

Popular Annual Financial Report

FOR THE FISCAL YEAR
ENDED JUNE 30, 2020

COMPONENT UNIT
OF THE COUNTY OF
FAIRFAX, VIRGINIA





December 21, 2020

FCPS continues to address the impact and challenges brought about by the 2020 global COVID-19 pandemic. During this unprecedented and challenging time, FCPS continues to focus efforts on student achievement, equity, and social and emotional supports for students.

At a time of ever-changing fiscal landscape brought about by actions related to the COVID-19 pandemic, having financial transparency has never been more important. That is why it is with great pleasure that I present Fairfax County Public Schools' (FCPS) Popular Annual Financial Report (PAFR) for the fiscal year (FY) ended June 30, 2020, to the citizens of Fairfax County, Virginia. This report provides an overview of the school system's financial operations and highlights key accomplishments of interest to parents, teachers, and community members.

The information in this report is derived from the financial information contained in our [Comprehensive Annual Financial Report \(CAFR\)](#) for the fiscal year ended June 30, 2020. The CAFR is a more detailed report prepared in accordance with generally accepted accounting principles (GAAP). FCPS' financial statements received an unmodified audit opinion, the highest audit rating, by our independent auditors, Cherry Bekaert LLP. While the PAFR is prepared consistent with GAAP, it is unaudited and simplifies reporting by summarizing FCPS' financial activities in an easy to understand format. The PAFR will help stakeholders understand how their tax dollars are being utilized to educate our students. Our goal is to provide financial transparency in an understandable manner.

Sincerely,

A handwritten signature in blue ink, which appears to read "Scott S. Brabrand". The signature is fluid and cursive.

Scott S. Brabrand, Ed.D.
Superintendent of Schools

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SCHOOL BOARD MEMBERS



Ricardy Anderson
Chair
Mason District



Stella Pekarsky
Vice-Chair
Sully District



Laura Jane Cohen
Springfield District



Karl Frisch
Providence District



Rachna Sizemore
Heizer
Member-at-Large



Tamara Derenak
Kaufax
Lee District



Karen Keys-Gamarra
Member-at-Large



Megan McLaughlin
Braddock District



Melanie K. Meren
Hunter Mill District



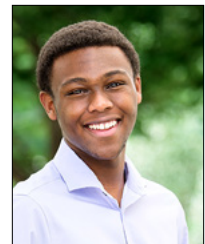
Abrar Omeish
Member-at-Large



Karen Corbett
Sanders
Mt. Vernon District

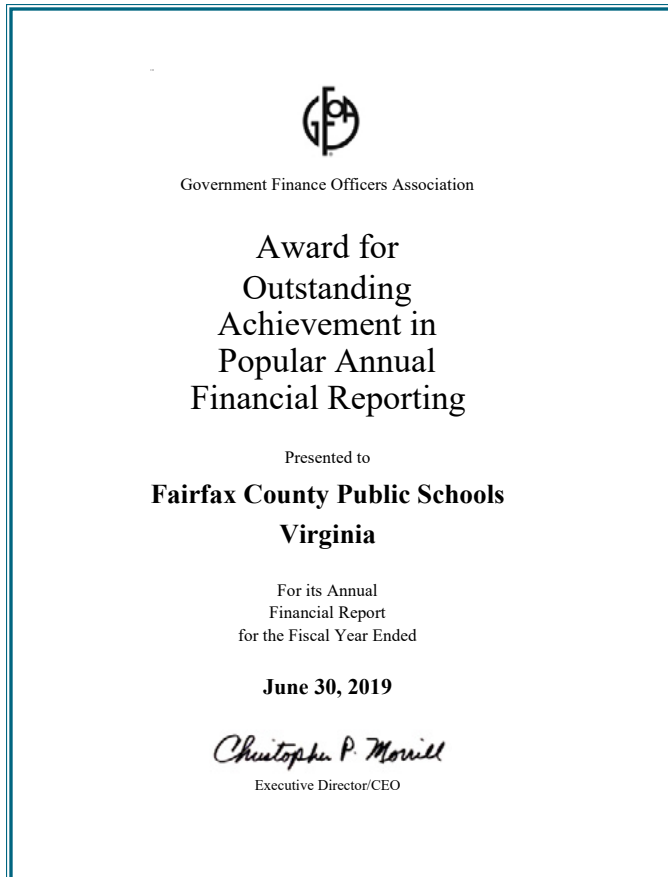


Elaine Tholen
Dranesville District



Nathan Onibudo
Student Representative

DIVISION RECOGNITION



Award for Outstanding Achievement in Popular Annual Financial Reporting



The Government Finance Officers Association (GFOA) of the United States and Canada awarded an Award for Outstanding Achievement in Popular Annual Financial Reporting to FCPS for its PAFR for the fiscal year ended June 30, 2019. The award recognizes conformance with the highest standards for preparation of state and local government popular reports. To receive the award, a governmental unit must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

HIGHLIGHTS

OUR SCHOOLS

10th largest school division in the U.S.

Largest school division in Virginia

198 Schools and Centers

191 of our schools are accredited

141 Elementary Schools

3 Middle Schools (6-8)

20 Middle Schools (7-8)

3 Secondary Schools (7-12)

22 High Schools (9-12)

2 Alternative Schools

7 Special Education Centers

THE FCPS STRATEGIC PLAN, **IGNITE**

Provides a framework for decision making that builds upon a common mission vision, and guiding principles held by the community. The Portrait of a Graduate is the center of the strategic plan.



LARGEST EMPLOYER IN FAIRFAX COUNTY

22,939 Full-Time Employees

93.0% School-Based Employees

7.0% Nonschool-Based Employees

INVESTING IN EXCELLENCE

\$3.1 Billion Operating Budget FY 2021

86% of our budget is spent on instruction



FCPS NAMED A 2021 BEST SCHOOL DISTRICT

Given an overall grade of A by **Niche**.

DEMOGRAPHICS



188,355 STUDENTS

They come from **204** countries with over **200** different languages spoken at home.

29.3% Economically Disadvantaged¹

19% English Learners (36,078)
English Speakers of Other Languages (ESOL)²

14.8% Special Education (28,129)²

Two or more races **6.1%** African American **9.8%**



3.6 MILLION GRAB AND GO MEALS³

Provided with support from FCPS **Food and Nutrition** and **Transportation** staff members.



OUR STUDENTS



93%

4-YEAR ON-TIME GRADUATION RATE



STUDENT SUCCESS

89% Of graduates attending post secondary programs

86% Earned at least one industry certification

70% Passed an AP/IB or Dual Enrollment course

212 National Merit Semifinalists Class of 2021

1211 FCPS Class of 2020 SAT Score VA: 1116 US: 1051

5 SCHOOLS



Awarded a total of **\$10,000** in Competition Grants from VDOE.

Grants support project-based activities that increase awareness of careers in STEAM.

DATA SOURCES

¹ 2019-20 IT Certified Membership to VDOE

² FY2021 Budget Projected Enrollment (excludes students outside of FCPS)

³ Meals served March through October 2020; Niche.com

STUDENT ACHIEVEMENT

Individual students and groups annually earn honors and awards in all academic, extracurricular, and athletic areas in regional, state, and national competitions.

For SY 2019-20, FCPS' average overall composite SAT score was 1211, compared to the State average of 1116 and the national average of 1051. The highest possible combination score one can receive on the SAT is 1600.

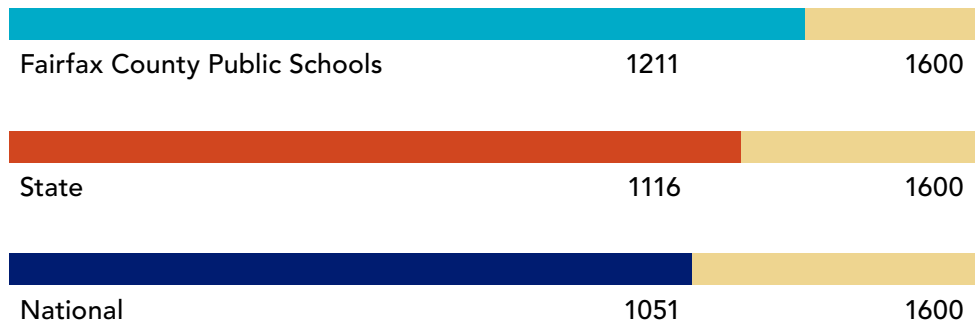
Eight FCPS high schools made the *U.S. News & World Report* 2020 list of top ten Best High Schools in Virginia. Thomas Jefferson High School for Science and Technology (TJHSST) was ranked number one best high school in Virginia, and number one best high school in the national rankings.

Four schools earned the 2020 Board of Education Highest Achievement Award for advanced student learning and achievement. Forty-seven schools earned the VDOE Continuous Improvement Award.

Twenty-three FCPS students were named winners of 2020 National Merit corporate and college sponsored scholarship awards.

Two FCPS schools have been named 2020 National Blue Ribbon Schools by the U.S. Department of Education. The FCPS schools are among seven schools in Virginia receiving the honor this year.

SY 2019-20 Average SAT Scores



FINANCIAL OVERVIEW

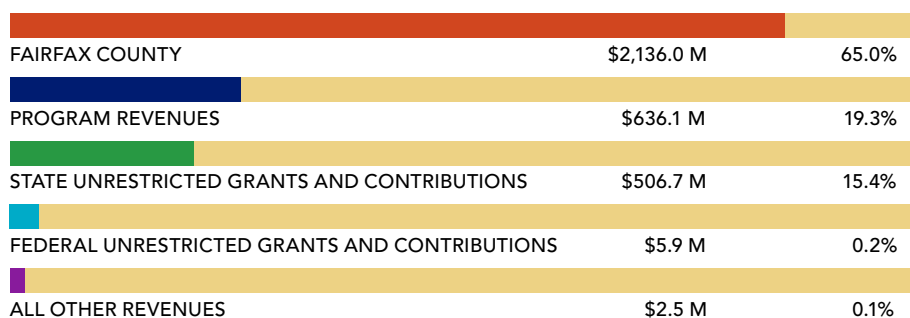
Financial information in the report is derived from the CAFR. The CAFR is prepared in conformity with GAAP, as applicable to governmental units and includes detailed information of significant financial and nonfinancial events. This report is prepared consistent with GAAP, but does not include the level of detail presented in the CAFR. It presents an overview of FCPS' governmental funds and highlights key revenue and expenditure information that occurred during the fiscal year.

REVENUES BY SOURCE

Total revenues for FCPS' governmental activities were \$3,287.2 million in FY 2020, representing an increase of \$85.4 million, or 2.7 percent, over FY 2019. The primary source of revenue for FCPS comes from Fairfax County, which in turn derives the majority of its revenue from real and personal property taxes. In FY 2020, Fairfax County increased funding by \$84.4 million over prior year. The charts below present the revenues by sources for the last three fiscal years.

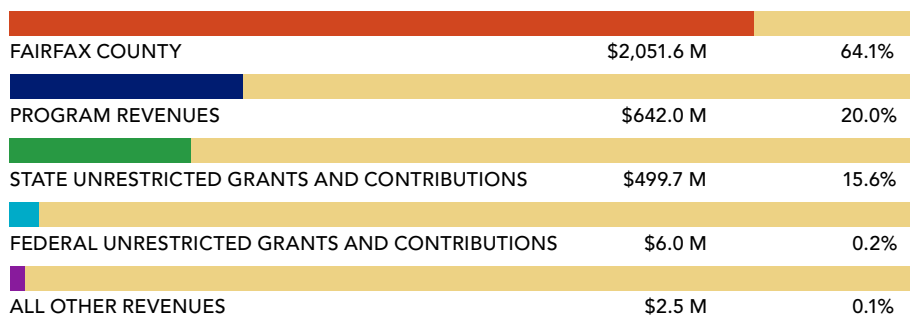
2020

\$3.29 B



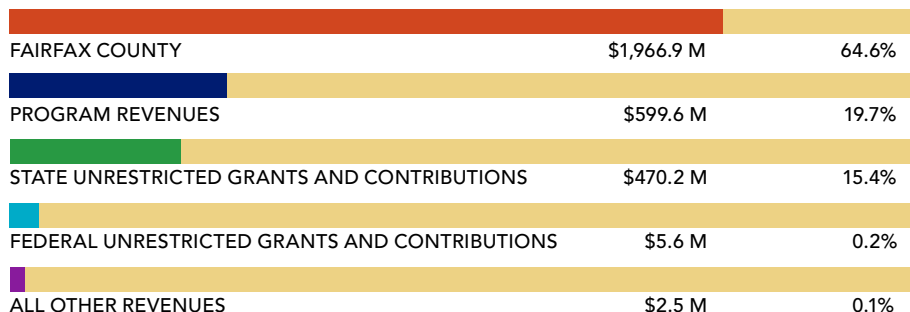
2019

\$3.20 B



2018

\$3.04 B



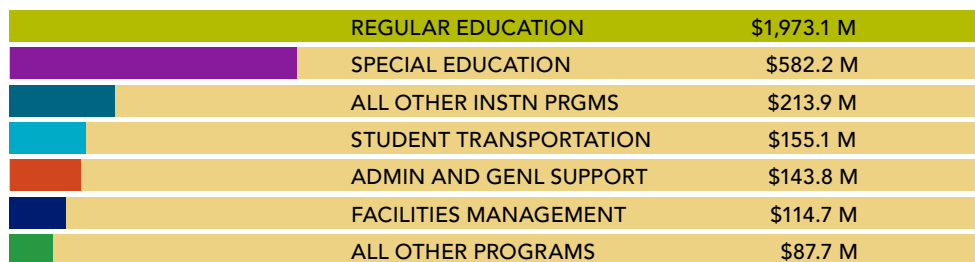
B = BILLION
M = MILLION

EXPENSES BY PROGRAM

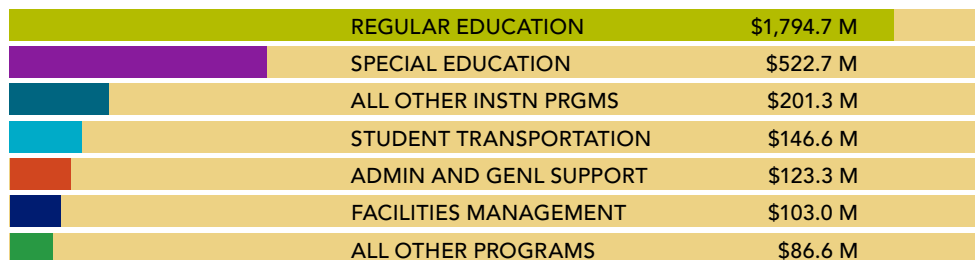
The total program expenses of FCPS' governmental activities for FY 2020 were \$3,270.5 million, representing an increase of \$292.3 million or 9.8 percent over FY 2019. The increase is primarily due to increases from pension and OPEB expenses as a result of plan changes and actuarial assumption change. As the chart indicates, regular education is FCPS' largest program. Regular education includes activities and programs conducted during the

regular instructional day for students in grades K-12. Special education, FCPS' second largest program, includes activities for students with special needs. Such activities include programs specifically designed to overcome disabilities, alternative education, Head Start, and preschool programs. The charts below present the total expenses of each of FCPS' programs for the last three fiscal years.

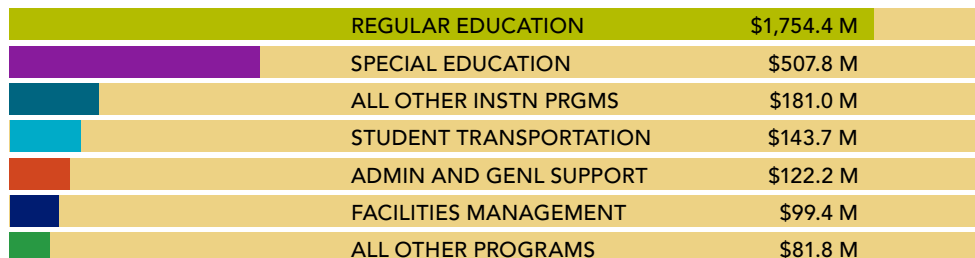
2020
\$3.27 B



2019
\$2.98 B



2018
\$2.89 B



B = BILLION
M = MILLION

TECHNOLOGY

FCPSOn Project

In FCPSOn schools, each student receives an FCPS-issued laptop to access dynamic resources and participate in learning tailored to student's individual needs at school and home. FCPSOn's transformation of learning leads to Portrait of Graduate outcomes for ALL students. Portrait of a Graduate skills include collaborating with peers, problem-solving, and creating original work.

FCPSOn provides students with real-world technology skills that will be essential as adults. It supports teachers with what they do best by

supporting them through ongoing dynamic professional learning for teachers that will result in purposeful, collaborative student learning experiences. In fiscal year 2020, all high school students were provided with laptops as scheduled.

Due to the COVID-19 pandemic and the need for distance learning, all middle schools students were also provided with laptops ahead of scheduled roll out. By fiscal year 2021, all elementary school students will be provided with laptops to facilitate distance learning due to the pandemic.



PLANNED CAPITAL PROJECTS WITH ESTIMATED COST

FCPS operates and maintains 220 schools and administrative centers. An annual Capital Projects budget is prepared, which allocates funds for new construction, facilities renovations, expansions, and improvement projects. Funding for capital improvement projects is currently limited by a \$180 million yearly cap on school bond sales. The School Board and Fairfax County Board of Supervisors have formed a committee to study ways to solve the long renovation cycle of our schools due to the limited capital funding available.

The FY 2021–25 five-year capital requirement totals approximately \$1 billion or roughly

\$215 million per year. \$360 million approved by county voters in the 2019 School Bond Referendum allows the construction of one new elementary school, the relocation of one modular addition, construction of three high school additions, and renovations of five elementary schools and two middle schools. The bond also included funding for the planning of one new elementary school and the renovations of five elementary schools. The unfunded balance of the five-year requirement will be addressed by the bond referendum in the fall of 2021.

Capital Projects Summary FY 2021-25

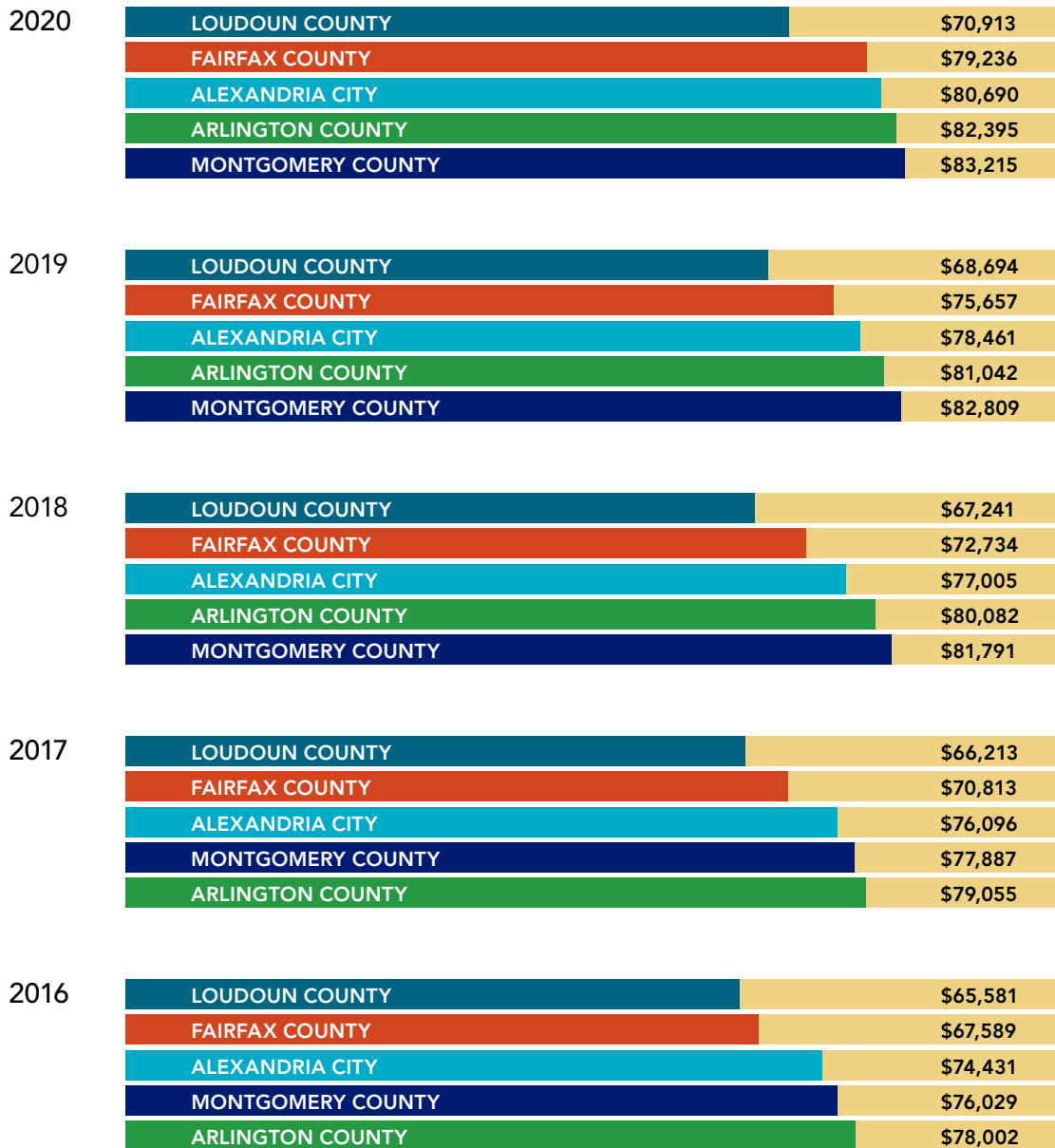
	UNDER CONSTRUCTION		IN PLANNING	
ELEMENTARY SCHOOL	5 Renovations	1 New Construction	10 Renovations	2 New Constructions
MIDDLE SCHOOL	2 Renovations	---	2 Renovation	---
HIGH SCHOOL	2 Renovations	---	1 Renovation	3 Additions



AVERAGE TEACHER SALARY TRENDS

FCPS supports the Premier Workforce goal which includes compensation increases for teachers, classroom instructional assistants, school-based administrators, as well as administrative and support staff. With investment in the teacher

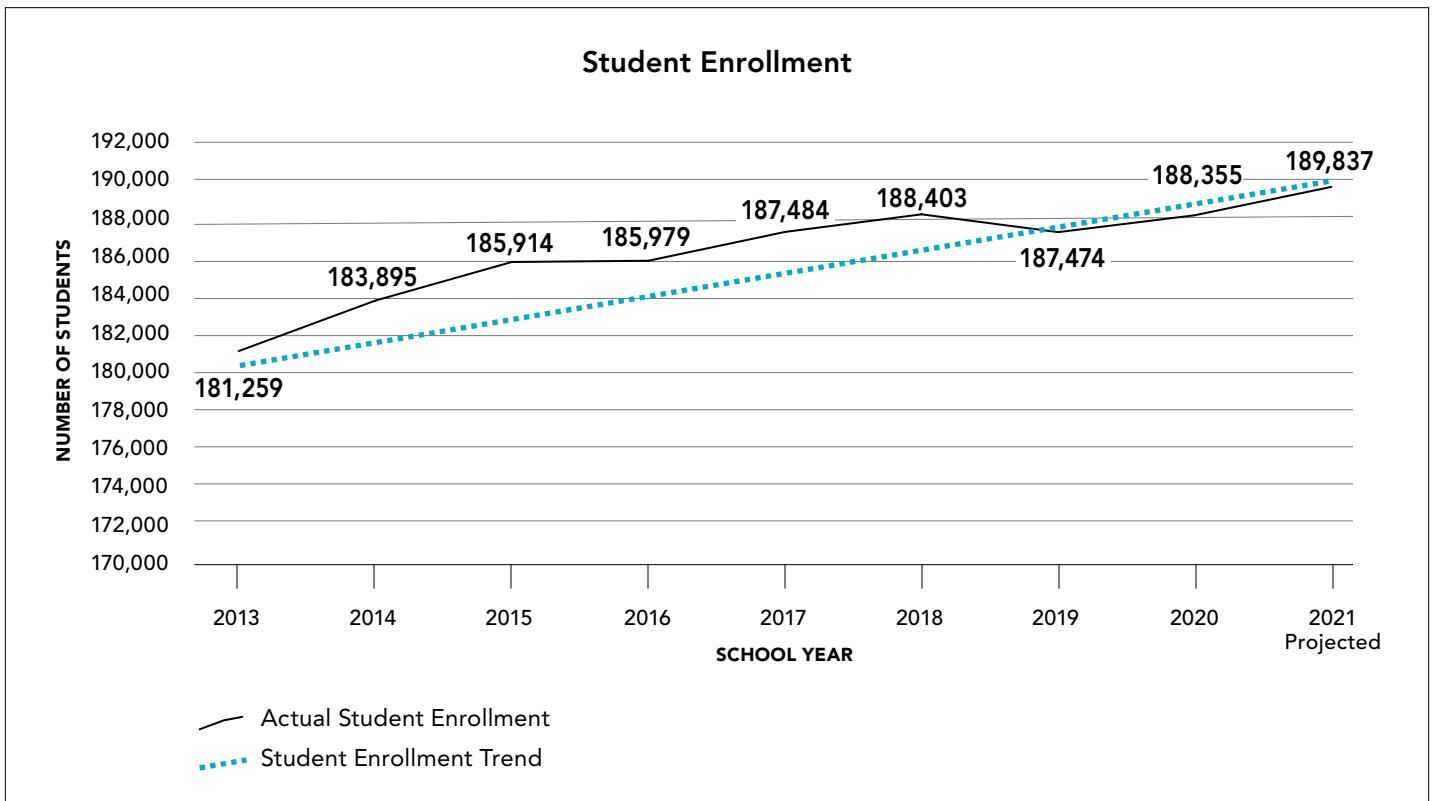
salary scales in FY 2020, we have succeeded in bringing teacher salaries to the market average allowing us to attract and retain a premier teaching staff to serve our students and our community.



STUDENT ENROLLMENT GROWTH

FCPS closely monitors the student enrollment growth to ensure current and future facility space is available. The projected student enrollment for fiscal year 2021 is 189,837 students. Student enrollment projections are based on the County and school trends including: net County migration, size difference of exiting 12th grade and entering kindergarten populations, County birthrates, new school programs, housing development patterns, and

economic conditions. FCPS experienced slower growth in recent years due to smaller entering kindergarten cohorts which have led to a five-year forecast that projects contracted membership growth. Due to the uncertainty created by the COVID-19 pandemic, FCPS saw a decrease in enrollment for the 2020-21 school year. Eighty seven percent of the withdrawals were elementary school students.



COST PER PUPIL

Cost-per-pupil calculations provide an overall view of the cost of all programs that can be used to compare how school systems spend their funds. It includes both the direct as well as the indirect costs of programs. A systemwide

cost per pupil, which includes general and special education but excludes Audit and Community Education, is computed using the methodology agreed on by the Washington Area Boards of Education (WABE).

FCPS Cost Per Pupil

FY 2020	\$16,043
FY 2019	\$15,293
FY 2018	\$14,767
FY 2017	\$14,432
FY 2016	\$13,718

The table below compares the FY 2020 cost per pupil for local jurisdictions. FCPS maintained its ranking in the middle of other school districts in the metropolitan area with a cost per pupil of \$16,043.

FCPS Cost Per Pupil by School Division

LOUDOUN COUNTY	\$15,241
FAIRFAX COUNTY	\$16,043
MONTGOMERY COUNTY	\$16,726
ALEXANDRIA CITY	\$18,136
ARLINGTON COUNTY	\$19,921

FOOD AND NUTRITION

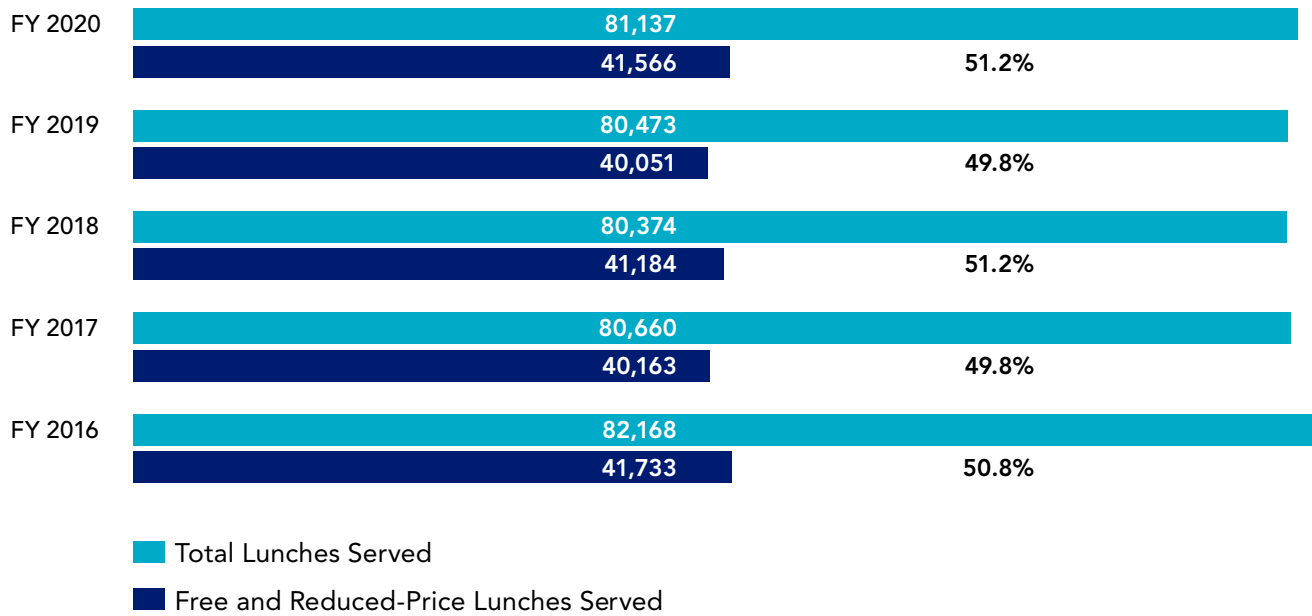
FCPS Food and Nutrition Services (FNS) operates a year-round nationally recognized community nutrition program that is financially self-supporting. The primary goal of FNS is to support students' health, wellness, and readiness to learn while embracing the school system and its stakeholders. FNS offers a variety of healthy food choices, strives to

exceed established government regulations, and proudly serves more than 146,000 customers daily.



In response to school closures in March 2020 due to COVID-19 pandemic, FNS staff has worked to distribute over 3.6 million meals to students on 74 bus routes, at 45 Grab and Go sites, at 5 Fairfax Meal Kit sites, and at 37 hosting schools.

Percentage of Free and Reduced-Price Lunches Compared to Total Student Lunches Served Daily



INSTRUCTIONAL STAFFING

Over the years, there have been significant adjustments in school-based staffing. Positions assigned to a school are determined by formulas approved by the School Board. School-based staffing will vary depending on student

enrollment, eligibility for free or reduced-price meals (FRM), the number and level of students receiving English for Speakers of Other Languages (ESOL) services, and the number and level of special education services provided.

