
District Retiree Health Contribution

Table RH0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$91,400,000	\$95,400,000	\$31,000,000	-67.5

The mission of the 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 2017 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 (DCHB) 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. In FY 2013, District's maximum contribution for the cost of healthcare for retirees increased to 75 percent, similar to the contribution for all current employees.

The agency's FY 2017 proposed budget is presented in the following tables:

FY 2017 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table RH0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table RH0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change		Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change	
				FY 2016	Percentage Change*				FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	91,400	95,400	31,000	-64,400	-67.5	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	91,400	95,400	31,000	-64,400	-67.5	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	91,400	95,400	31,000	-64,400	-67.5	0.0	0.0	0.0	0.0	N/A

*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 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2017 Proposed Operating Budget, by Comptroller Source Group

Table RH0-3 contains the proposed FY 2017 budget at the Comptroller Source Group (object class) level compared to the FY 2016 approved budget. It also provides FY 2014 and FY 2015 actual expenditures.

Table RH0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2014	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*
50 - SUBSIDIES AND TRANSFERS	86,600	91,400	95,400	31,000	-64,400	-67.5
SUBTOTAL NONPERSONAL SERVICES (NPS)	86,600	91,400	95,400	31,000	-64,400	-67.5
GROSS FUNDS	86,600	91,400	95,400	31,000	-64,400	-67.5

*Percent change is based on whole dollars.

FY 2017 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table RH0-4 contains the proposed FY 2017 budget by division/program and activity compared to the FY 2016 approved budget. It also provides FY 2015 actual data. For a more comprehensive explanation of divisions/programs and activities, please see the Division/Program Description section, which follows the table.

Table RH0-4

(dollars in thousands)

Division/Program and Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016
(1000) DISTRICT RETIREE HEALTH CONTRIBUTION								
(1100) DISTRICT RETIREE HEALTH CONTRIBUTION	91,400	95,400	31,000	-64,400	0.0	0.0	0.0	0.0
SUBTOTAL (1000) DISTRICT RETIREE HEALTH CONTRIBUTION	91,400	95,400	31,000	-64,400	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	91,400	95,400	31,000	-64,400	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 2017 Operating Appendices** located on the Office of the Chief Financial Officer's website. "No Activity Assigned" indicates budget or actuals that are recorded at the division/program level.

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 2017 proposed budget.

FY 2016 Approved Budget to FY 2017 Proposed Budget, by Revenue Type

Table RH0-5 itemizes the changes by revenue type between the FY 2016 approved budget and the FY 2017 proposed budget. For a more comprehensive explanation of changes, please see the FY 2017 Proposed Budget Changes section, which follows the table.

Table RH0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		95,400	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		95,400	0.0
Technical Adjustment: To align budget with Financial Plan	District Retiree Health Contribution	6,400	0.0
Technical Adjustment: To reflect an actuarial adjustment	District Retiree Health Contribution	-70,800	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		31,000	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		31,000	0.0
GROSS FOR RH0 - DISTRICT RETIREE HEALTH CONTRIBUTION		31,000	0.0

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

FY 2017 Proposed Budget Changes

The District Retiree Health Contribution's (OPEB) proposed FY 2017 gross budget is \$31,000,000, which represents a 67.5 percent decrease from its FY 2016 approved gross budget of \$95,400,000. The budget is comprised entirely of Local funds.

Current Services Funding Level

The Current Services Funding Level (CSFL) is a Local funds ONLY representation of the true cost of operating District agencies, before consideration of policy decisions. The CSFL reflects changes from the FY 2016 approved budget across multiple programs, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2017 CSFL adjustments to the FY 2016 Local funds budget are described in table 5 of this agency's budget chapter. Please see the CSFL Development section within Volume 1: Executive Summary for more information regarding the methodology used and components that comprise the CSFL.

OPEB's FY 2017 CSFL budget is \$95,400,000, which represents no change from the FY 2016 approved Local funds budget of \$95,400,000.

Agency Budget Submission

Technical Adjustment: The District Retiree Health Contribution's budget includes two technical adjustments with the net effect of a decrease of \$64,400,000 to reflect the actuarial valuation of the District of Columbia Annuitants' Health and Life Insurance Employee Contribution Plan. The purpose of the valuation is to provide an estimate of the actuarial accrued liabilities of the Plan and develop the Annual Required Contribution in accordance with Governmental Accounting Standard Board (GASB) statement numbers 43 and 45.

Mayor's Proposed Budget

No Changes: The District Retiree Health Contribution's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.