
District Retiree Health Contribution

Description	FY 2010 Actual	FY 2011 Approved	FY 2012 Proposed	% Change from FY 2011
Operating Budget	\$90,700,000	\$98,700,000	\$109,800,000	11.2

The mission of District Retiree Health Contribution is to contribute to the funding of the District's other post-employment benefits (OPEB) liabilities.

District government retirees who were first employed after September 30, 1987 ("post-87") may obtain health insurance (pursuant to D.C. Code 1-622) and life insurance (pursuant to D.C. Code 1-623) from the District. The federal government is responsible for funding OPEB costs for District government retirees who were first employed prior to October 1, 1987 ("pre-87").

In 1999, the Council of the District of Columbia established the Annuitants' Health and Life Insurance Employer Contribution Trust Fund ("Trust Fund") to pay the District's portion of post-87 retirees' health and life insurance premiums. Through FY 2007, the District contributed to the Trust Fund from available funds. Beginning in FY 2008, the Governmental Accounting Standards Board requires state and local governments, including the District, to recognize any OPEB liability in their financial statements. The District is budgeting an actuarially determined annual OPEB contribution to gradually reduce its unfunded accrued liability. The proposed budget of the District Retiree Health Contribution represents the District's FY 2012 contribution to the funding of its OPEB liabilities.

The District passed permanent legislation effective in FY 2011 changing the calculation of its contribution to the cost of health, vision and dental insurance premiums for retirees and their dependents to a scale based on the amount of creditable service of the retiree. The District's contribution to the cost of any health benefits plan under the District of Columbia Health Benefit Plan (DCEHB) shall be a maximum amount equal to 72 percent for any retiree. It also passed permanent legislation setting the District contribution at 72 percent of the cost of selected health benefit plans for eligible spouses and dependents of police officers and fire fighters who retired after being injured in the line of duty or who were killed in the line of duty.

The agency's FY 2012 proposed budget is presented in the following tables:

FY 2012 Proposed Gross Funds Operating Budget, by Revenue Type

Table RH0-1 contains the proposed FY 2012 agency budget compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table RH0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
General Fund						
Local Funds	81,100	90,700	98,700	109,800	11,100	11.2
Total for General Fund	81,100	90,700	98,700	109,800	11,100	11.2
Gross Funds	81,100	90,700	98,700	109,800	11,100	11.2

*Percent change is based on whole dollars.

Note: If applicable, for a breakdown of each Grant (Federal and Private), Special Purpose Revenue type and Intra-District agreement, please refer to Schedule 80 Agency Summary by Revenue Source in the FY 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Operating Budget, by Comptroller Source Group

Table RH0-2 contains the proposed FY 2012 budget at the Comptroller Source Group (object class) level compared to the FY 2011 approved budget. It also provides FY 2009 and FY 2010 actual expenditures.

Table RH0-2
(dollars in thousands)

Comptroller Source Group	Actual FY 2009	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Percent Change*
50 Subsidies and Transfers	81,100	90,700	98,700	109,800	11,100	11.2
Subtotal Nonpersonal Services (NPS)	81,100	90,700	98,700	109,800	11,100	11.2
Gross Funds	81,100	90,700	98,700	109,800	11,100	11.2

*Percent change is based on whole dollars.

Program Description

The District Retiree Health Contribution operates through the following program:

District Retiree Health Contribution - provides the contribution to the funding of the District's OPEB liabilities.

Program Structure Change

The District Retiree Health Contribution has no program structure changes in the FY 2012 Proposed Budget.

FY 2012 Proposed Operating Budget and FTEs, by Program and Activity

Table RH0-3 contains the proposed FY 2012 budget by program and activity compared to the FY 2011 approved budget. It also provides the FY 2010 actual data.

Table RH0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011	Actual FY 2010	Approved FY 2011	Proposed FY 2012	Change from FY 2011
(1000) District Retiree Health Contribution								
(1100) District Retiree Health Contribution	90,700	98,700	109,800	11,100	0.0	0.0	0.0	0.0
Subtotal (1000) District Retiree Health Contribution	90,700	98,700	109,800	11,100	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	90,700	98,700	109,800	11,100	0.0	0.0	0.0	0.0

(Change is calculated by whole numbers and numbers may not add up due to rounding)

Note: For more detailed information regarding the proposed funding for the activities within this agency's programs, please see Schedule 30-PBB Program Summary by Activity in the FY 2012 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2012 Proposed Budget Changes

The District Retiree Health Contribution increased by \$11,100,000 over FY 2011 to meet the actuarially required contribution.

FY 2011 Approved Budget to FY 2012 Proposed Budget, by Revenue Type

Table RH0-4 itemizes the changes by revenue type between the FY 2011 approved budget and the FY 2012 proposed budget.

Table RH0-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2011 Approved Budget and FTE		98,700	0.0
Cost Increase: Increased to meet the actuarially required contribution level	District Retiree Health Contribution	11,100	0.0
FY 2012 Initial Adjusted Budget		109,800	0.0
LOCAL FUNDS: FY 2012 Proposed Budget and FTE		109,800	0.0
Gross for RH0 - District Retiree Health Contribution		109,800	0.0

