

Fund S62000: Health and Flexible Benefits

Focus Fund S62000, Health and Flexible Benefits, provides for the administration of health and dental care benefit plans for employees and retirees. In addition, the Health and Flexible Benefits Fund administers two Flexible Spending Accounts, which enable employees to realize savings by setting aside pre-tax dollars, through Fairfax County Public Schools (FCPS) payroll deductions, for eligible health care and dependent care costs. FY 2023 expenditures are estimated at \$505.5 million.

Fund S62000: Health and Flexible Benefits

FUND STATEMENT

Category	FY 2021 Actual	FY 2022 Adopted Budget Plan	FY 2022 Revised Budget Plan ¹	FY 2023 Superintendent's Proposed	FY 2023 Adopted Budget Plan ²
Beginning Balance	\$101,685,897	\$103,050,776	\$124,021,193	\$121,681,881	\$121,681,881
Revenue:					
Employer/Employee Premiums	\$350,938,251	\$356,148,153	\$347,917,913	\$361,479,502	\$361,479,502
Retiree/Other Health Premiums	60,238,413	62,409,181	62,409,181	65,744,403	65,744,403
Interest Income and Rebates	47,402,124	39,104,281	48,601,981	49,299,642	49,299,642
Flexible Spending Account Withholdings	10,249,623	10,166,923	10,166,924	11,000,000	11,000,000
Total Revenue³	\$468,828,411	\$467,828,538	\$469,095,999	\$487,523,547	\$487,523,547
Total Available	\$570,514,308	\$570,879,314	\$593,117,192	\$609,205,428	\$609,205,428
Expenditures:					
Health Benefits Paid	\$338,322,083	\$365,132,988	\$367,636,102	\$396,318,585	\$396,318,585
Premiums Paid	75,897,894	77,966,982	77,966,982	82,645,001	82,645,001
Health Administrative Expenses	15,703,031	15,025,982	15,111,448	15,743,179	15,743,179
Flexible Spending Accounts Reimbursements	10,764,727	9,985,349	9,985,349	10,000,000	10,000,000
FSA Administrative Expenses	200,380	172,443	172,443	182,790	182,790
Claims Incurred but not Reported (IBNR)	21,880,000	17,369,107	22,442,987	22,442,987	22,442,987
IBNR Prior Year Credit	(16,275,000)	(16,806,120)	(21,880,000)	(21,880,000)	(21,880,000)
Total Expenditures³	\$446,493,115	\$468,846,731	\$471,435,311	\$505,452,542	\$505,452,542
Premium Stabilization Reserve ⁴	\$0	\$99,091,378	\$121,681,881	\$103,752,886	\$103,752,886
Total Disbursements	\$446,493,115	\$567,938,109	\$593,117,192	\$609,205,428	\$609,205,428
Ending Balance	\$124,021,193	\$2,941,205	\$0	\$0	\$0
Outstanding Encumbered Obligations	\$85,466	\$0	\$0	\$0	\$0
Premium Stabilization Reserve ⁴	123,935,727	0	0	0	0
Unreserved Balance	\$0	\$2,941,205	\$0	\$0	\$0

¹ The FY 2022 Revised Budget Plan reflects adjustments adopted by the Fairfax County School Board on March 24, 2022 during the FY 2022 Third Quarter Review.

² Fairfax County School Board action on the FY 2023 budget was taken on May 26, 2022 and will be included for approval by the Board of Supervisors as part of the FY 2022 Carryover Review.

³ In order to account for FY 2021 revenues and expenditures in the appropriate fiscal year, audit adjustments of \$962,529 have been reflected as an increase to FY 2021 revenue and audit adjustments of \$1,015,256 have been reflected as an increase to FY 2021 expenditures. Details of the audit adjustments were included in the FY 2022 Third Quarter package.

⁴ The Premium Stabilization Reserve is appropriated for budgeting purposes to offset fluctuations in health insurance costs during the fiscal year. This reserve is to be carried forward as beginning balance for FY 2023.