

Fund 591

Public School Health and Flexible Benefits

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2008 Advertised Budget Plan, as approved by the Board of Supervisors on April 30, 2007:

- ◆ The Board of Supervisors made no adjustments to this fund.

Focus

Fund 591, Health and Flexible Benefits, is a self-insurance fund that provides the administration for health care and a dental benefit plan for employees and retirees. In addition, the fund provides for the payment of eligible health care and dependent care expenses for employees participating in the flexible spending account program. FY 2008 expenditures are estimated at \$284.5 million.

Fund 591

Public School Health and Flexible Benefits

FUND STATEMENT

Fund Type G50, Internal Service Funds

Fund 591, Public School Health
and Flexible Benefits

	FY 2006 Actual ¹	FY 2007 Adopted Budget Plan	FY 2007 Revised Budget Plan ²	FY 2008 Superintendent's Proposed	FY 2008 Adopted Budget Plan
Beginning Balance	\$35,996,144	\$33,795,995	\$42,844,295	\$40,634,821	\$40,634,821
Revenue:					
Employer/Employee Premiums	\$168,135,397	\$199,068,177	\$199,068,177	\$193,446,974	\$193,446,974
Retiree/Other Health Premiums	27,121,128	26,282,000	26,282,000	31,048,000	31,048,000
Interest Income	2,655,157	1,350,000	1,350,000	3,000,000	3,000,000
Medicare Part D	0	1,900,000	1,900,000	2,000,000	2,000,000
Flexible Account Withholdings	5,543,656	6,323,075	6,323,075	6,323,075	6,323,075
Total Revenue	\$203,455,338	\$234,923,252	\$234,923,252	\$235,818,049	\$235,818,049
Transfers In:					
School Operating Fund (090) ³	\$0	\$0	\$0	\$8,000,000	\$8,000,000
Total Transfers In	\$0	\$0	\$0	\$8,000,000	\$8,000,000
Total Available	\$239,451,482	\$268,719,247	\$277,767,547	\$284,452,870	\$284,452,870
Expenditures:					
Health Benefits Paid	\$134,405,916	\$167,810,392	\$167,810,392	\$176,284,650	\$176,284,650
Premiums Paid	43,488,667	50,335,000	50,335,000	52,603,352	52,603,352
Health Administration Expenses	8,701,662	9,819,645	9,902,382	11,166,245	11,166,245
Flexible Accounts					
Reimbursements	4,953,807	6,206,937	6,206,937	6,000,000	6,000,000
FSA Administrative Expenses	273,581	116,138	116,138	120,000	120,000
IBNR	16,019,554	19,119,000	19,119,000	19,119,000	19,119,000
IBNR Prior Year Credit	(11,236,000)	(16,332,000)	(15,000,000)	(19,119,000)	(19,119,000)
Premium Stabilization ⁴	0	31,644,135	29,277,698	20,278,623	20,278,623
GASB 45 Reserve ³	0	0	10,000,000	18,000,000	18,000,000
Total Expenditures	\$196,607,187	\$268,719,247	\$277,767,547	\$284,452,870	\$284,452,870
Total Disbursements	\$196,607,187	\$268,719,247	\$277,767,547	\$284,452,870	\$284,452,870
Ending Balance	\$42,844,295	\$0	\$0	\$0	\$0

¹ In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$254,386 has been reflected as an increase to FY 2006 expenditures. The audit adjustment has been included in the FY 2006 Comprehensive Annual Financial Report (CAFR).

² The FY 2007 Revised Budget Plan reflects adjustments adopted by the Fairfax County School Board on March 22, 2007, during their FY 2007 Third Quarter Review.

³ Represents the beginning of a multi-year plan to fund a new liability resulting from implementation of the Governmental Accounting Standards Board Statement 45 (GASB 45). GASB 45 requires public entities to disclose the actuarially determined accrued liability for post-employment benefits, other than pensions, promised to employees in retirement. For FCPS, health and dental insurance are the benefits governed by these new rules. Currently, \$10.0 million has been set aside to meet GASB 45 obligations. The proposed \$8.0 million transfer represents the actuarial requirement for FY 2008 and the total amount set aside will be \$18.0 million.

⁴ The Premium Stabilization reserve is appropriated for budgeting purposes to offset any fluctuations in health insurance costs during the fiscal year. However, it should be noted that the reserve is assumed to be carried forward as beginning balance for FY 2008. A future adjustment will be made by the School Board to bring the FY 2008 Beginning Balance in line with the FY 2007 Premium Stabilization Reserve.