

MINUTES

Fairfax County School Board

School Administration Center

Work Session No. 6/
Resource Management and Evaluation

July 17, 2006

CALL TO ORDER AND ANNOUNCEMENTS

6.01 Call to Order and Announcements

Resource Management and Evaluation Committee Vice-Chairman Steve Hunt convened the public session at 1:50 p.m. with the following Board members present

Catherine A. Belter (Springfield)
Brad Center (Lee; ABSENT)
Stuart Gibson (Hunter Mill; ABSENT)
Steve Hunt (At Large)
Kaye Kory (Mason)
Ilryong Moon (At Large)

Phil Niedzielski-Echner (Providence)
Janet Oleszek (At Large)
Kathy Smith (Sully)
Dan Storck (Mount Vernon)
Jane K. Strauss (Dranesville; ABSENT)
Tessie Wilson (Braddock)

Also present were Division Superintendent Jack Dale; Deputy Superintendent Dr. Richard Moniuszko; Clerk of the Board Pam Goddard; Deputy Clerks Pat Charbonneau and Linda Sabo; Administrative Assistant Patricia Stickley; Chief Financial Officer, Deirdra McLaughlin; Assistant Superintendent of Human Resources Kevin North; Executive Director of ERF, Alan Belstock and certain other individuals. The Student Representative to the School Board Jessica Miller was present.

DISCUSSION

6.02 FY 2006 Final Budget Review (Exhibit A)

- The State had just announced a \$17 million sales tax revenue shortfall for FY 2007;
- the Superintendent ordered a freeze for any unencumbered year end balances;
- official guidance will be established for FCPS FY 2008 budget; and
- to establish budget priorities a five-year budget plan would be developed for FY 2008.

6.03 FY 2008 Fiscal Forecast (Exhibit B)

- The forecast factored key issues such as membership adjustments, compensation , rate increases and revenue;
- a multi-year fiscal forecast was based on the current approved budget;
- there will be an increase of \$8.9 million for utilities because of adjusted costs for increased square footage and rate increases;
- building maintenance will increase by \$2.6 million;

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- multi-year projects and new initiatives included Teacher Leadership initiative, full day kindergarten, staffing initiatives, preventive maintenance, Professional Learning coaches, and Foreign Language in the Elementary School (FLES);
- other multi-year projects included High Schools of the Future, GT resource teachers at all elementary schools, AIM for expelled students, three comprehensive alternative campuses, cable plant upgrades, computer replacement, expanded EDSL access, instructional networks and systems, Network Operations Center server, public address systems, and SASI replacement;
- Government Accounting Standards Board (GASB) will begin a \$7.8 million multi-year funding of new financial obligations; and
- if GASB 45 was funded, the liability would be \$263 million in FY 2008, and if it was not funded the liability will be \$528 million.

6.04 Educational Employee's Supplementary Retirement System of Fairfax County (ERFC) Annual Update (Exhibit C)

- Current membership totals as of December 31, 2005, for retirees was 7,714, ERFC actives 10,895, ERFC – 2001 8,186, and deferred vested 2,030;
- combined active member averages are, age 43.3 years with 8.0 service years with an annual salary of \$55,040;
- types of benefits paid are full service, reduced service, beneficiary survivor, and disability;
- ERFC financial objective was to establish and receive contributions that would remain
- approximately level from generation to generation;
- the goal of ERFC was to have sufficient funds available to pay benefits when due, while providing a reasonable margin for an adverse experience;
- major initiative was in progress to replace legacy information technology systems with a single integrated system;
- system components would include work flow, benefit administration, benefit calculation and retiree payroll; and
- web-based system would allow members to access personal data, submit forms, and perform benefit calculations.

6.05 Health Plan Vendors (Exhibit D)

- Proposed group hospitalization and medical services would be provided by CareFirst Blue Cross Blue Shield;
- immediate impact would be benefit improvements, cost containment, strategic planning for the future, and access changes;
- separate contract with Spectera vision services to enhance vision benefits;
- the year-one cost to FCPS of approximately \$1.2 million would be absorbed by medical program savings; and
- communications would be put into place for pre-open enrollment, open enrollment, mailings, benefits handbook, benefits briefing, e-mail communication, open houses,
- transition training, web site notices, SuperGram, and Cluster briefings.

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ADJOURNMENT

The meeting was adjourned at 3:53 p.m.