

**Statement of the
Advisory Council on School Facilities and Capital Programs (FAC)
on the
Proposed APS FY 2026 Budget
March 30, 2025**

The FAC welcomes the opportunity to provide comment on the fiscal year (FY) 2026 proposed budget for Arlington Public Schools (APS).

The FAC recognizes the unprecedented fiscal and economic uncertainty that our community is facing and the challenges these uncertainties present for predicting revenue sufficient for current services, let alone adjustments that will continue to see APS schools ranked among the top in the nation. Given these uncertainties, we support the County Manager's FY 2026 budget proposal to provide APS an additional \$22.6 million (3.6%) over the amount allocated in FY 2025. This investment in public education has historically paid off in terms of property values, employment opportunities, and making Arlington a desired community to live in.

Despite the County Manager's proposed revenue transfer, the Superintendent and Board must still find savings to balance the APS budget. Any proposed savings or account increases must additionally be consistent with the Board's FY 2026 budget direction (BD). Among other things, the BD requires spending proposals to align with the APS 2024-30 Strategic Plan, prioritize competitive staff compensation, preserve student-facing roles, begin to implement the 2024 Planning Factors Study, avoid across-the-board percentage cuts, and provide justification for account increases above baseline.

In terms of the FAC's remit, spending used to maintain and operate APS' physical assets is a fraction of that allocated to APS' human resources. Although a small segment of the budget, the portion used for physical assets had not been immune from cuts. Last FY, \$1.5 million was cut from the Minor Construction/Major Maintenance (MC/MM) budget. This cut represented a 27% reduction over the FY 2024 adopted budget.¹ Maintaining physical assets saves funds in the long run by extending the life of facilities and operating systems. Well maintained assets also contribute to staff recruitment and retention, and most importantly, an environment conducive to education for our students.

Last fall, the FAC was invited to submit comments to the Board in advance of the release of the Superintendent's FY 2026 proposed budget to identify and justify operating accounts that should be protected, preserved, and potentially increased, as well as recommendations with potential for cost-savings or revenue-generation. We responded to this invitation with a letter on December 10, 2024. We continue to stand behind these recommendations, acknowledging that several could not be implemented in time to realize savings for this budget cycle.

With this perspective, we offer the following views:

FY 2026 Budget Comments Updates & Additions: Since filing our comments in December, the FAC has continued to review and seek public input on budgetary impacts of programs and activities provided by the Department of Facilities & Operations (F&O).

¹ With an inflation adjustment, the cut is ~30%.

- APS Strategic Plan: The Board’s call for spending proposals that align with the APS 2024-30 Strategic Plan allows us to highlight the accomplishments of F&O in achieving benchmarks set in the Plan. Two best practices of note include:
 - Building Conditions: Monitoring work order completion rates across maintenance shops to systematically identify shops that are meeting (or not) progress goals has helped problem solve, prioritize efforts, and direct support where needed most.
 - Sustainability: Employing a system for tracking progress toward facility sustainability goals, including a multi-prong approach to reducing energy use within budget. For example, closely reviewing building use schedules to optimize occupancy helps reduce energy usage.

These successes and others should provide confidence that F&O will deliver above expectations. We support the proposed baseline funding increases that will:

- restore funds cut in FY 2025 for stormwater compliance;
- provide additional funds, consistent with County recommendations, to maintain APS’ school buses, white fleet, and loaner vehicles, and to replace vehicles when necessary; and
- provide software upgrades for training and planning.

We know that there are many competing priorities for funds this FY. Following are specific priorities that warrant attention and support.

- MC/MM: Leading our list of recommendations was concern about reductions to the MC/MM account over the last two FYs. We express gratitude to the Board and Superintendent that our concern was heard. We support restoration from the Capital Reserve Fund of the \$1.5 million reduction made in FY 2025 and that of \$1.8 million from FY 2024. In addition, we support the \$1.25 million new allocation from this fund for furnishing and technology at the Grace Hopper Center, which is scheduled to open in FY 2027.

We did recommend that investments in schools undergoing “Deep Dive” (DD) reviews be tabled until it is determined if renovation/rebuild at these schools would negate the need for the MC/MM projects. In this case, we note that \$2.7 million from the FY 2026 MC/MM account is slated for investments at four of the five schools undergoing DD reviews. If these investments are required for safety reasons, we support going forward. However, those projects without a safety justification should be reconsidered and funds reappropriated to other pressing deferred maintenance projects.

- Deferred Maintenance: The FAC continues to hear public concern and see in tours we make of APS facilities evidence of deferred maintenance. The expectation of future growth in Arlington’s public school population in future years underscores the importance of addressing the deferred maintenance backlog now.
- School Buses: As mentioned above, APS has a fleet of school buses to maintain and replace as needed. Operational funds are used for maintenance, but one-time Future Budget Years

Reserves (FYBR) are provided for replacements. We are grateful that the budget proposes a 14.3% increase in FYBR funds for replacements, if needed, over FY 2025.²

We also want to use this opportunity to voice concern about the loss of federal grant assistance that has put the acquisition of two electric battery (EB) buses on hold.³ It is a setback toward meeting sustainability goals of the Strategic Plan, not a consequence of F&O inattention.

- **Planning:** The FAC’s biggest concern with the proposed budget is the omission of narrative about the roll and responsibility F&O assumed for planning when that function was transferred to the Department from the Superintendent’s office in an end-of-FY 2024 cost-saving reorganization. While the reorganization did not lessen the need for planning, planning staff was reduced from six to two. Planning functions remain critical to enrollment management, including enrollment projections, generation of program capacity data, and boundary reviews; support for Pre-Capital Improvement Plans (Pre-CIP) and CIPs; and public engagement. Essential to carrying out these tasks are contract services. Yet, the budget proposes a \$130K reduction in this account – a 96% reduction over FY 2025. Without these funds, F&O’s planning capabilities will be severely compromised. We ask that these funds be restored.⁴ Additionally, we ask that the final FY 2026 budget affirm F&O’s planning function and report financial and staff allocations assigned planning tasks. This information is essential to benchmarking the adequacy of budget support provided.
- **Debt Service/Capital Infrastructure Program (CIP):** CIP projects are not the focus of annual budget deliberations, and we are grateful that no changes have been made to plans adopted by the FY 2025-34 CIP. However, we do understand that these projects impact debt service, which is paid to the County out of APS operating funds. APS has done an outstanding job adhering to County policies to limit the impact of CIP borrowing so that the County’s AAA bond rating is not jeopardized. APS’ record of adhering to these policies is reflected in the FY 2026 budget proposal.

That said, APS debt payments are expected to increase until FY 2032, nearing the 10% policy limit. As long as projections hold, APS’ bond rating should not be in jeopardy. However, if new debt exceeds yield assumptions, if expenditures rise above projections (increasing the percentage of debt to expense ratio), or if future revenue drops below expected growth, debt service obligations may hinder future investments. Given the importance of maintaining a viable stream of capital funding, we urge the Board to remain vigilant on developments impacting debt service.

² APS FY 2026 Proposed Budget, page 336.

³ APS’ Clean School Bus grant from the US Environmental Protection Agency was for 5 EB buses. APS received 3, doubling the number of EB buses in the fleet to 6.

⁴ We have been advised, if funding for these contract services is not accommodated within the operating budget as in prior FYs, that this activity may qualify for one-time funding from FYBR that, according to the proposed FY 26 budget, is expected to have an opening FY 26 balance of \$9.9M.

Considerations for Future Budget Proposals

- **Option Schools & Attendance Zones:** The FAC is following concerns raised in this budget cycle about the cost effectiveness of option schools, given comments about relatively higher than neighborhood school transportation demands as well as disparities between attendance zone student populations and design capacities of neighborhood schools. While it is not within FAC’s charter to assess the educational value of different option programs, F&O does provide the planning that ensures all students can be accommodated at one of our schools, consistent with grade and other educational needs, and does provide transportation assets and services, as directed.

Attendance zone population disparities between school design capacities are not stagnant. As population density shifts over time, so does the potential for over and under enrollment. F&O uses several strategies to rebalance enrollments. In addition to option school enrollment, these include use of relocatables; boundary changes; moving specific County-wide instructional programs, such as Interlude or MIPA, to undercapacity schools; voluntary transfers among neighborhood schools; capping transfers to over-capacity schools; closing underutilized schools; relocating option schools to underutilized schools; converting option schools in overpopulated areas to neighborhood schools; and capital investment in new capacity. We support layered and selective use of all of these strategies as viable tools for enrollment management.

There is not enough time in the FY 2026 budget cycle to implement attendance zone boundary changes in a manner consistent with the Board’s recently approved policy⁵ or any other strategies that have not already been vetted, including an option to convert option schools to neighborhood schools that are in areas with persistent and increasing over-enrollment. Still, it is worth noting that the attendance zone populations⁶ of seven⁷ (30%) neighborhood elementary schools (NES) are currently above 115% of capacity.⁸ Five of these ESs are among the eight (63%) neighborhood schools in south Arlington, while two or 17% of 12 schools are in north Arlington. Even with the transfers out of attendance zones, enrollment at five of the schools is still over 100% of design capacity.⁹ All but one¹⁰ of these schools use relocatable classrooms.¹¹ The most egregious example of attendance zone overcrowding to NES design capacity is Abingdon. This NES attendance zone works only because 69% of its student population attend option schools or otherwise opt to transfer to another NES. We question the structure of an attendance zone where 69% of the student population is expected to attend an option school or otherwise transfer to another NES.

⁵ Policy B-2.1, Boundaries.

⁶ Attendance zone (AZ) population (includes transfers and option school enrollment from the AZ) to the zone’s neighborhood school design capacity. 2023-2024 Pupil Transfer Report.

⁷ Abingdon, Arlington Science Focus (ASF), Barcroft, Carlin Springs, Glebe, Hoffman-Boston, and Oakridge.

⁸ The 115% over-capacity metric of concern was taken from the Baker-Tilly draft final report, “APS Review of Budget and Operations,” January 22, 2025, page 74.

⁹ Abingdon, ASF, Barcroft, Glebe, and Hoffman-Boston.

¹⁰ Hoffman-Boston.

¹¹ Relocatables are not intended to be a permanent solution to overcrowding.

At the other end of the spectrum, the attendance zone population of three NESs is below 80% of design capacity; all are in north Arlington.¹² Completing our ES analysis, enrollments at four of five option elementary schools (OES) are under design capacity. Enrollment at the fifth OES exceeds 115% of capacity.¹³

Another factor to be considered when looking at attendance zones is expected future student growth. According to Arlington County's 2024 Annual Development Highlights Report, for example, 7095 residential units are coming online, with the majority in south Arlington. Given the uncertainty of the economy, another source of student growth may come from families who now plan to enroll their students in public schools. While we do not yet know how many students may be added to APS enrollment as a result of changing circumstances, rising enrollment will reduce Arlington's current cushion of seat capacity.¹⁴

Given this data, we support F&O staff in their efforts to equitably address enrollment disparities. We recognize that options available to staff all come with various costs. In this time of constrained borrowing capacity, limited available public land, and under-utilized facilities, new school construction is not warranted or feasible. Options that could be implemented within FY 2026 to rebalance neighborhood attendance zone enrollment are use of relocatables and option schools.

Enrollment at option schools that are not at design capacity is one method to relieve over-capacity in neighborhood schools. To the extent students in over-enrolled neighborhood schools choose to relocate to these option schools, savings would be expected from obviating reliance on relocatables, which annually cost \$567K per 6-classroom unit to lease, plus additional funds for maintenance and utilities. Currently, there are 67 relocatables at APS' 20 NES.

That said, relocatables are also used at option schools. The OES with enrollment at 117% of design capacity has eight relocatables onsite. Over-enrollment at this OES is a consequence of moving the school to a smaller facility but without Board approval to reduce the school's incoming kindergarten classes from four to three. Incoming classes at OESs drive enrollment numbers going forward.

Transportation demand at option schools is assumed to be relatively higher than at neighborhood schools. We have asked for data to quantify this concern. Still, we are aware that there is not sufficient time to quantify what those savings may be before the FY 2026 budget needs to be finalized. Nevertheless, we believe that any review of option school costs should not look at transportation costs in isolation of other potential cost savings. For example, transportation costs may be lowered if these schools were centrally located, but total operating costs of these schools may also be saved if "under-used" neighborhood schools were repurposed as sites for expanding over-subscribed option programs, or dispersed option

¹² Discovery, Jamestown, and Nottingham. Transfers from these schools to other NESs or OESs exacerbate under enrollment.

¹³ Escuela Key.

¹⁴ F&O SY 25-26 enrollment projections for all ESs (NES and OES) are shown to increase, with the largest percentages at Glebe and Carlin Springs over SY 23-24 data and the largest number of over-enrollments at ASF. All OESs are projected to have enrollment above design capacity in SY 25-26, except Campbell.

programs were consolidated at larger facilities. Examples of these alternatives to rebalancing enrollment disparities include the new Grace Hopper Center, which is expected to relieve high school seat demand, or consolidating the Gunston Montessori program with the ES Montessori program, relocating both to the repurposed legacy Career Center.

- **Transportation Demand:** With the exception of adding relocatables or building or acquiring new facilities, other options to address attendance zone imbalance may present additional demand for APS provided transportation. Any new demand for APS provided transportation, especially demand that would require acquisition of additional school buses, is problematic given driver shortages, inadequate parking space, and logistics challenges as Arlington safety initiatives slow and reduce road throughput. In our Pre-Release letter of December 10, 2024, we recommended that the Board explore options to substitute ART buses for school buses, through the iRide program, to transport high school students to and from school and home. The proposal would reduce APS costs and improve ART usage, consistent with the APS 2024-30 Strategic Plan, which calls for ACG¹⁵/APS collaboration to improve student transportation outcomes. Given feedback we have received, we need to clarify that savings from our proposal were conditioned on high school students not having access to school bus transportation for these commuting trips. Precedent for school use of public transportation is standard practice in other urban areas, including Washington DC.¹⁶ Additionally, Baker-Tilly consultants recommended the APS outsource its transportation services. Consultants estimated annual savings of ~\$5 million.¹⁷
- **Aquatics Centers:** APS maintains and operates aquatic centers at each neighborhood high school. Among the instructional uses of the pools, APS provides a program for elementary school students. In its search for cost-savings, Baker-Tilly consultants recommend that this program, with others, be eliminated because it is not a “priority ... versus other needs [required for] accomplishing APS goals” as laid out in APS’ FY 24-30 Strategic Plan.¹⁸ Baker-Tilly also suggests that APS “spends a significant amount more toward special programming[, including the elementary aquatics program,] than peer school divisions.” We reject the notion that APS’ elementary aquatics program should be a target of cost-savings. Pools were built at APS schools in the 70s to “drown-proof the community’s youth.” Drowning remains the second leading cause of preventable death in students 5 to 18 years of age. The ES “swim” program teaches water safety (drown-proofing) to the most vulnerable of this age group, and especially to those students whose socioeconomic demographic makes it unlikely that they would have private sector options to obtain this type of life-saving instruction. APS reports that 60 to 65 percent of students participating in the ES swim program do not arrive with skills that would keep them safe in water. This is not a “nice-to-have” program.

In terms of costs, we acknowledge that pools are not inexpensive to run and that they must be operational 24/7. To defray costs, APS opens these pools to the public when not needed

¹⁵ Arlington County Government.

¹⁶ Estimates are that ~30% of school districts outsource bus services. Baker-Tilly draft final report, “APS Review of Budget and Operations,” January 22, 2025, page 95.

¹⁷ Baker-Tilly draft final report, “APS Review of Budget and Operations,” January 22, 2025, page 94. Estimated time to implement was 3 years.

¹⁸ Baker-Tilly draft final report, “APS Review of Budget and Operations,” January 22, 2025, page 91-92.

for school purposes. Annually, hours open to the public surpass the number of hours these facilities are used for APS purposes. APS collects fees from public (non-school) use of these facilities. This revenue is expected to cover 80% of operating costs.¹⁹ When maintenance issues force pools to close, revenue is lost. When there is no parking available in designated pool parking areas, revenue is lost. The FAC has asked APS to do a better job to prioritize pool maintenance and enforce pool parking restrictions, including tasking newly hired School Safety Coordinators with parking enforcement.

Thank you for the opportunity to submit these comments.

Cynthia Hilton

Chair, FAC

cc: School Board

Attached:

- December 10, 2024 letter to Mary Kadera, School Board Chair on FY 2026 Pre-Budget Release Recommendations.

¹⁹ Fees assessed Arlington citizens are set to cover costs, not enhance revenue. Fees charged non-residents, for classes, or for rentals do generate enhanced revenue.