

Fund 591

Public School Health and Flexible Benefits

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	FY 2007 Adopted Budget Plan	FY 2007 Revised Budget Plan ¹	FY 2008 Superintendent's Proposed
Beginning Balance	\$35,996,144	\$33,795,995	\$43,098,681	\$40,634,821
Revenue:				
Employer/Employee Premiums	\$168,135,397	\$199,068,177	\$199,068,177	\$193,446,974
Retiree/Other Health Premiums	27,121,128	26,282,000	26,282,000	31,048,000
Interest Income	2,655,157	1,350,000	1,350,000	3,000,000
Medicare Part D	0	1,900,000	1,900,000	2,000,000
Flexible Account Withholdings	5,543,656	6,323,075	6,323,075	6,323,075
Total Revenue	\$203,455,338	\$234,923,252	\$234,923,252	\$235,818,049
Transfers In:				
School Operating Fund (090) ²	\$0	\$0	\$0	\$8,000,000
Total Transfers In	\$0	\$0	\$0	\$8,000,000
Total Available	\$239,451,482	\$268,719,247	\$278,021,933	\$284,452,870
Expenditures:				
Health Benefits Paid	\$134,405,916	\$167,810,392	\$167,810,392	\$176,284,650
Premiums Paid	43,488,667	50,335,000	50,335,000	52,603,352
Health Administration Expenses	7,626,830	9,819,645	9,819,645	11,166,245
Flexible Accounts Reimbursements	4,953,807	6,206,937	6,206,937	6,000,000
FSA Administrative Expenses	273,581	116,138	116,138	120,000
IBNR	16,020,000	19,119,000	19,119,000	19,119,000
IBNR Prior Year Credit	(10,416,000)	(16,332,000)	(16,020,000)	(19,119,000)
Premium Stabilization ³	0	31,644,135	30,634,821	20,278,623
GASB 45 Reserve ²	0	0	10,000,000	18,000,000
Total Expenditures	\$196,352,801	\$268,719,247	\$278,021,933	\$284,452,870
Total Disbursements	\$196,352,801	\$268,719,247	\$278,021,933	\$284,452,870
Ending Balance	\$43,098,681	\$0	\$0	\$0

¹ The FY 2007 Revised Budget Plan reflects adjustments adopted by the Fairfax County School Board on December 7, 2006, during their FY 2007 Midyear Review. The Fairfax County School Board adjustments will be officially reflected in the County's FY 2007 Third Quarter Review, which will be acted upon by the Board of Supervisors on April 23, 2007.

² 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.

³ 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.