

Response to Questions on the FY 2013 Budget

Request By: Supervisor Foust

Question: Please provide a fiscal impact analysis of the VRS contribution rate and the FCPS contribution to the County retirement system being higher than original projections.

Response: The following response was prepared by Fairfax County Public Schools (FCPS):

The chart below shows the cost impact of the state and county proposed employer rates for retirement and life insurance as compared to the projections used by FCPS in the FY 2013 Advertised Budget.

| FCPS Employer Rates | | | | |
|-----------------------------|---------|--------------------------------------|-------------------------------------|---|
| Funded Fringe Benefit Rates | FY 2012 | FY 2013 FCPS Advertised Budget | FY 2013 State/County Proposed | Additional Cost Above FCPS Advertised Budget (\$ in millions) |
| VRS Employer Share | 6.33% | 11.33% | 11.66% | \$4.4 |
| Retiree Health Care Credit | 0.60% | 1.04% | 1.11% | \$0.9 |
| State Group Life | 0.28% | 0.56% | 0.87% | \$3.9 |
| FCERS - County Retirement | 17.20% | 17.20% | 19.05% | \$2.8 |
| Total | | | | \$12.0 |

For information on the impact of the state budget on employee rates for the Virginia Retirement System, please see the response to BOS question #76.