

Employee Benefits

Mission

To provide centralized budgetary and financial control over employee fringe benefits paid by the County.

Focus

Agency 89, Employee Benefits, is a set of consolidated accounts that provide budgetary control for employee fringe benefits paid for all County employees of General Fund agencies.

◆ Group Health Insurance

Fairfax County Government offers its employees and retirees several health insurance alternatives, with the intent of offering options that are both comprehensive and cost effective. Self-insured options include an open access plan (OAP) featuring a national network of providers with three levels of coverage. One level of coverage features a co-pay structure for office visits and other services, while two levels of coverage feature co-insurance and modest deductibles. In addition, a fully-insured health maintenance organization (HMO) is available, featuring care centers located in communities throughout the area with a co-pay structure for office visits and other services.



All of the County's health insurance plans include self-insured vision benefits and offer eligible preventive care services on a zero-cost basis. In addition, the County offers a disease management program to detect chronic conditions early and provide assistance to those affected to help manage their diseases, resulting in healthier outcomes. In CY 2014, the County's self-insured health insurance plans were consolidated under one network provider to control costs, improve analytical capabilities, and provide a high quality of care with an emphasis on wellness, prevention and better management of chronic conditions.

As the health care environment is in the midst of significant reform, staff is monitoring changes in the health plan market, incorporating required changes in the County's plans and processes, and examining the overall impact of reform on the County's benefits package with the goal of continuing to provide cost-effective and comprehensive health care coverage to employees and retirees within the parameters of the new health care laws.

It should be noted that the self-insured health insurance plans are administered through Fund 60040, Health Benefits Fund. For a more detailed discussion of the County's self-insured health fund, refer to Fund 60040 in Volume 2 of the [FY 2015 Adopted Budget Plan](#).

◆ Dental Insurance

Fairfax County Government offers its employees and retirees a dental insurance preferred provider option in order to provide a comprehensive plan with maximum flexibility. The current contract for the dental insurance plan became effective January 1, 2012, and is a two-tiered dental insurance preferred provider organization (PPO) plan. The plan includes the provision of a 50 percent employer contribution for all eligible active employees who elect dental coverage.

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◆ **Group Life Insurance**

Life insurance coverage for employees, as approved by the Board of Supervisors beginning in FY 1999, provides basic group life insurance coverage at one times the salary for all County employees funded solely through an employer contribution. If employees choose to accept life insurance coverage above the basic amount, they are responsible for paying the additional cost based on an age-banded premium rating scale. The current contract for group life insurance became effective January 1, 2013.

◆ **Social Security (FICA)**

Social Security contributions represent the employer portion of salary required to meet Social Security and Medicare tax obligations for Fairfax County employees. Social Security contributions are calculated utilizing a combined rate which includes the portion of salary contributed for Social Security benefits and the portion of salary contributed for Medicare benefits applied to a pre-determined wage base. Any change to the wage base or the Social Security rate is announced in October/November and takes effect January 1 of the upcoming year.

◆ **Retirement**

Retirement expenditures represent the General Fund contribution to the three retirement systems as set by employer contribution rates. On March 18, 2002, the Board of Supervisors adopted a corridor approach to employer contributions. The corridor approach adds further stability to the employer contribution rates and continues to adequately fund the Retirement Systems. In the corridor method of funding, a fixed contribution rate is assigned to each System and the County contributes at the fixed rate unless the System's funding ratio falls outside the pre-selected corridor of 90-120 percent or if benefit enhancements are approved. At the Board of Supervisors' direction, staff conducted a comprehensive examination of the corridor policy in FY 2010 and concluded that the corridor approach should be maintained, as it has cushioned the County from dramatic rate increases in the past. However, it is unlikely that the funding ratios for the three systems will increase significantly over the next few years based on the current corridor parameters. Consequently, the corridor will remain at 90-120 percent, as codified in the Fairfax County Code, but the County will gradually increase the funding to the systems to allow amortization of the unfunded actuarial accrued liability to 100 percent. The employer contribution rates were increased in FY 2011 to allow for amortization to a 91 percent level. In FY 2015, employer contribution rates are further increased to allow for amortization to a 93 percent level. It is anticipated that increases in the employer contribution rates will continue each year to fund amortization to a 100 percent level by the end of the decade.

Retirees are eligible to receive a base Cost-of-Living Adjustment (COLA) which is the lesser of the Consumer Price Index (CPI) for the 12 months ending on the previous year's March 31, or 4.0 percent. If certain conditions are met, an additional 1.0 percent COLA can be awarded at the discretion of each retirement system's Board of Trustees. This additional ad-hoc COLA results in an increase in the employer contribution rate. Staff reviewed the ad-hoc COLA policy at the Board of Supervisors' direction in FY 2010 and concluded that it is important for an individual Board of Trustees to maintain the discretion to grant an ad-hoc COLA for its retirees and that the criteria used to grant a COLA among the three systems be consistent. However, it was determined that the financial conditions that must be met in order for a Board of Trustees to consider granting an ad-hoc COLA should be strengthened, especially since the granting of such a COLA impacts the employer contribution rates and, thus, requires County funding. As a result, the Fairfax County Code was changed to require that the retirement system must have an actuarial surplus - demonstrated by having a funding ratio exceeding 100 percent - before an ad-hoc COLA can be considered.

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A Deferred Retirement Option Plan (DROP) was added as a benefit for members of the Uniformed and Police Officers Retirement Systems in FY 2004 and was added for members of the Employees' Retirement System in FY 2006.

As directed by the Board of Supervisors, the Department of Human Resources contracted with a benefits consultant to conduct a comprehensive review of the retirement plans. The consultant's report was presented in February and March 2012. Based on the results of this study, the Board of Supervisors adopted several modifications to the retirement systems, which apply only to new employees who are hired on or after January 1, 2013. These changes include:

- Increasing the minimum retirement age for normal service retirement from 50 to 55 in the Employees' system;
- Increasing the rule of 80 (age plus years of service) to the rule of 85 in the Employees' system;
- Placing a cap on the use of sick leave for purposes of determining retirement eligibility and benefits at 2,080 hours for all three retirement systems; and
- For the DROP program, removing the pre-Social Security supplement from balances accumulated during the DROP period in the Employees' and Uniformed systems. It should be noted that, as members of the Police Officers system do not participate in Social Security, they do not receive a pre-Social Security supplement.

No changes were made to benefits for current employees. The savings resulting from these changes are incorporated in the employer contribution rates beginning in FY 2015. Although initial savings are minimal, savings are expected to grow over time as more employees are hired under these new plan provisions.

For a more detailed discussion of the County's retirement systems, refer to the Employee Retirement Systems Overview in Volume 2 of the FY 2015 Adopted Budget Plan.

◆ Virginia Retirement System (VRS)

Beginning in FY 1996, VRS funding was provided in Agency 89 for 233 Health Department employees who were converted from state to County employment. Funding reflects required employer contributions paid by the County to VRS for retirement benefits provided to the converted employees. It should be noted that as these employees terminate service with the County or transfer to other positions within the County, funding for VRS payments will be reduced.

In FY 2006, the Board of Supervisors approved two additional benefits for employees who remain in VRS. First, current and future retirees who participate in a County health plan are eligible to receive the differential between the County retiree health benefit subsidy for which the employee is eligible based on years of service and the subsidy provided by VRS. For a more detailed discussion of this benefit, refer to Fund 73030, OPEB Trust Fund, in Volume 2 of the FY 2015 Adopted Budget Plan. Second, the County began allowing converted employees to use accrued sick leave to purchase additional service credit in VRS upon retirement. Thus, funding for VRS also includes these County payments made on behalf of the employees.

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◆ **Line of Duty**

The Line of Duty Act provides benefits to employees and volunteers of state and local governments who serve in hazardous duty positions. The Act provides for health insurance coverage and a death benefit payment for service-connected death or disability. Prior to FY 2011, the state administered and funded the program. Beginning in FY 2011, the costs of the program were passed on to localities, although the state continues to administer the program.

◆ **Flexible Spending Accounts**

Health and Dependent Care Flexible Spending Accounts are funded through voluntary employee contributions. Funding in Agency 89 reflects the expense of administering Flexible Spending Accounts through a contract with an outside vendor.

◆ **Unemployment Compensation**

Unemployment Compensation payments reflect premiums paid to the state based on the actual number of former Fairfax County employees filing claims.

◆ **Capital Projects Reimbursements**

Capital Projects Reimbursements represent the reimbursable portion of Fringe Benefits for County employees of General Fund agencies who charge a portion of their time to capital projects.

◆ **Employee Assistance Program (EAP)**

Provision of EAP services, including assessment, intervention, diagnosis, referral, and follow-up for workplace issues as they arise, is provided through a contract with an outside vendor.

◆ **Employee Awards Program**

Employees that are recognized with Outstanding Performance, Team Excellence, and Managerial Excellence Awards receive a net \$300 cash award, a certificate, a special coffee mug, and one day of administrative leave. As part of reductions necessary to balance the budget in FY 2010, funding designated for the cash component of the awards was eliminated. Employees were awarded an additional day off – for a total of two days – instead of the cash award. On December 3, 2013, the Board of Supervisors reinstated the cash award and returned the days of administrative leave back to one. Funding that had been eliminated in Agency 02, Office of the County Executive, in FY 2010 has been restored and moved to Agency 89 as part of the FY 2015 Adopted Budget Plan.

◆ **Employee Development**

Employee development initiatives are designed to enhance succession planning and management by developing current high-performing employees.

◆ **Training/Tuition Assistance Program**

General training centrally managed by the Organizational Development and Training Division includes all FOCUS training as well as courses related to the Employee Development and Learning Program. The foundation for the program is the Countywide Competency Map for Employee Development, which identifies competencies that promote leadership and learning for the entire County workforce. This map aligns training with required on-the-job skillsets at all levels of the organization. Developmental programs include offerings that build performance capacity in areas ranging from customer service and effective communication skills to conflict resolution and project management.

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Technology-related training is offered in recognition of the challenges associated with maintaining skills at the same pace as technology changes. As the County's workforce increasingly leverages information technology, training support has become more essential.

Additionally, in support of providing employees multiple venues for self-development, the County funds the employee tuition assistance (TAP) and language tuition assistance (LTAP) programs.

Budget and Staff Resources

Category	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised	FY 2015 Adopted
FUNDING					
Expenditures:					
Fringe Benefits	\$278,906,707	\$297,561,471	\$298,051,727	\$312,330,626	\$314,009,976
Operating Expenses	603,664	1,172,850	2,063,654	2,087,850	1,387,850
Total Expenditures	\$279,510,371	\$298,734,321	\$300,115,381	\$314,418,476	\$315,397,826

FY 2015 Funding Adjustments

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors' actions, as approved in the adoption of the budget on April 29, 2014.

- ◆ **New Positions** **\$3,083,852**

An increase of \$3,083,852 in Fringe Benefits based on funding for new positions includes the following adjustments. In some cases, funding is required for the full-year impact of positions added in FY 2014 or to fund previously vacant positions and is not associated with new FY 2015 positions. New positions funded by non-General Fund sources are not included in the list below.

 - Agency 08, Facilities Management Department – \$93,680 and 4/4.0 FTE new positions to address daily service and general maintenance requirements for the Merrifield Center.
 - Agency 12, Department of Purchasing and Supply Management – \$56,234 and 2/2.0 FTE new positions to support additional workload requirements associated with contract rebates and the Surplus and Excess Property Program.
 - Agency 15, Office of Elections – \$87,508 and 3/3.0 FTE new positions to coordinate language outreach efforts, respond to increased technical requirements related to new voting equipment and coordinate Election Office recruitment and training efforts.
 - Economic Development Core Team – \$275,834 to support 7/7.0 FTE positions that were created but not funded in FY 2014 in Agency 26, Office of Capital Facilities, Agency 31, Land Development Services, Agency 35, Department of Planning and Zoning, and Agency 40, Department of Transportation. The Economic Development Core Team supports the County's economic development and revitalization goals, improves development process timeliness, and addresses rising workload requirements to ensure that the capacity exists to meet customer expectations and respond to development opportunities.

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- Agency 31, Land Development Services – \$70,690 and 2/2.0 FTE new positions to support County revitalization efforts by coordinating and reviewing projects in revitalization areas.
 - Agency 38, Department of Housing and Community Development – \$27,420 to support the implementation of the Workforce Housing Program, including proffer review, inspections, pricing, and coordination with other County agencies to ensure developer compliance.
 - Agency 67, Department of Family Services– \$119,429 and 3/3.0 FTE new positions to expand behavioral health services for youth and families; \$112,922 and 3/3.0 FTE new positions to expand school readiness activities in support of community programs serving young children; \$75,740 and 3/3.0 FTE new positions, as well as \$437,020 to support existing positions, to address increasing public assistance caseloads in the Self Sufficiency division; \$41,539 and 1/1.0 FTE new position to address increasing caseloads and the complexity of work in the Office for Women and Domestic and Sexual Violence Services; and \$32,190 and 1/1.0 FTE new position associated with the Kinship Care program in the Children, Youth and Family division.
 - Agency 79, Department of Neighborhood and Community Services – \$145,991 and 7/7.0 FTE new positions to manage and supervise activities and programs at the new Providence Community Center.
 - Agency 81, Juvenile and Domestic Relations District Court – \$74,059 and 2/2.0 FTE new positions to support the Evening Reporting Center, which provides a community-based detention alternative for youth who violate their terms of probation or who commit new crimes while on probation and enhances the range of existing detention alternatives that are available to probation officers in the South County Probation Unit.
 - Agency 82, Office of the Commonwealth’s Attorney – \$137,097 and 3/3.0 FTE new positions to support increased workloads due to recent law changes, increased preparation time for cases and time spent in trial, requirements for written responses to all motions made by the Defendant in Circuit Court, and the increased number of traffic courtrooms. An additional \$148,192 is required for four existing, but previously vacant, positions to address workload requirements.
 - Agency 90, Police Department – \$36,627 and 2/2.0 FTE new positions to support the renovated Animal Shelter facility.
 - Agency 92, Fire and Rescue Department – \$68,998 and 2/2.0 FTE new positions to support increased workloads in the Fire Prevention Division, and \$1,020,654 to support the full year operation of the Wolftrap Fire Station with a Medic Unit, Engine Company, and Tanker.
 - Agency 97, Department of Code Compliance – \$22,028 and 1/1.0 FTE new positions to support administrative needs.
- ◆ **Savings from Modified School-Age Child Care Staffing Model** (\$272,343)
A decrease of \$272,343 in Personnel Services reflects the second year of a three-year phase-in of a modified staffing model for all School-Age Child Care (SACC) rooms. For additional information regarding this reduction, refer to Agency 67, Department of Family Services, in Volume 1 of the [FY 2015 Adopted Budget Plan](#).

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- ◆ **Employee Compensation** **\$7,339,372**

An increase of \$7,339,372 in Personnel Services includes \$2,984,316 for a 1.29 percent market rate adjustment for all employees and \$1,115,335 for a 1.00 percent salary increase for non-uniformed employees, both effective July 2014, and \$1,384,756 for FY 2015 merit and longevity increases for uniformed employees (including the full-year impact of FY 2014 longevity). In addition, \$225,561 is included for employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions, \$84,894 is included to regrade the Police Captain job class, and \$1,544,510 is included for an increase of 3.0 percent for all employees on the public safety pay scale F, effective July 2014.

The following funding adjustments from the FY 2014 Adopted Budget Plan are necessary to support the FY 2015 program:

- ◆ **Group Health Insurance** **\$1,513,720**

Health Insurance premiums total \$93,569,713, an increase of \$1,513,720, or 1.6 percent, over the FY 2014 Adopted Budget Plan. An increase of \$2,727,521 reflects the impact of projected premium increases of 6.0 percent for all health insurance plans, effective January 1, 2015. An additional increase of \$936,749 is based on adjustments to reflect the inclusion of new positions. These increases are partially offset by a decrease of \$2,059,058 due to the full-year impact of January 2014 premium adjustments and savings based on year-to-date FY 2014 experience. Additionally, the increase is partially offset by a decrease of \$91,492 attributable to the savings resulting from the SACC staffing model changes.
- ◆ **Dental Insurance** **\$185,519**

Dental Insurance premiums total \$3,796,984, an increase of \$185,519, or 5.1 percent, over the FY 2014 Adopted Budget Plan. An increase of \$91,750 reflects the impact of projected premium increases of 5.0 percent, effective January 1, 2015. An increase of \$39,032 is based on adjustments to reflect the inclusion of new positions, and an additional increase of \$58,549 is based on year-to-date FY 2014 experience. These increases are partially offset by a decrease of \$3,812 attributable to the savings resulting from the SACC staffing model changes.
- ◆ **Group Life Insurance** **(\$403,853)**

Life Insurance premiums total \$1,391,408, a decrease of \$403,853, or 22.5 percent, from the FY 2014 Adopted Budget Plan. An increase of \$33,253 reflects the impact of projected premium increases of 5.0 percent, effective January 1, 2015. An additional increase of \$29,881 is based on adjustments to reflect the inclusion of new positions. These increases are offset by a decrease of \$464,080 that is attributable to anticipated savings based on year-to-date FY 2014 experience and a decrease of \$2,907 attributable to the savings resulting from the SACC staffing model changes.
- ◆ **Social Security (FICA)** **\$4,480,134**

Social Security contributions total \$48,332,155, an increase of \$4,480,134, or 10.2 percent, over the FY 2014 Adopted Budget Plan. An increase of \$506,193 is based on adjustments to reflect the inclusion of new positions. An increase of \$649,891 reflects a 1.29 percent market rate adjustment (MRA) for all employees and an increase of \$306,588 reflects a 1.00 percent salary increase for non-uniformed employees, both effective July 2014; an increase of \$266,357 reflects the impact of FY 2015 merit and longevity increases for uniformed employees (including the full-year impact of FY 2014 longevity); an increase of \$80,875 reflects employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; an increase of \$4,510 reflects the regrade of the Police Captain job class approved as part of the *FY 2013 Carryover Review*; an increase

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of \$278,815 reflects an increase of 3.0 percent for all employees on the public safety pay scale F, effective July 2014, as a result of the public safety pay study; and an increase of \$2,436,334 is attributable to anticipated increases based on year-to-date FY 2014 experience. These increases are partially offset by a decrease of \$49,429 attributable to the savings resulting from the SACC staffing model changes.

Note: The Social Security wage base has increased to \$117,000 as of January 1, 2014 for the 6.20 percent base contribution rate. The wage base against which the 1.45 percent rate for Medicare is applied remains unlimited. The overall Social Security rate remained unchanged at 7.65 percent. The wage base and/or rate change for January 1, 2015 is not yet known; any subsequent adjustments to the Social Security wage base with a fiscal impact will be included at a quarterly review during FY 2015.

◆ **Retirement (Fairfax County Employees', Uniformed, Police) \$10,549,517**

FY 2015 employer contributions to the retirement systems total \$165,114,970, an increase of \$10,549,517, or 6.8 percent, over the FY 2014 Adopted Budget Plan. An increase of \$7,769,546 is based on projected increases in the employer contribution rates (*see discussion below for further details*). An increase of \$1,571,997 is based on adjustments to reflect the inclusion of new positions. An increase of \$2,334,425 reflects a 1.29 percent market rate adjustment (MRA) for all employees and an increase of \$808,747 reflects a 1.00 percent salary increase for non-uniformed employees, both effective July 2014; an increase of \$1,118,399 reflects the impact of FY 2015 merit and longevity increases for uniformed employees (including the full-year impact of FY 2014 longevity); an increase of \$144,686 reflects employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; an increase of \$80,384 reflects the regrade of the Police Captain job class approved as part of the *FY 2013 Carryover Review*; and an increase of \$1,265,695 reflects an increase of 3.0 percent for all employees on the public safety pay scale F, effective July 2014, as a result of the public safety pay study. These increases are partially offset by a decrease of \$4,419,659 due to anticipated savings based on year-to-date FY 2014 experience. Additionally, the increase is partially offset by a decrease of \$124,703 attributable to the savings resulting from the SACC staffing model changes.

Employer Contribution Rate Adjustments

The employer contribution rates for all three systems are increased based on a change to the amortization schedule to increase the amortization level from 91 percent to 93 percent. The employer contribution rates for the Employees' system and the Uniformed system are also required to increase due to a reduction in the Social Security offset for service-connected disability retirees approved by the Board of Supervisors on November 19, 2013. The employer contribution rate for the Police Officers system is also required to increase to offset a reduction in the employee contribution rate from 10.00 percent to 8.65 percent. This reduction was included in the FY 2014 and FY 2015 Multi-Year Budget of the FY 2014 Adopted Budget Plan, with a planned phased reduction to 9.32 percent in FY 2015 and to 8.65 percent in FY 2016. The FY 2015 Advertised Budget Plan included the reduction to 9.32 percent. As part of their deliberations on the FY 2015 budget, the Board of Supervisors accelerated the planned reduction in FY 2016, reducing the employee rate to 8.65 percent in FY 2015.

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The following table shows the FY 2014 contribution rates and final rates for FY 2015. It should be noted that the net General Fund impact reflected in the table below is solely based on the change in the rates.

Fund	FY 2014 Rates (%)	FY 2015 Rates (%)	Percentage Point Increase (%)	Reason for Increase	General Fund Impact
Employees'	19.30	20.18	0.88	<ul style="list-style-type: none"> 1.22 percentage points based on the change in the amortization schedule and 0.03 percentage points based on the reduction in the Social Security offset for service-connected disability, partially offset by a reduction of 0.37 percentage points due to valuation results based on FY 2013 experience. 	\$2,866,804
Uniformed	36.43	37.90	1.47	<ul style="list-style-type: none"> 2.06 percentage points based on the change in the amortization schedule and 0.11 percentage points based on the reduction in the Social Security offset for service-connected disability, partially offset by a reduction of 0.70 percentage points due to valuation results based on FY 2013 experience. 	\$2,044,740
Police	33.87	36.82	2.95	<ul style="list-style-type: none"> 2.48 percentage points based on the change in the amortization schedule and 1.27 percentage points based on the reduction in the employee contribution rate, partially offset by a reduction of 0.80 percentage points due to valuation results based on FY 2013 experience. 	\$2,858,002
Total					\$7,769,546

For a more detailed discussion of the County's retirement systems, refer to the Employee Retirement Systems Overview in Volume 2 of the [FY 2015 Adopted Budget Plan](#).

- Virginia Retirement System (VRS)** **(\$69,618)**
 Virginia Retirement System contributions total \$564,963, a decrease of \$69,618, or 11.0 percent, from the [FY 2014 Adopted Budget Plan](#). Note: The number of employees covered by VRS has decreased from 233 in FY 1996 at the program's inception to 48 in FY 2015.
- Line of Duty** **\$327,261**
 Expenditures to fund benefits for County employees covered under the Line of Duty Act total \$1,027,261, an increase of \$327,261, or 46.8 percent, over the [FY 2014 Adopted Budget Plan](#). This increase is based on year-to-date FY 2014 experience.
- Flexible Spending Accounts** **\$3,487**
 Administrative expenses associated with the County's flexible spending account program total \$118,395, an increase of \$3,487, or 3.0 percent, over the [FY 2014 Adopted Budget Plan](#). This increase is based on year-to-date FY 2014 experience.
- Unemployment Compensation** **(\$203,934)**
 Unemployment Compensation expenditures total \$235,310, a decrease of \$203,934, or 46.4 percent, from the [FY 2014 Adopted Budget Plan](#). This decrease is based on year-to-date FY 2014 experience.

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- ◆ **Capital Projects Reimbursements** **\$49,723**
Capital Projects reimbursements total \$848,718, a decrease of \$49,723, or 5.5 percent, from the FY 2014 Adopted Budget Plan. The decrease is associated with projected reimbursements for those employees who charge a portion of their time to capital projects.

- ◆ **Employee Assistance Program (EAP)** **\$16,549**
Employee Assistance Program expenditures total \$347,535, an increase of \$16,549, or 5.0 percent, over the FY 2014 Adopted Budget Plan.

- ◆ **Tuition Reimbursement** **\$0**
Tuition Reimbursement expenditures total \$360,000, and remain unchanged from the FY 2014 Adopted Budget Plan. Funding includes \$300,000 for Tuition Assistance Program (TAP) reimbursements and \$60,000 for Language Tuition Assistance Program (LTAP) reimbursements.

- ◆ **Employee Awards Program** **\$215,000**
Funding of \$215,000 is included for the reinstatement of cash awards for recipients of Outstanding Performance, Team Excellence, and Managerial Excellence Awards. As part of reductions necessary to balance the budget in FY 2010, funding designated for the cash awards was eliminated. On December 3, 2013, the Board of Supervisors reinstated the cash award, and funding that had been eliminated in Agency 02, Office of the County Executive, in FY 2010 has been restored and moved to Agency 89 as part of the FY 2015 Adopted Budget Plan.

- ◆ **Employee Development Initiatives** **\$0**
Funding for employee development initiatives totals \$350,000, and remains unchanged from the FY 2014 Adopted Budget Plan.

- ◆ **Countywide Training** **\$0**
Countywide training expenditures total \$822,850, and remain unchanged from the FY 2014 Adopted Budget Plan.

FY 2015 funding includes the following:

- \$742,850 is included for General County Training programs including competency development courses offered using a framework targeted towards employee needs at each career stage.
- \$50,000 is included for information technology training in recognition of the challenges associated with maintaining skills at the same pace as technology changes.
- \$30,000 is included for countywide initiatives including performance measurement training.

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Changes to FY 2014 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2014 Revised Budget Plan since passage of the FY 2014 Adopted Budget Plan. Included are all adjustments made as part of the FY 2013 Carryover Review, FY 2014 Third Quarter Review, and all other approved changes through April 30, 2014.

- ◆ **Third Quarter Adjustments** **(\$1,000,000)**
As part of the *FY 2014 Third Quarter Review*, the Board of Supervisors approved a decrease of \$1,000,000 that is fully offset by an increase of \$1,000,000 in Agency 87, Unclassified Administrative Expenses, resulting in no net impact to the County. Savings of \$1.0 million were included in Agency 87 to balance the FY 2014 Adopted Budget Plan based on efficiencies to be identified during the fiscal year. These savings were identified in Agency 89, as expenditures for employer group health insurance were lower than previously anticipated as the result of lower than budgeted premium increases as of January 1, 2014.

- ◆ **Carryover Adjustments** **\$2,381,060**
As part of the *FY 2013 Carryover Review*, the Board of Supervisors approved funding of \$2,381,060, including \$905,362 in Personnel Services for a one-time compensation adjustment of \$850 for merit employees paid in November 2013, \$200,804 in encumbered funding in Operating Expenses, \$500,000 for employee development initiatives, \$190,000 for benefits-related studies and consultant work, \$500,000 for the accelerated opening of the Wolftrap Fire Station, and \$84,894 to regrade the Police Captain job class.

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Summary of Employee Benefits Costs by Category

BENEFIT CATEGORY	FY 2013 Actual	FY 2014 Adopted	FY 2014 Revised	FY 2015 Advertised	FY 2015 Adopted	Amount Inc/(Dec) over Adopted	% Inc/ (Dec) over Adopted
FRINGE BENEFITS							
Group Health Insurance	\$83,232,001	\$92,055,993	\$91,175,427	\$94,472,154	\$93,569,713	\$1,513,720	1.6%
Dental Insurance	3,526,397	3,611,465	3,616,441	3,798,237	3,796,984	185,519	5.1%
Group Life Insurance	1,772,280	1,795,261	1,800,124	1,392,253	1,391,408	(403,853)	(22.5%)
FICA	42,681,078	43,852,021	44,575,349	47,857,132	48,332,155	4,480,134	10.2%
Employees' Retirement	62,061,314	64,651,851	64,901,851	67,972,925	68,740,944	4,089,093	6.3%
Uniformed Retirement	49,923,146	53,495,490	53,802,761	57,234,266	57,719,105	4,223,615	7.9%
Police Retirement	33,903,716	36,418,112	36,498,496	37,798,913	38,654,921	2,236,809	6.1%
Virginia Retirement System	627,685	634,581	634,581	564,963	564,963	(69,618)	(11.0%)
Line of Duty	1,344,468	700,000	700,000	1,027,261	1,027,261	327,261	46.8%
Flexible Spending Accounts	127,980	114,908	114,908	118,395	118,395	3,487	3.0%
Unemployment Compensation	339,136	439,244	439,244	235,310	235,310	(203,934)	(46.4%)
Capital Project Reimbursements	(1,188,714)	(898,441)	(898,441)	(848,718)	(848,718)	49,723	(5.5%)
Employee Assistance Program	319,248	330,986	330,986	347,535	347,535	16,549	5.0%
Tuition Reimbursement	236,972	360,000	360,000	360,000	360,000	0	0.0%
Total Fringe Benefits	\$278,906,707	\$297,561,471	\$298,051,727	\$312,330,626	\$314,009,976	\$16,448,505	5.5%
OPERATING EXPENSES							
Employee Awards Program	\$0	\$0	\$0	\$215,000	\$215,000	\$215,000	--
Employee Development Initiatives	0	350,000	850,000	750,000	350,000	0	0.0%
Customer Experience Initiatives	0	0	0	300,000	0	0	--
Training/Task Forces	603,664	822,850	1,213,654	822,850	822,850	0	0.0%
Total Operating Expenses	\$603,664	\$1,172,850	\$2,063,654	\$2,087,850	\$1,387,850	\$215,000	18.3%
TOTAL EMPLOYEE BENEFITS	\$279,510,371	\$298,734,321	\$300,115,381	\$314,418,476	\$315,397,826	\$16,663,505	5.6%