citizens to become involved. The preparation of the budget begins in the summer when community input is solicited from parents and community leaders on the School Board's priorities. In early January, the proposed budget is presented to the School Board, which conducts public hearings in late January, providing further opportunity for citizen input. After considering all of the input received from participants, the School Board's Advertised Budget is adopted in early February.

The advertised budget is presented to the Fairfax County Board of Supervisors (BOS) in April, in conjunction with BOS public hearings. Once the BOS determines the amount of funding to be transferred to Fairfax County Public Schools, the School Board holds public hearings and then approves the final budget in late May.

The approved budget governs the financial operations of the school system beginning on July 1.

Budget Process



Major Funds

School Board Funds

The FY 2006 budget consists of the nine major funds under the control of the School Board.

School Operating Fund

This fund provides for the day-to-day operations and maintenance of the schools and is funded primarily by county and state funds.

Food and Nutrition Services Fund

This fund provides for all food services' operating and administrative costs. It is totally self-supported, primarily by food sales and federal and state subsidies.

Grants & Self-Supporting Programs Fund

This fund accounts for federal grants, state grants, private grants, summer school, and SOL remediation.

Adult & Community Education Fund

This fund contains adult education revenues and expenditures.

School Construction Fund

This fund provides for new facilities and all facility renewals, expansions, building modifications, and capital expenditures. Funds are primarily from the sale of bonds.

School Insurance Fund

This fund provides administration for workers' compensation insurance, self-insurance funds for automobile and general liability, and commercial insurance for other liabilities.

Health & Flexible Benefits Fund

This fund is for the administration of health care benefits for employees and retirees and payment of eligible health care and dependent care expenses for employees participating in the flexible spending account program. Primary sources of revenue are employer/employee contributions.

Central Procurement Fund

This fund accounts for centrally procured orders for textbooks, supplies, and equipment. It is a clearing account for items purchased centrally and does not increase the total budget for the school division.

Educational Employees' Supplementary Retirement System of Fairfax County (ERFC)

This fund provides payments to employees retired from FCPS. The primary sources of revenue are employee and employer contributions and investment income.

School Board Funds			
(\$ in millions)			
	FY 2005	FY 2006	
Fund	Estimate	Approved	Change
School Operating			
Budget	\$1,853.9	\$1,931.4	\$77.5
Positions	21,564.1	21,859.4	295.3
Food & Nutrition			
Budget	\$66.9	\$69.5	\$2.6
Positions	41.5	41.5	0.0
Grants & Self-Supporting			
Budget	\$79.4	\$68.8	(\$10.6)
Positions	397.6	417.6	20.0
Adult & Community Education			
Budget	\$12.1	\$11.4	(\$0.7)
Positions	97.9	97.9	0.0
School Construction			
Budget	\$510.7	\$121.8	(\$388.9)
Positions	88.3	88.3	0.0
School Insurance			
Budget	\$11.4	\$12.3	\$0.9
Positions	10.3	10.3	0.0
Health and Flexible Benefits			
Budget	\$207.3	\$233.8	\$26.5
Positions	13.5	13.5	0.0
Central Procurement			
Budget	\$14.0	\$14.0	\$0.0
Positions	1.0	1.0	0.0
ERFC (Retirement)			
Budget	\$139.5	\$151.8	\$12.3
Positions	32.3	32.3	0.0

Budget Adjustments

Major Adjustments to the Budget

The following table summarizes the adjustments to the FY 2006 proposed budget adopted by the School Board at both the advertised and approved stages of the budget development cycle. A brief description of these adjustments follows the table.

FY 2006 Advertised Budget Adjustments		
	Amount	Positions
Expenditure Adjustments		
Full-Time Salaries	(\$500,000)	0.0
Formative Assessment System	(5,200,000)	0.0
Noncompensation Accounts	(700,000)	0.0
Hourly Salaries	(500,000)	0.0
Transportation Analysis	150,000	0.0
Total Expenditure Adjustments	(\$6,750,000)	0.0
FY 2006 Approved Budget Adjustments		
	Amount	Positions
Revenue Adjustments		
Transfers-In - County General Fund	(\$12,556,663)	
State Aid	7,062,490	
Federal E-Rate	(300,000)	
Immigrant and Youth Subgrant	(305,085)	
Fairfax City Tuition	416,089	
Beginning Balance	10,000,000	
Total Revenue Adjustments	\$4,316,831	
Expenditure Adjustments		
Beginning Teacher Salaries	\$10,300,000	0.0
Membership Growth/New Schools	373,824	17.1
Class Size Reduction - Middle Schools	1,860,905	30.3
Full-Day Kindergarten - Centre Ridge	545,284	7.7
Technology Support Specialists (TSSpecs) and School-Based Technology Specialists (SBTS)	0	6.6
School-Based Technology Specialists (SBTS)	2,095,242	28.4
FECEP/Head Start	432,095	0.0
Secondary Autism Curriculum Resource Teacher	69,059	1.0
Applied Behavior Analysis (ABA) Coach	69,059	1.0
Comprehensive Alternative Program/ALC	344,725	8.5
Assessment Coaches	138,120	2.0
Project Opportunity	152,986	2.5
Woodson Adult High School Teachers	50,226	3.0
GT Program Assistant	0	1.0
South County Secondary	1,019,151	0.0
County Retirement Plan Option	200,044	0.0
Community-Based School Maintenance	266,784	0.0
Bus Driver Salaries	930,000	0.0
Bus Fuel	347,552	0.0
No Child Left Behind (NCLB) Title I Set-Aside	(1,800,000)	0.0
Local Telephone Requests	(652,000)	0.0
Telecommunications Services	(3,000,000)	0.0
New Building Lease Payments	(2,000,000)	0.0
Replacement Equipment	(3,826,225)	0.0
Major Maintenance	(2,600,000)	0.0
Replacement Buses	(1,000,000)	0.0
Total Expenditure Adjustments	\$4,316,831	109.1

Budget Adjustments

FY 2006 Advertised Budget Adjustments

Expenditure Adjustments

Full-Time Salaries

Based on an analysis of the salary file and current lapse experience, a \$0.5 million reduction was made in the full-time salary budget.

Formative Assessment System

The FY 2006 proposed budget included a \$5.2 million proposal to fund a new formative assessment program. The School Board eliminated the allocation for the system.

Noncompensation Accounts

The Superintendent was directed to identify reductions totaling \$0.7 million from noncompensation accounts.

Hourly Salaries

The Superintendent was directed to identify reductions totaling \$0.5 million from hourly salary accounts.

Transportation Analysis

The School Board approved a motion to add placeholder funding in the amount of \$150,000 to hire one or more outside consultants to examine the student transportation system in the following respects:

- Ways to improve the recruitment and retention of bus drivers
- Ways to improve the effectiveness of the student transportation system and find cost-effective alternatives to enable FCPS to better align school start times with student sleep cycles

FY 2006 Approved Budget Adjustments

Revenue Adjustments

Transfer Reduction

The School Board's Advertised Budget included an increase in the county transfer of 9.2 percent. The Board of Supervisors, in adopting its FY 2006 budget plan, approved a transfer increase of 8.24 percent resulting in a revenue reduction of \$12.6 million.

State Aid

A \$7.1 million increase in state aid was based on the final actions of the General Assembly and was primarily due to an increase in sales tax revenue and the addition of salary supplement funding.

Budget Adjustments

Federal E-Rate

Due to a decrease in the FCPS phone expenditure accounts, a \$0.3 million reduction in the E-Rate revenue was taken.

Immigrant and Youth Subgrant

The Immigrant and Youth Subgrant, formerly Emergency Immigrant, was moved from the Operating Fund to the Grants Fund under Title III, which reduced federal aid in the Operating Fund by \$0.3 million.

Fairfax City Tuition

The estimated revenue from Fairfax City tuition increased by \$0.4 million.

Beginning Balance

The budgeted beginning balance was increased by \$10.0 million funded from the FY 2005 ending balance that will be carried over to fund the FY 2006 budget.

Expenditure Adjustments

Beginning Teacher Salaries

The incremental cost to revise the teacher salary scale and increase beginning teacher annual salaries (BA step 1) to \$40,000 required an additional \$10.3 million.

Membership Growth/New Schools

The total membership growth adjustment is \$0.4 million and 17.1 additional positions.

General education membership increased by 38 students from the FY 2006 proposed projection. General education staffing increased by 46.09 positions, including 17.33 positions for the opening of the new South County Secondary School. The increase in elementary general education positions is partly due to the increase in clerical positions generated by the addition of 27.0 Title I teachers and 41.0 SBTS positions.

Special education services decreased by 255 services and 11.54 positions; ESOL membership decreased by 258 students and 17.46 positions.

Class Size Reduction - Middle School

Middle school class size was reduced by 0.5 students due to a new middle school formula that adjusts staffing for free & reduced-price meals and ESOL students. This initiative added 30.3 teachers at a cost of \$1.9 million.

Full-Day Kindergarten - Centre Ridge

Full-day kindergarten at Centre Ridge Elementary was implemented at a cost of \$0.5 million and 7.7 positions.

Budget Adjustments

Technology Support Specialists (TSSpecs) and School-Based Technology Specialists (SBTS)
No additional funds were required for position authorization for 6.6 positions to provide an additional 0.3 SBTS for all elementary schools, alternative high schools, and three special education centers for a total of 0.8 SBTS at each of these locations; and 1.0 TSSpec to support interagency alternative schools (DSS).

School-Based Technology Specialists (SBTS)
Funding of \$2.1 million was provided to add a 0.2 SBTS to 136 elementary schools, the 3 alternative high schools, and 3 stand-alone special education centers, bringing SBTS staffing at these locations from 0.8 to 1.0.

FECEP/Head Start

The FECEP/Head Start program costs increased by \$0.4 million due to teacher salary scale adjustments and the cost of benefits determined after the proposed budget was released.

Secondary Autism Curriculum Resource Teacher
Funding totaling \$69,059 was provided to add a curriculum resource teacher to provide dedicated support for the expansion of the elementary enhanced autism services to the middle and high school levels.

Applied Behavior Analysis (ABA) Coach

Funding totaling \$69,059 was provided to add an additional ABA coach position due to growth.

Comprehensive Alternative Program/ALC

Eight and one-half positions were added to the Alternative Learning Center (ALC) program as part of the implementation of the alternative programs five-year plan. The net cost of the initiative was \$344,725. Costs were partially offset by reallocating funds in the Department of Special Services.

Assessment Coaches

Position authorization was requested for a 0.5 assessment coach position at each of the three alternative schools and Woodson Adult High School. The cost of the initiative was \$138,120.

Project Opportunity

Funding totaling \$152,986 and position authorization for 2.5 FTE positions was provided for Project Opportunity at Bryant Adult and Alternative High School. This is a program for pregnant and parenting young women in high and middle school (ages 12-22) and was previously supported by grant funds.

Budget Adjustments

Woodson Adult High School

Funding totaling \$50,226 and position authorization for 3.0 FTE teacher positions at the Woodson Adult High School was added due to membership and program growth. Costs were partially offset by a reduction to the hourly teacher account.

Gifted/Talented (GT) Program Assistant

Position authorization was needed for a US-11 position to assist the GT Center program. Hourly funds were will be used to cover the cost of the position, including benefits.

South County Secondary

Additional funding was required for library materials, studio equipment, musical instruments, and other capital items based on increased membership and expanded technology requirements at the new South County Secondary School.

County Retirement Plan Option

Funding was provided for implementation of a Deferred Retirement Option Plan (DROP) for FCPS employees who participate in the Fairfax County Employees' Retirement System (FCERS).

Community-Based School Maintenance

A maintenance center in the Town of Herndon was added at a cost of \$266,784.

Bus Driver Salaries

Placeholder funding was provided to implement changes in bus drivers' salaries, contracts, and job classifications to increase starting pay and address the growing problem of insufficient numbers of drivers.

Bus Fuel

Additional funding was required in the FY 2006 fuel budget due to a 55 percent increase in the cost per gallon of diesel fuel.

No Child Left Behind (NCLB) Title I Set-Aside

Funding in the amount of \$1.8 million was allocated to satisfy the No Child Left Behind requirement that funding equal to 20 percent of the Title I allocation be set aside for school choice and supplemental services. This was eliminated from the Operating Fund and moved to the Title I grant in the Grants and Self-Supporting Programs Fund.

Local Telephone Requests

Savings of \$0.7 million was recognized due to the implementation of the Share the Savings program.

Telecommunications Services

Due to the contract award for data network telecommunication services, these accounts were reduced by \$3.0 million.

Budget Adjustments

New Building Lease Payments

The proposed budget included an estimate of \$4.0 million for the new office building lease payment; actual lease payment will be \$2.0 million in FY 2006. Payments will increase to \$4.0 million in FY 2007.

Replacement Equipment

A reduction in the replacement equipment account from \$6.2 million to \$2.4 million was made to balance the FY 2006 approved budget. Restoration of this funding will be considered as part of the FY 2005 Final Budget Review.

Major Maintenance

A reduction to the major maintenance transfer from \$9.4 million to \$6.8 million was made to balance the FY 2006 approved budget. Restoration of this funding will be considered as part of the FY 2005 Final Budget Review.

Replacement Buses

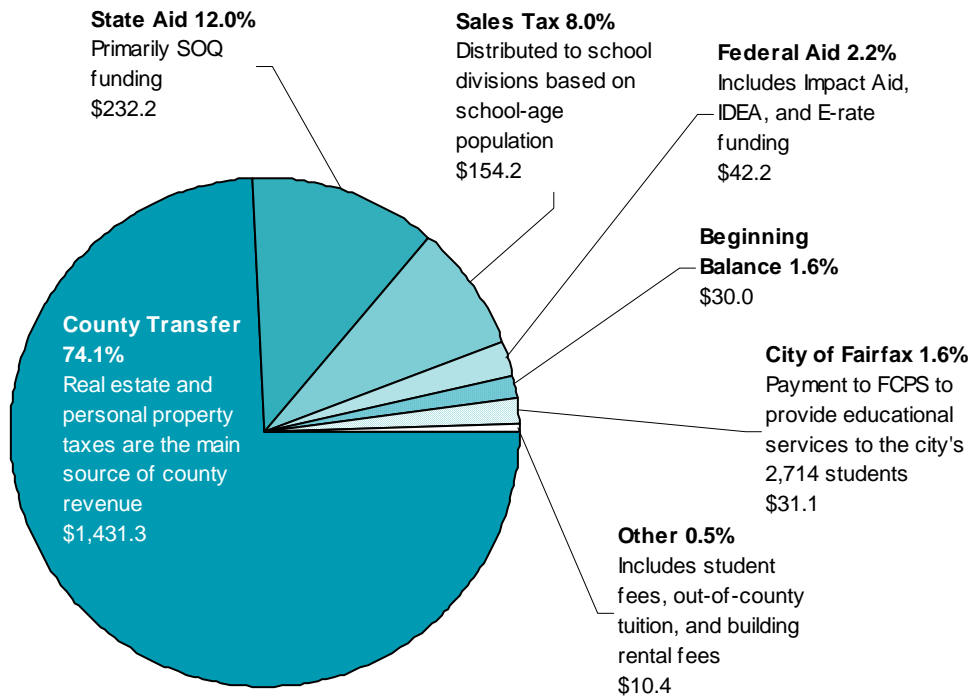
A reduction in the replacement bus account from \$2.2 million to \$1.2 million was made to balance the FY 2006 approved budget. Restoration of this funding will be considered as part of the FY 2005 Final Budget Review.

Revenue Highlights

Where it comes from....FY 2006 Approved Revenue Sources

The Fairfax County General Fund is our primary source of revenue for the FY 2006 operating budget. From total county funds, the Board of Supervisors approves a transfer to finance the major portion of the Operating Fund and a portion of the Construction Fund. As shown in the chart, the County General Fund transfer is \$1,431.3 million, an increase of 8.24 percent from the previous year.

Where it comes from.....
FY 2006 Approved Operating Revenue
 (\$ in millions)



Revenue

As shown in the chart on the next page, when compared to the FY 2005 estimate, the FY 2006 revenue is expected to increase \$47.5 million, or 2.5 percent; and when compared to the FY 2005 approved budget, the FY 2006 revenue is expected to increase \$125.8 million, or 7.0 percent. In FY 2006, a beginning balance of \$30.0 million will be funded from FY 2004 and FY 2005 ending balances. The primary source of operating revenue, the County General Fund transfer, is projected to increase 8.24 percent. State aid, the second largest funding source, is projected to increase by 3.8 percent. Together, these two funding sources comprise 86.0 percent of all revenue projected for FY 2006.

Revenue Highlights

The County General Fund: Our Primary Source

Real and personal property tax dollars are the primary revenue source for the Fairfax County government. From total county funds, the Board of Supervisors approves a transfer to finance the major portion of the School Operating Fund (SOF) and a portion of the School Construction Fund. For FY 2006, the County General Fund transfer of local tax dollars will provide 74.1 percent of total School Operating Fund revenues. Included in this total is \$1.6 million to fund the final installment of the teacher salary liability, part of a ten-year plan.

Revenue Comparison (\$ in millions)							
Category	FY 2005 Approved	FY 2005 Estimate	FY 2006 Approved	Comparison		Comparison	
				Approved to Amount	Approved Percent	Approved to Amount	Estimate Percent
Beginning Balance	\$41.9	\$113.4	\$30.0	(\$11.9)	-28.4%	(\$83.4)	-73.5%
County Transfer	\$1,322.4	\$1,322.4	\$1,431.3	\$109.0	8.2%	\$109.0	8.2%
Revenue							
State Aid	\$224.9	\$223.7	\$232.2	\$7.3	3.2%	\$8.5	3.8%
Sales Tax	140.7	141.5	154.2	13.5	9.6%	12.7	9.0%
Federal Aid	37.5	45.4	42.2	4.8	12.7%	(3.2)	-7.0%
City of Fairfax	29.1	28.5	31.1	2.0	6.7%	2.6	9.0%
Other	9.1	9.1	10.4	1.3	14.3%	1.3	14.3%
Subtotal Revenue	\$441.3	\$448.2	\$470.0	\$28.8	6.5%	\$21.9	4.9%
Total School Operating Fund	\$1,805.5	\$1,883.9	\$1,931.4	\$125.8	7.0%	\$47.5	2.5%

*Numbers may not add due to rounding

State Revenue

Revenue is received from the Commonwealth of Virginia in two forms: sales tax and state aid. State aid is projected to increase 3.8 percent over the FY 2005 estimate and sales tax is projected to increase 9.0 percent.

State Aid

State aid will increase from \$223.7 million in FY 2005 to a projected level of \$232.2 million in FY 2006. This increase is primarily due to routine updates to the Standards of Quality (SOQ) funding rates and membership growth. Also included are actions of the 2004 General Assembly that modified the state's funding formulas, increasing the number of SOQ-funded positions, as well as increasing the English as a second language funding ratio.

Revenue Highlights

When distributing state aid to localities, the state equalizes payments using the local composite index (LCI). Counties and cities with a lower composite index receive more state funding, while those with a higher index receive less. FCPS' current LCI of .7489 indicates that FCPS will receive less state aid per pupil than the average school division in Virginia. According to the latest Annual Report of the State Superintendent of Instruction, in FY 2004, FCPS received \$1,261 per pupil in state aid, while the state average per pupil was \$2,793.

When compared with other school divisions in Virginia, Fairfax funds a much larger portion of its school budget with local funds. The average Virginia school division receives approximately half of its financial support from its local government, while FCPS must rely on local funds for almost three-fourths of its budget.

Sales Tax

The projected revenue of \$154.2 million reflects a 9.0 percent increase in sales tax receipts over the FY 2005 estimate. Of the 5.0 cent sales-and-use tax levied in Virginia, one cent of the amount collected is returned directly to the local government for General Fund use and one and one-quarter cent is dedicated to K-12 education. Of the amount collected for K-12 education, one and one-eighth is returned to school districts as sales tax revenue and one-eighth is used to fund the state's share of the Standards of Quality (SOQ). However, when distributing the sales tax revenue to school districts, the state equalizes the funds among the school divisions based on each locality's number of school-age children. If sales tax revenues were distributed to public schools using the same methodology used for local government, FCPS would receive approximately \$30.0 million in additional revenue in FY 2006.

Federal Aid

Federal aid is projected to be \$42.2 million in FY 2006. Major sources of federal funds are provided through the Impact Aid program and categorical aid for specific purposes. Federal programs, except for Impact Aid, are budgeted by the federal government a year in advance of actual use by localities. Actual entitlements, however, are not known until the beginning of the school year.

FCPS also receives an additional \$24.5 million in federal entitlement funding for the No Child Left Behind Act. This funding is accounted for in the Grants and Self-Supporting Fund (see Special Revenue Funds in the Financial Section).

Revenue Highlights

City of Fairfax

Fairfax County Public Schools operates the schools owned by the City of Fairfax in accordance with a contractual agreement, which uses a tuition formula to derive the payment due to FCPS from the City of Fairfax. FCPS is projected to receive \$31.1 million from the City of Fairfax to provide educational services to the 2,714 students projected for FY 2006.

Other Revenue

Other sources of revenue totaling \$10.4 million include student fees, out-of-county tuition, and building rental fees.

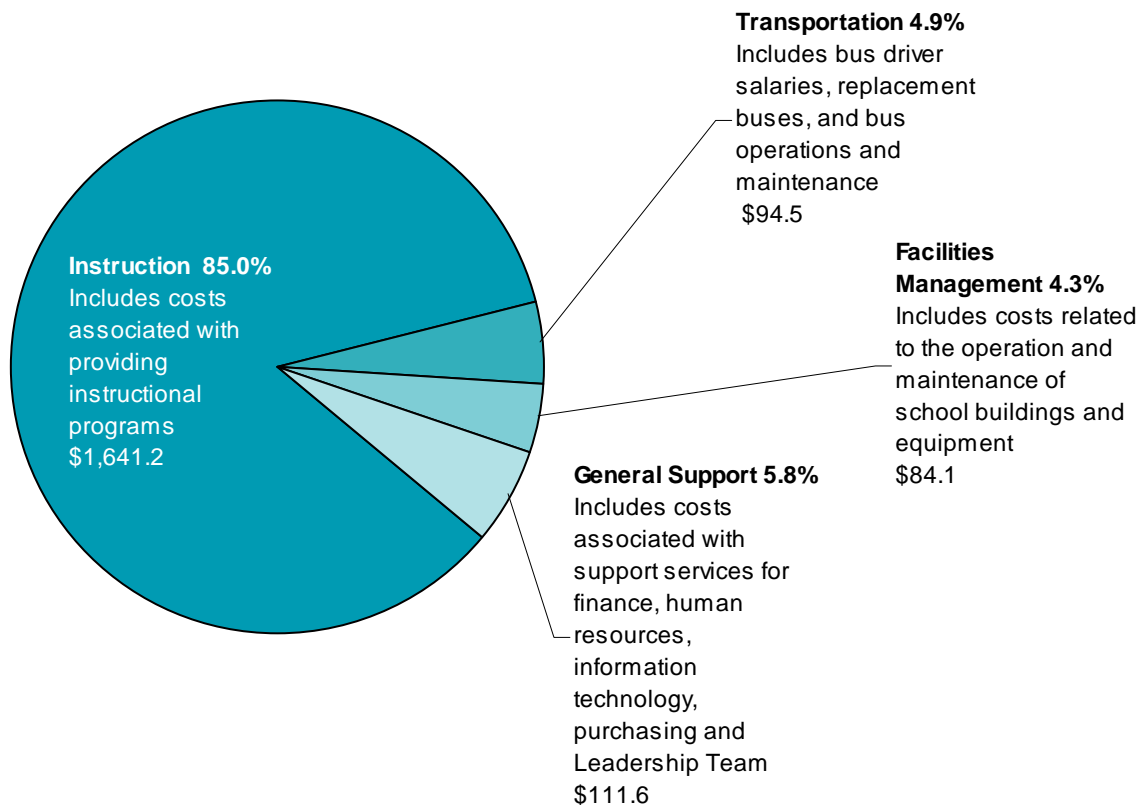
Expenditure Highlights

Where it goes.....FY 2006 Approved Expenditures

Expenditures in the Operating Fund for FY 2006 total \$1,931.4 million, an increase of \$125.8 million, or 7.0 percent, over the FY 2005 approved budget and \$77.5 million, or 4.2 percent above the FY 2005 estimate.

The chart below shows total expenditures by type. Compensation-related expenditures are over 86 percent of the total budget, a fairly typical pattern for a labor-intensive enterprise such as a school system.

Where it goes..... **FY 2006 Approved Operating Expenditures** (*\$ in millions*)



The significant expenditure adjustments include:

- \$78.4 million for market scale adjustments and step increases
- \$22.7 million for competitive compensation initiatives
- \$43.1 million for benefit cost increases
- \$4.1 million for membership growth/new schools
- \$17.5 million for new resources

Expenditure Highlights

These adjustments are partially offset by compensation lapse and other changes to expenditure accounts.

Expenditure Comparison (\$ in millions)					
	FY 2005 Approved	FY 2005 Estimate	FY 2006 Approved	Change Over FY 2005 Approved	Change Over FY 2005 Estimate
Compensation					
Regular Salaries	\$1,092.6	\$1,084.4	\$1,163.3	6.5%	7.3%
Hourly Salaries-Contracted	45.1	48.1	52.3	16.0%	8.7%
Hourly Salaries-Noncontracted	41.4	45.3	40.9	-1.2%	-9.6%
Salary Supplements	21.8	15.0	17.1	-21.6%	14.0%
Reimbursable Salaries	(1.5)	(3.0)	(1.9)	26.7%	-34.0%
Employee Benefits	343.5	348.4	391.6	14.0%	12.4%
Subtotal Compensation	\$1,542.9	\$1,538.2	\$1,663.2	7.8%	8.1%
Logistics					
Materials/Supplies	\$71.0	\$90.0	\$72.4	2.0%	-19.6%
Utilities	51.9	51.5	49.5	-4.6%	-3.9%
Other Operating Expenses	15.8	16.9	12.5	-20.9%	-26.0%
Privatized Services	29.5	44.2	33.8	14.6%	-23.4%
County Services	20.3	21.9	23.3	14.8%	6.5%
Capital Outlay	37.2	45.9	34.8	-6.5%	-24.1%
Other Funds	6.7	6.7	6.7	0.0%	0.0%
School Board Reserve	0.0	8.0	0.0	0.0%	0.0%
Subtotal Logistics	\$232.4	\$285.1	\$233.1	0.3%	-18.2%
Transfers	\$30.2	\$30.8	\$35.1	16.2%	14.2%
Total *	\$1,805.5	\$1,853.9	\$1,931.4	7.0%	4.2%

* May not add due to rounding.

Expenditure Adjustments

Market Scale Adjustments and Step Increases

The single largest increase in the budget, \$78.4 million, is for annual employee compensation adjustments, including estimated costs for both salaries and salary-sensitive employee benefits. Eligible employees, including bus drivers, will receive an average salary increase of 6.1 percent which includes step increments. Hourly employees will receive an increase of 3.0 percent.

Competitive Compensation Initiatives

The FY 2006 approved budget includes \$22.7 million for compensation initiatives. Details of these initiatives can be found in the Budget Highlights section, page 35.

Expenditure Highlights

Benefit Increases

Benefits in FY 2006 are expected to increase by \$43.1 million primarily due to increases in nearly all benefit accounts. This includes:

- \$12.3 million for increases for the VRS and Fairfax County Employees' Retirement System (FCERS) and employee VRS contribution phase-out
- \$15.3 million for premium rate increases for health insurance

Membership Growth/New Schools

Since FY 2001, FCPS has seen membership increase by an average of 0.8 percent a year, or a total of 4.2 percent over the past five years. It is estimated that membership-driven savings to the costs of growth, as well as costs associated with the staff and equipment for one new secondary school to open in FY 2006 and the advance staff to open one elementary school in FY 2007 will total \$4.1 million in FY 2006.

FY 2006 Authorized Positions

The compensation portion of the budget, which is 86 percent, funds 21,859.4 full-time equivalent positions. Of these positions, 508.8 positions are funded through federal grants. As indicated in the position growth chart, this number is comprised of 20,141.1 school-based positions, of which 13,573.2 are teachers. There are 1,718.3 nonschool-based positions.

Since FY 2001, 1,786.6 school-based positions have been added to support membership growth and program improvements - a 9.7 percent increase. Over the same period, nonschool-based positions have only increased 6.3 percent, or 102.4 positions.

FY 2001 to FY 2006 Position Growth						
Description	FY 2001		FY 2006		FY 2001 to 2006	
	Amount	Percent	Amount	Percent	Amount	Percent
School-Based	18,354.5	91.9%	20,141.1	92.1%	1,786.6	9.7%
Nonschool-Based	1,615.9	8.1%	1,718.3	7.9%	102.4	6.3%
Total	19,970.4	100.0%	21,859.4	100.0%	1,889.0	9.5%

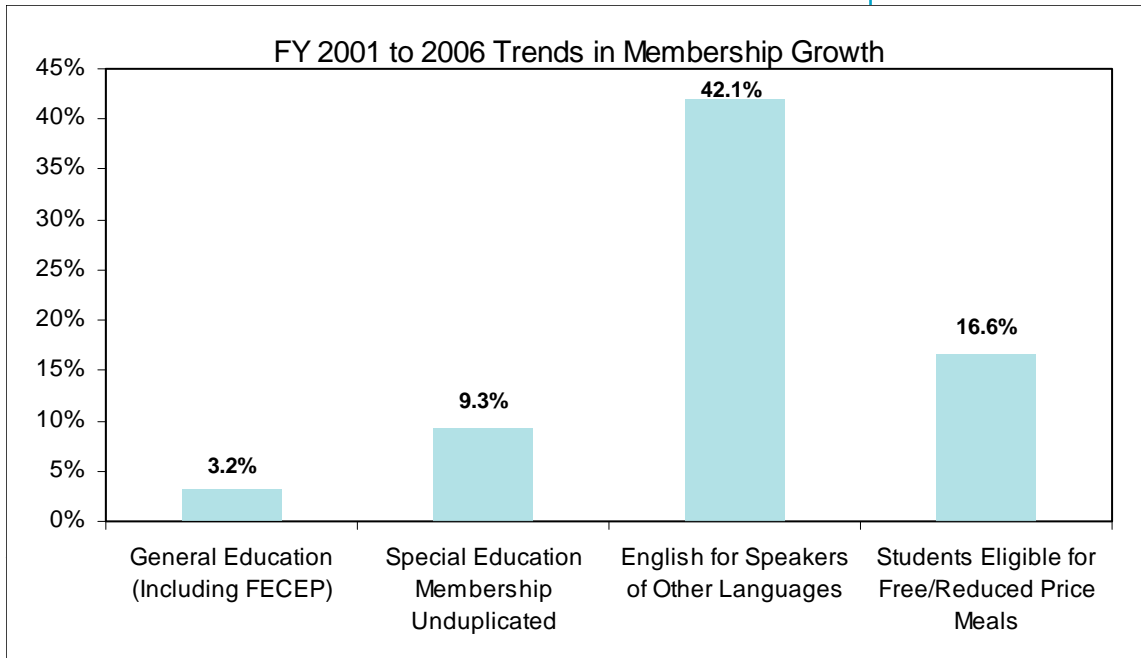
Budget Highlights

Challenging Trends

Student Membership Continues to Change

One of the major challenges addressed by the budget is the continuing change to the make-up of the student population. Today students come from more than 200 countries and speak nearly 100 different languages. Fairfax County now teaches approximately 45 percent of the limited English proficient students in the Commonwealth of Virginia. What's more, one in five students is economically disadvantaged as evidenced by eligibility for free or reduced-priced meals, and students with disabilities represent an increasing percentage of students taught in general education classrooms. This increasing diversity demands more strategic use of scarce resources. On average, a special education student costs over \$7,500 more to educate than a general education student and a student for whom English is a secondary language costs approximately \$3,200 more.

Fairfax County now teaches 45 percent of the limited English proficient students in Virginia.



Trends in Membership			
	FY 2001 Actual	FY 2006 Approved	Change
Membership			
General Education	147,887	152,619	4,732
Special Education - Unduplicated	21,871	23,915	2,044
ESOL	15,484	22,003	6,519
Students Eligible for Free and Reduced-Price Meals	28,858	33,642	4,784

Budget Highlights

This budget recognizes the need to direct resources to the schools most at risk of falling short of the new legislated goals.

In FY 2006, it is projected that over 22,000 students will receive ESOL services in grades 1-12, more than a 42 percent increase from FY 2001. In FY 2006, about 13.3 percent of the total FCPS membership projection will be students who do not speak English or have limited proficiency. In FY 2001, ESOL students comprised 9.8 percent of the total FCPS membership. This population is growing faster than the total student membership. The FY 2006 additional cost of providing services for each ESOL student is \$3,226.

In FY 2006, 48,544 special education services will be provided to 23,915 students. In FY 2001, 44,880 special education services were provided to 21,871 students. This represents a 9.3 percent increase in the number of students receiving special education services and 8.2 percent increase in the number of services provided. In FY 2006, the net special education cost per pupil is \$7,538.

One measure of poverty is the number of students eligible for free and reduced-price meals. In FY 2006, it is projected that 33,642 FCPS students will be eligible to participate in this program. This represents a 16.6 percent increase over FY 2001. FCPS offers many programs specifically designed to help economically disadvantaged students such as targeted full-day kindergarten. Information on this and other instructional programs can be found in the FY 2006 Program Budget book.

Cost Per Pupil				
	FY 2001	FY 2006	Change	
			Amount	Percent
Average General Education	\$7,366	\$10,063	\$2,697	36.6%
Average Special Education	\$12,216	\$17,601	\$5,385	44.1%
Average ESOL	\$2,523	\$3,226	\$703	27.9%
Average for all Instructional Programs	\$8,553	\$11,915	\$3,362	39.3%

Rising Goals for Achievement

A second challenge is posed by the rising goals of the federal No Child Left Behind legislation. In FY 2004, only 27 schools in Fairfax County failed to meet at least one of the benchmarks set forth in this legislation. However, the benchmarks jump substantially next year, and without continuing improvement in test scores, the number of schools that will not pass could more than double. All schools are working hard to meet the mark and this budget recognizes the need to direct resources to the schools most at risk of falling short of the new goals.

Budget Highlights

FY 2006 Program Initiatives

To meet these dual challenges that face FCPS, several program initiatives are included in the FY 2006 budget. Resources are targeted to ensure competitive compensation to our employees and to address changing student needs to meet the rising goals of state and federal legislation. The following chart summarizes the FY 2006 program initiatives, and a brief description of these program initiatives is available on the following pages.

FY 2006 Expenditure Highlights		
	Amount	Positions
	\$ in millions	
Compensation		
Market Scale Adjustment (3%) and Step Increases	\$78.4	0.0
Health and Dental Insurance Increases	\$15.3	0.0
Retirement Rate Increases	\$7.0	0.0
Competitive Compensation Initiatives		
Teacher and IA Salary Scale Adjustment; Beginning Teacher Salaries	\$14.7	0.0
Teacher Recruitment and Retention	\$1.8	0.0
Bus Driver Salary Scale Adjustments	\$0.9	0.0
Pick-Up 0.5% of Employee VRS Contribution	\$5.3	0.0
Membership Growth/New Schools	\$4.1	27.4
New Resources - Addressing Student Needs		
Full-Day Kindergarten	\$1.4	18.7
Instructional Coaches	\$2.2	24.0
High School Assessment Coaches	\$1.3	27.0
Class Size Reduction - Middle Schools	\$1.9	30.3
School Technology Support	\$6.0	84.7
Certified Athletic Trainers	\$1.4	25.0
Community-Based Summer School	\$2.5	0.0
FECEP-Headstart	\$0.8	0.0
Baseline Funding		
Replacement Equipment	\$2.4	0.0
Building Maintenance	\$6.8	0.0
Replacement Buses	\$1.2	0.0
Textbook Adoption	\$1.3	0.0
Replacement Vehicles	\$0.5	0.0

Budget Highlights

Starting Teacher Salaries	
Division	FY 2006
Arlington	\$40,816
Montgomery	\$40,542
Fairfax	\$40,000
Loudoun	\$39,600
Prince George's	\$39,438
Prince William	\$37,615
Alexandria	\$35,563

Compensation

Market Scale Adjustment and Step

The FY 2006 budget includes \$78.4 million to provide a 3.0 percent market scale salary increase for all employees and a step increase for eligible employees.

Health and Dental Insurance Increases

The employer cost for health and dental insurance is increasing \$15.3 million due to rate increases in most plans.

Retirement Increases

The FY 2006 budget includes \$7.0 million for retirement rate increases. VRS will increase \$6.5 million due to a 0.59 percent employer rate increase. The Fairfax County Employees' Retirement System (FCERS) contribution will increase \$0.5 million due to a projected 0.16 percent employer rate increase.

Competitive Compensation Initiatives

Teacher and IA Salary Scale Adjustment

The teacher scale has been modified to increase beginning teacher salaries to \$40,000 and adjust the rest of the scale commensurately, to enhance our ability to attract the highest quality applicants and to maintain competitiveness in the marketplace. A longevity step was added to the instructional assistant (IA) scale.

Teacher Retention and Recruitment

This initiative provides \$1.8 million to implement teacher incentives to attract high quality teachers to schools with a large percentage of at-risk students.

Bus Driver Salary Scale Adjustment

This initiative provides \$0.9 million to improve salaries and increase starting pay to address the growing problem of bus driver shortages.

Pick-Up 0.5 Percent of Employee VRS Contribution

As part of a six-year commitment, an additional 0.5 percent of the employee retirement contribution to VRS will be paid by FCPS at a cost of \$5.3 million.

Budget Highlights

New Resources to Address Student Needs

Full-Day Kindergarten

This initiative provides \$1.4 million and 18.7 positions to expand full-day kindergarten to five additional schools: Centre Ridge, Columbia, Franconia, Gunston, and Herndon. The number of students eligible for free and reduced-price meals and ESOL services were factors used to identify the schools. This item also includes \$0.3 million for the Waterford Reading Program for all kindergarten classes at the five schools.

Instructional Coaches

This initiative provides \$2.2 million to place 24 instructional coaches in elementary and middle schools that are in jeopardy of not making Adequate Yearly Progress (AYP) since the most effective staff development occurs in a teacher's own classroom.

High School Assessment Coaches

This initiative provides \$1.3 million and 27.0 positions to provide one assessment coach at each high school and a 0.5 position at three alternative schools and Woodson Adult High School will work with all teachers on how to use assessment data to improve student achievement and accountability. In addition to test administration and coordination responsibilities, the coach will analyze test data and develop strategies to improve student achievement and ensure that the curriculum is appropriately aligned with the tests.

Class Size Reduction-Middle Schools

Middle school class size was reduced by 0.5 students. This initiative added 30.3 positions at a cost of \$1.9 million.

School Technology Support

Funding totaling \$6.0 million for 84.7 additional school technology positions is required to comply with HB 1014 and SB 479, which amended the Virginia Standards of Quality requirement for technology support. This funding increases SBTS positions from 0.5 to 1.0 at each elementary school, the alternative high schools, and at three special education centers; provides for a 0.5 TSSpec position at all middle schools; and provides a 1.0 TSSpec position to support interagency alternative schools (DSS).

Certified Athletic Trainers

A full-time position will be provided to each high school for the prevention and care of injuries sustained in FCPS athletic programs. The cost of this initiative is \$1.4 million. Due to the Fair Labor Standards Act (FLSA), effective July 1, 2005, FCPS nonexempt employees will not be employed in supplemented positions. Currently, almost half of the athletic trainers are nonexempt and will no longer be eligible for athletic supplements.

Budget Highlights

Community-Based Summer School

Summer school sites will be expanded to an additional three middle schools and eight elementary schools to provide a more familiar learning environment and promote student achievement in a community-based setting. The cost of this initiative is \$2.5 million.

FECEP/Head Start

Additional funding is needed for FECEP and Head Start to fully fund salary and benefit increases.

Opening of South County Secondary School and Membership Adjustments

An additional \$4.1 million and 27.4 positions are required to accommodate student membership adjustments in all education programs, advance staffing associated with the opening of the West Fairfax elementary school site in FY 2007, and the opening of South County Secondary School in FY 2006.

Baseline Items

Replacement Equipment

The FY 2006 replacement equipment budget is \$2.4 million, a \$3.8 million decrease from the FY 2005 approved budget. It is anticipated that additional funding will be allocated for FY 2006 at the FY 2005 year-end budget review.

Building Maintenance

The FY 2006 budget for building maintenance is \$6.8 million, a \$2.6 million decrease from FY 2005. It is anticipated that additional funding will be allocated for FY 2006 at the FY 2005 year-end budget review.

Replacement Buses

The FY 2006 budget includes \$1.2 million for the lease/purchase of replacement buses. It is anticipated that additional funding will be allocated for FY 2006 at the FY 2005 year-end budget review.

Replacement Vehicles

The FY 2006 budget includes \$0.5 million for the purchase of 70 replacement vehicles.

Textbook Adoptions

Approximately \$1.3 million is allocated for science and social studies textbook adoptions in FY 2006 for elementary and high schools. Middle schools will receive additional funding for No Child Left Behind related instructional materials.

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