

Fund 591

Public School Health and Flexible Benefits

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2009 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2008:

- ◆ 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 2009 expenditures are estimated at \$312.8 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 2007 Actual ¹	FY 2008 Adopted Budget Plan	FY 2008 Revised Budget Plan ²	FY 2009 Superintendent's Proposed	FY 2009 Adopted Budget Plan
Beginning Balance	\$42,844,295	\$40,634,821	\$55,228,456	\$61,093,782	\$61,093,782
Revenue:					
Employer/Employee Premiums	\$182,835,955	\$193,446,974	\$186,858,346	\$199,480,903	\$199,480,903
Retiree/Other Health Premiums	29,603,377	31,048,000	31,048,000	32,241,000	32,241,000
Interest Income	4,093,498	3,000,000	4,000,000	4,000,000	4,000,000
Medicare Part D	1,948,570	2,000,000	2,000,000	2,000,000	2,000,000
Flexible Account Withholdings	5,995,588	6,323,075	6,000,000	6,000,000	6,000,000
Total Revenue	\$224,476,988	\$235,818,049	\$229,906,346	\$243,721,903	\$243,721,903
Transfers In:					
School Operating Fund (090) ³	\$0	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Total Transfers In	\$0	\$8,000,000	\$8,000,000	\$8,000,000	\$8,000,000
Total Available	\$267,321,283	\$284,452,870	\$293,134,802	\$312,815,685	\$312,815,685
Expenditures:					
Health Benefits Paid	\$148,440,000	\$176,284,650	\$160,859,000	\$169,691,000	\$169,691,000
Premiums Paid	46,135,443	52,603,352	52,603,352	54,102,000	54,102,000
Health Administration Expenses	10,968,303	11,166,245	11,375,668	11,375,668	11,375,668
Flexible Accounts					
Reimbursements	5,829,255	6,000,000	6,000,000	6,000,000	6,000,000
FSA Administrative Expenses	98,826	120,000	120,000	120,000	120,000
IBNR	15,621,000	19,119,000	16,704,000	17,861,000	17,861,000
IBNR Prior Year Credit	(15,000,000)	(19,119,000)	(15,621,000)	(16,704,000)	(16,704,000)
Premium Stabilization ⁴	0	20,278,623	43,093,782	43,670,017	43,670,017
GASB 45 Reserve ³	0	18,000,000	18,000,000	26,700,000	26,700,000
Total Expenditures	\$212,092,827	\$284,452,870	\$293,134,802	\$312,815,685	\$312,815,685
Total Disbursements	\$212,092,827	\$284,452,870	\$293,134,802	\$312,815,685	\$312,815,685
Ending Balance	\$55,228,456	\$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 \$23,528.00 has been reflected as an increase to FY 2007 revenues and an audit adjustment of \$600,000.00 has been reflected as a decrease to FY 2007 expenditures. The audit adjustments have been included in the FY 2007 Comprehensive Annual Financial Report (CAFR).

² The FY 2008 Revised Budget Plan reflects adjustments adopted by the Fairfax County School Board on March 27, 2008, during their FY 2008 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, currently offered to employees in retirement. For FCPS, health and dental insurance are the benefits governed by these new rules. Currently, \$18.0 million has been set aside to meet GASB 45 obligations and is assumed to be carried forward as beginning balance for FY 2009. The \$8.0 million transfer represents the actuarial requirement for FY 2009 and the total amount set aside will be \$26.7 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 2009. A future adjustment will be made by the School Board to bring the FY 2009 Beginning Balance in line with the FY 2008 Premium Stabilization Reserve.