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. A self-insured open access plan (OAP) features a national network of providers with four levels of coverage. One level of coverage has a co-pay structure for office visits and other services, two levels of coverage include co-insurance and modest deductibles, and one level offers a consumer-directed health plan with a health savings account that is partially funded by the County. 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. The County's self-insured health insurance plans are 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.

The self-insured health insurance plans are administered through Fund 60040, Health Benefits. For a more detailed discussion of the County's self-insured health fund, refer to Fund 60040 in Volume 2 of the FY 2018 Adopted Budget Plan.

- **Dental Insurance**

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

- **Group Life Insurance**

Basic group life insurance coverage at one times salary is funded for all County employees 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.

- **Social Security and Medicare (FICA)**
Social Security and Medicare contributions represent the employer portion of Federal Insurance Contributions Act (FICA) tax obligations for Fairfax County employees. Social Security contributions are calculated by applying the Social Security portion of the FICA tax rate to salary up to a pre-determined wage base. The Medicare portion of the FICA tax rate is applied to total salary. Any change to the wage base or the FICA tax 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. A corridor approach has been used to set employer contribution rates since it was adopted by the Board of Supervisors in FY 2002. The corridor approach was designed by the County's actuaries to set annual contributions at the level necessary to maintain strong funding ratios in each of the plans while reducing the volatility in the employer contribution rates that is typical for plans that are near fully-funded. 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. If the funding ratio falls below 90 percent, the unfunded actuarial accrued liability below 90 percent is amortized over a conservative 15-year period, and this amount is included in the annual employer contribution for each fund.

The corridor approach cushioned the County from dramatic rate adjustments for several years. However, the global financial crisis during FY 2009 resulted in significant losses in the value of the invested assets of all three retirement systems. Because only 90 percent of the unfunded liability was amortized and included in the employer contribution under the corridor approach, the funding ratios have improved, but at a slower pace than desired. As a result, the County has taken multiple steps, including increasing contribution levels and limiting increases in liabilities, to improve the financial position of the retirement systems. These changes have included adopting modifications to the retirement systems for new employees hired on or after January 1, 2013, tightening the requirements regarding the award of ad-hoc Cost-of-Living Adjustments (COLAs), and increasing contribution rates by adjusting the amortization level of the unfunded liability from 90 percent to 97 percent.

The County is committed to further strengthening the financial position of the systems, and has established a goal to reach a 90 percent funded status for all plans by FY 2025. In order to meet this goal, the County has established the following multi-year strategy:

  - In FY 2018, the employer contribution rates will be increased to adjust the amortization level of the unfunded liability from 97 percent to 98 percent.

  - Increases in the employer contribution rates will continue so that the County will include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems by FY 2020 at the latest. The County will continue to use a conservative 15-year amortization period.

- Until each system reaches 100 percent funded status, employer contributions to that system will not be reduced. Various factors, such as the historical trend of the County's investment returns exceeding the assumed rate of 7.25 percent, could allow employer contribution rates to be reduced from current levels. However, the County is committed to maintaining the rates and redirecting any potential savings into further improvement in the systems' funded positions.

- Any additional unfunded liability created as a result of approved benefit enhancements, such as ad-hoc COLAs, will be fully funded. It is the intent that no adjustments to benefit levels will reduce the funded status of any of the systems.

For a more detailed discussion of the County's retirement systems and its retirement funding policy, refer to the Employee Retirement Systems Overview in Volume 2 of the FY 2018 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 funding for VRS payments will be reduced as these employees terminate service with the County.

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, in Volume 2 of the FY 2018 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.

♦ **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, and one day of administrative leave.

- **Employee Development**
  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. Programs also focus on enhancing succession planning and management by developing current high-performing employees through training and mentoring opportunities.

  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 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted
FUNDING					
Expenditures:					
Fringe Benefits	$330,966,386	$354,853,322	$358,310,864	$370,532,016	$370,918,880
Operating Expenses	1,119,707	1,387,850	2,103,921	1,387,850	1,387,850
Total Expenditures	$332,086,093	$356,241,172	$360,414,785	$371,919,866	$372,306,730

FY 2018 Funding Adjustments

The following funding adjustments from the FY 2017 Adopted Budget Plan are necessary to support the FY 2018 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 May 2, 2017.

- **New Positions** **$2,563,242**
  An increase of $2,563,242 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 2017 and is not associated with new FY 2018 positions. New positions funded by non-General Fund sources are not included in the list below.

- Agency 08, Facilities Management Department – $112,225 and 3/3.0 FTE new positions to support daily service and general maintenance requirements at the new Public Safety Headquarters.

- Agency 13, Office of Public Affairs – $119,007 associated with recently passed state legislative changes that place the burden on the County to provide a more comprehensive, centralized Freedom of Information Act (FOIA) program.

- Agency 17, Office of the County Attorney – $117,259 associated with FOIA requirements, including growth in workload to ensure exempted information is redacted.

- Agency 26, Capital Facilities – $0 and 9/9.0 FTE new positions to address the growing workload associated with transportation, stormwater and wastewater design and construction. This net-zero adjustment includes an expenditure increase of $359,524, offset by a commensurate increase to Capital Projects Reimbursements for no net impact to the General Fund.

- Agency 35, Department of Planning and Zoning – $81,325 and 2/2.0 FTE new positions to support a timely review and update of the County's Zoning Ordinance.

- Agency 40, Department of Transportation – $0 and 2/2.0 FTE new positions to support transit-related programs and provide oversight for planning, construction and ongoing maintenance. This net-zero adjustment includes an expenditure increase of $79,997, offset by a commensurate increase to Capital Projects Reimbursements for no net impact to the General Fund.

- Agency 42, Office of the Independent Police Auditor – $127,257 to establish the new agency and help the County achieve its goals of maintaining a safe community, enhancing a culture of public trust, and ensuring that policies provide for the fair and timely resolution of police-involved incidents.

- Agency 67, Department of Family Services – $40,662 and 1/1.0 FTE new position to serve as a Human Trafficking Policy and Prevention Specialist and $134,642 to expand the Healthy Families Fairfax program.

- Agency 70, Department of Information Technology – $38,946 associated with FOIA requirements, generally relating to emails sent or received.

- Agency 80, Circuit Court and Records – $27,897 and 1/1.0 FTE new position to support a fifteenth Circuit Court Judge to the bench of the 19th Judicial Circuit, effective January 1, 2018.

- Agency 85, General District Court – $147,188 and 5/5.0 FTE new positions to support the second year of the County's successful Diversion First initiative.

- Agency 90, Police Department – $196,473 and 5/5.0 FTE new positions to continue the process of staffing the South County Police Station; $117,884 and 3/3.0 FTE new positions to support the second year of the County's successful Diversion First initiative; $112,636 and 2/2.0 FTE new positions in the Internal Affairs Bureau based on increased workload associated with the establishment of an Office of Independent Police Auditor; and $261,334 and 18/18.0 FTE new positions associated with the Board-directed consultant study recommendations related to uniformed Relief Sergeants staffing.

- Agency 91, Office of the Sheriff – $124,392 and 3/3.0 FTE new positions to support the second year of the County's successful Diversion First initiative.

- Agency 92, Fire and Rescue Department (FRD) – $776,219 to support partial-year costs associated with positions currently being funded by a Staffing for Adequate Fire and Emergency Response (SAFER) grant which will expire in FY 2018.

- Agency 97, Department of Code Compliance – $27,896 and 1/1.0 FTE new position to support the growing workload of the Illegal Signs and Advertising in the Right-of-Way Program.

♦ **Employee Compensation** **$6,541,250**
An increase of $6,541,250 in Personnel Services includes $2,448,158 for performance-based and longevity increases for non-uniformed merit employees effective July 2017; $2,803,468 for FY 2018 merit and longevity increases (including the full-year impact of FY 2017 increases) for uniformed employees awarded on the employees' anniversary dates; $286,291 for employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; $999,176 for adjustments to the uniformed Police Department and Office of the Sheriff pay scales to provide greater consistency across pay plans; and $4,157 for the full-year impact of the increase in the County's living wage (from $13.13 to $14.50 per hour), effective October 2016 for all impacted employees, as approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*.

The following funding adjustments from the <u>FY 2017 Adopted Budget Plan</u> are necessary to support the FY 2018 program:

♦ **Group Health Insurance** **$2,962,907**
Health Insurance premiums total $109,627,286, an increase of $2,962,907, or 2.8 percent, over the <u>FY 2017 Adopted Budget Plan</u>. An increase of $3,701,010 reflects the impact of projected premium increases of 7.0 percent for all health insurance plans, effective January 1, 2018. An increase of $2,707,976 is based on the full-year impact of January 2017 premium adjustments. An additional increase of $829,922 is based on adjustments to reflect the inclusion of new positions. These increases are partially offset by a decrease of $4,276,001 based on year-to-date FY 2017 experience.

♦ **Dental Insurance** **$52,995**
Dental Insurance premiums total $4,201,110, an increase of $52,995, or 1.3 percent, over the <u>FY 2017 Adopted Budget Plan</u>. An increase of $101,623 reflects the impact of projected premium increases of 5.0 percent, effective January 1, 2018. An additional increase of $34,580 is based on adjustments to reflect the inclusion of new positions. These increases are partially offset by a decrease of $83,208 based on year-to-date FY 2017 experience.

♦ **Group Life Insurance** **$851,372**
Life Insurance premiums total $2,343,390, an increase of $851,372, or 57.1 percent, over the <u>FY 2017 Adopted Budget Plan</u>. An increase of $14,495 is based on adjustments to reflect the inclusion of new positions. An additional increase of $836,877 is based on year-to-date FY 2017 experience and projected premium adjustments effective January 1, 2018.

♦ **Social Security and Medicare (FICA)** **$1,046,692**
Social Security and Medicare contributions total $50,346,885, an increase of $1,046,692, or 2.1 percent, over the <u>FY 2017 Adopted Budget Plan</u>. An increase of $350,462 is based on adjustments to reflect the inclusion of new positions. An increase of $1,110,942 for employee compensation includes $568,561 for performance-based and longevity increases for non-uniformed merit employees effective July 2017; $383,516 for FY 2018 merit and longevity increases (including the full-year impact of FY 2017 increases) for uniformed employees awarded on the employees' anniversary dates; $71,210 for

employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; $83,810 for adjustments to the uniformed Police Department and Office of the Sheriff pay scales to provide greater consistency across pay plans; and $3,845 for the full-year impact of the increase in the County's living wage (from $13.13 to $14.50 per hour), effective October 2016 for all impacted employees, as approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*. An additional adjustment of $163,720 is required to cover costs associated with a Fourth Circuit Court of Appeals ruling that FRD uniformed employees at the rank of Captain I and Captain II who do not fall within the executive or administrative exemptions for the FLSA overtime requirements. These increases are partially offset by a decrease of $578,432 that is attributable to anticipated savings based on year-to-date FY 2017 experience.

Note: The Social Security wage base is $127,200 as of January 1, 2017 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, 2018 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 2018.

- **Retirement (Fairfax County Employees', Uniformed, Police Officers) $11,921,327**

Employer contributions to the retirement systems total $203,295,349, an increase of $11,921,327, or 6.2 percent, over the FY 2017 Adopted Budget Plan. An increase of $8,567,325 is based on projected increases in the employer contribution rates *(see discussion below for further details)*. An increase of $1,773,304 is based on adjustments to reflect the inclusion of new positions. An increase of $5,430,308 for employee compensation includes $1,879,597 for performance-based and longevity increases for non-uniformed merit employees effective July 2017; $2,419,952 for FY 2018 merit and longevity increases (including the full-year impact of FY 2017 increases) for uniformed employees awarded on the employees' anniversary dates; $215,081 for employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; $915,366 for adjustments to the uniformed Police Department and Office of the Sheriff pay scales to provide greater consistency across pay plans; and $312 for the full-year impact of the increase in the County's living wage (from $13.13 to $14.50 per hour), effective October 2016 for all impacted employees, as approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*. These increases are partially offset by a decrease of $3,849,610 based on year-to-date FY 2017 experience.

Employer Contribution Rate Adjustments

An actuarial experience study was conducted in FY 2016 to review the actual experience over the preceding five years. As a result of that study, a number of assumptions were revised, including a reduction to the assumed long-term rate of return of the systems from 7.5 percent to 7.25 percent, a corresponding reduction to the projected rate of inflation, and adjustments to the mortality table. These changes, along with the results of the annual actuarial valuation based on FY 2016 experience and a change in the amortization schedule to increase the amortization level from 97 percent to 98 percent, result in a net increase in the employer contribution rate for the Employees' system and a net decrease in the employer contribution rates for the Police Officers and Uniformed systems. However, based on the County's commitment to not reduce employer contributions to the systems until they have reached 100 percent funding, the rates for the Police Officers and Uniformed systems will be maintained at the FY 2017 levels. In addition, this is the second year of a Board-directed 3-year plan to enhance benefits for service-connected disability retirees by eliminating the Social Security offset in the Employees' and Uniformed systems. A reduction to the offset from 10 percent to 5 percent in FY 2018 will not impact the FY 2018 employer contribution rates, though a nominal increase in the rates may be required for the final step in the elimination of the offset. However, following Board of

Supervisors policy to fully fund any increase in liability that results from a benefit enhancement in the year that the enhancement is approved, an increase of $1.4 million was included as part of the *FY 2017 Third Quarter Review* to fund the increased liability resulting from this decrease in the Social Security offset for service-connected disability retirees. The following table shows the FY 2017 contribution rates and final rates for FY 2018. 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 2017 Rates (%)	FY 2018 Rates (%)	Percentage Point Increase (%)	Reason for Increase	General Fund Impact
Employees'	22.91	25.29	2.38	1.72 percentage points due to valuation results based on FY 2016 experience and the five-year experience study and 0.66 percentage points based on the change in the amortization schedule.	$8,567,325
Uniformed	38.84	38.84	0.00	An increase of 1.04 percentage points based on the change in the amortization schedule, is more than offset by a reduction of 1.19 percentage points due to valuation results based on FY 2016 experience and the five-year experience study. However, no net change is included as a result of the County's commitment to not reduce the contribution rate until the system reaches 100 percent funded status.	$0
Police	38.98	38.98	0.00	An increase of 1.29 percentage points based on the change in the amortization schedule is more than offset by a reduction of 2.31 percentage points due to valuation results based on FY 2016 experience and the five-year experience study. However, no net change is included as a result of the County's commitment to not reduce the contribution rate until the system reaches 100 percent funded status.	$0
				Total	**$8,567,325**

For a more detailed discussion of the County's retirement systems, refer to the Employee Retirement Systems Overview in Volume 2 of the FY 2018 Adopted Budget Plan.

♦ **Virginia Retirement System (VRS)** **($69,422)**
Virginia Retirement System contributions total $609,004, a decrease of $69,422, or 10.2 percent, from the FY 2017 Adopted Budget Plan. This decrease is primarily based on year-to-date FY 2017 experience. The number of employees covered by VRS has decreased from 233 in FY 1996 at the program's inception to an estimated 35 in FY 2018.

♦ **Line of Duty** **$208,417**
Expenditures to fund benefits for County employees covered under the Line of Duty Act total $1,460,681, an increase of $208,417, or 16.6 percent, over the FY 2017 Adopted Budget Plan. This increase is based on year-to-date FY 2017 experience.

♦ **Flexible Spending Accounts** **$671**
Administrative expenses associated with the County's flexible spending account program total $129,802, an increase of $671, or 0.5 percent, over the FY 2017 Adopted Budget Plan. This increase is based on year-to-date FY 2017 experience.

- **Unemployment Compensation** **$60,622**
  Unemployment Compensation expenditures total $242,506, an increase of $60,622, or 33.3 percent, over the FY 2017 Adopted Budget Plan. This increase is based on year-to-date FY 2017 experience.

- **Capital Projects Reimbursements** **($970,023)**
  Capital Projects reimbursements total $1,946,918, an increase of $970,023, or 99.3 percent, over the FY 2017 Adopted Budget Plan. This increase includes $439,521 based on projected reimbursements for new positions in Agency 26, Capital Facilities, and Agency 40, Department of Transportation, that will be charged to capital projects, $435,707 due to a realignment of costs within the Department of Public Works, and an increase of $94,795 based on year-to-date FY 2017 experience.

- **Employee Assistance Program (EAP)** **$0**
  Employee Assistance Program expenditures total $249,785, and remain unchanged from the FY 2017 Adopted Budget Plan.

- **Tuition Reimbursement** **$0**
  Tuition Reimbursement expenditures total $360,000, and remain unchanged from the FY 2017 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** **$0**
  Funding for cash awards for recipients of Outstanding Performance, Team Excellence, and Managerial Excellence Awards totals $215,000 and remains unchanged from the FY 2017 Adopted Budget Plan.

- **Employee Development Initiatives** **$0**
  Funding for employee development initiatives totals $1,172,850, and remains unchanged from the FY 2017 Adopted Budget Plan.

  FY 2018 funding includes the following:

  - $1,092,850 is included for General County Training programs including competency development courses offered using a framework targeted towards employee needs at each career stage as well as succession planning initiatives.

  - $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.

Changes to FY 2017 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2017 Revised Budget Plan since passage of the FY 2017 Adopted Budget Plan. Included are all adjustments made as part of the FY 2016 Carryover Review, FY 2017 Third Quarter Review, and all other approved changes through April 30, 2017.

♦ **Carryover Adjustments** **$2,337,292**

As part of the *FY 2016 Carryover Review*, the Board of Supervisors approved funding of $2,337,292, including $366,071 in encumbered funding in Operating Expenses and $321,221 in Fringe Benefits primarily to support new positions addressing increased workload requirements in the Office of Public Affairs, the Office of the County Attorney, and the Department of Information Technology as a result of state legislation related to FOIA requests and to support new positions in the Department of Family Services to expand the Healthy Family Fairfax Program. In addition, an increase of $1,650,000 in unencumbered funding includes $1,500,000 in Fringe Benefits for one-time employer contributions to the retirement systems as a result of a reduction in the Social Security offset for service-connected disability retirees from 15 percent to 10 percent and $150,000 in Operating Expenses to engage a consulting firm to perform an organizational assessment of the Fire and Rescue Department related to discrimination, harassment, sexual harassment and bullying.

♦ **Third Quarter Adjustments** **$1,836,321**

As part of the *FY 2017 Third Quarter Review*, the Board of Supervisors approved an increase of $1,836,321 in Fringe Benefits, including an increase of $1,400,000 to fund the one-time increase in liability resulting from a reduction in the Social Security offset for service-connected disability retirees from 10 percent to 5 percent in the Employees' and Uniformed systems. In addition, this amount includes an increase of $200,000 for a compensation and organization study of the Fire and Rescue Department anticipated to be completed in FY 2018, an increase of $122,000 to cover FICA taxes associated with a Fourth Circuit Court of Appeals ruling regarding overtime pay in the Fire and Rescue Department, an increase of $92,694 to cover reimbursable costs incurred by the Police Department associated with increased staffing for the 2017 Presidential Inauguration, and an increase of $21,627 to support the partial-year costs associated with establishing the Office of the Independent Police Auditor in FY 2017.

Summary of Employee Benefits Costs by Category

BENEFIT CATEGORY	FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Amount Inc/(Dec) over Adopted	% Inc/ (Dec) over Adopted
FRINGE BENEFITS							
Group Health Insurance	$99,582,250	$106,664,379	$106,799,902	$109,522,109	$109,627,286	$2,962,907	2.8%
Dental Insurance	3,983,405	4,148,115	4,153,434	4,196,728	4,201,110	52,995	1.3%
Group Life Insurance	2,085,306	1,492,018	1,493,865	2,341,551	2,343,390	851,372	57.1%
FICA	46,201,912	49,300,193	49,383,297	50,305,852	50,346,885	1,046,692	2.1%
Employees' Retirement	77,147,788	83,683,598	85,151,055	93,847,865	93,922,934	10,239,336	12.2%
Uniformed Retirement	59,983,417	62,830,823	64,430,823	64,083,251	64,160,851	1,330,028	2.1%
Police Retirement	40,552,210	44,859,601	44,923,893	45,129,800	45,211,564	351,963	0.8%
Virginia Retirement System	618,209	678,426	678,426	609,004	609,004	(69,422)	(10.2%)
Line of Duty	1,181,980	1,252,264	1,252,264	1,460,681	1,460,681	208,417	16.6%
Flexible Spending Accounts	129,282	129,131	129,131	129,802	129,802	671	0.5%
Unemployment Compensation	234,554	181,884	181,884	242,506	242,506	60,622	33.3%
Capital Project Reimbursements	(1,284,124)	(976,895)	(976,895)	(1,946,918)	(1,946,918)	(970,023)	99.3%
Employee Assistance Program	237,890	249,785	249,785	249,785	249,785	0	0.0%
Tuition Reimbursement	312,307	360,000	460,000	360,000	360,000	0	0.0%
Total Fringe Benefits	$330,966,386	$354,853,322	$358,310,864	$370,532,016	$370,918,880	$16,065,558	4.5%
OPERATING EXPENSES							
Employee Awards Program	$143,505	$215,000	$215,000	$215,000	$215,000	$0	0.0%
Employee Development Initiatives	976,202	1,172,850	1,888,921	1,172,850	1,172,850	0	0.0%
Total Operating Expenses	$1,119,707	$1,387,850	$2,103,921	$1,387,850	$1,387,850	$0	0.0%
TOTAL EMPLOYEE BENEFITS	$332,086,093	$356,241,172	$360,414,785	$371,919,866	$372,306,730	$16,065,558	4.5%