



School Board Budget Direction FY27

The mission of Arlington Public Schools is to ensure all students learn and thrive in safe, healthy, and supportive learning environments. The School Board is committed to ensuring that APS implements efficient, effective, and sustainable system-wide operations to support the success of our students, staff, and community.

The School Board, therefore, directs the Superintendent to prepare a needs-based budget that includes scenarios through which a balanced budget can be achieved, based on the assumption that the school division's needs will not be fully funded by projected revenues.

The FY27 budget should:

- Align to the 2024-2030 Strategic Plan performance objectives and strategies.
- Prioritize recruiting, supporting, and retaining a high-quality and diverse workforce with a focus on compensation and benefits that are competitive within the regional market for specific roles.
- Restrict new funding requests to items that directly advance performance objectives, including planning factor changes that address the urgency of improving educational outcomes for students with disabilities, English learners, and economically disadvantaged students.
- Identify opportunities for cost savings via equity-based reductions, efficiencies, and realignment of funds whenever possible, rather than across-the-board percentage cuts and consistent with the findings in recent audit reports.

The School Board further directs the Superintendent to:

- Provide detailed rationale for any budget investments, including anticipated outcomes; alignment of outcomes with strategic performance objectives; how the outcomes will be measured; by whom; and on what timeline.
- Provide detailed rationale for any budget reductions, including anticipated impact on students, staff, and/or schools; and how the reductions may inhibit progress on strategic performance objectives. Whenever possible, recommended reductions should be informed by input from school and division leaders.



- Present the budget with greater accessibility for readers. The budget should more clearly indicate what things are required; operational; or discretionary. The budget also should include additional details about changes in staffing in both the central office and schools; information about salary scales; and an explanation of how compensation and benefits are informed by collective bargaining.
- Minimize the use of general reserve funds for operating expenses, consistent with the principle that one-time funds should be used only for one-time costs. For FY27, no more than 15% of the reserve funds used in the budget will go toward ongoing operating expenses, with the exception that the Compensation Reserve Funds may be used for compensation purposes.¹
- Provide three-year forecasts of revenues and expenditures to guide multi-year planning and gauge long-term financial sustainability.

¹ In the FY26 Budget Direction, the School Board directed the Superintendent to aim to maintain general reserves, defined as Compensation, Future Budget Years, Debt Service, and MC/MM reserve accounts, within a range of a minimum equivalent to 3% and a maximum of 5.5.% of the annual School Operating Fund. Each year, the School Board will set specific targets toward achieving the reserve goals in the budget direction.