

Police Officers' and Fire Fighters' Retirement System

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Table FD0-1

Description	FY 2015 Actual	FY 2016 Approved	FY 2017 Proposed	% Change from FY 2016
OPERATING BUDGET	\$103,430,000	\$136,115,000	\$146,456,000	7.6

The mission of the Police Officers' and Fire Fighters' Retirement System is to provide the District's required contribution as the employer to these two pension funds, which are administered by the District of Columbia Retirement Board (DCRB).

Summary of Services

Under provisions of the Police Officers, Fire Fighters, and Teachers Retirement Benefit Replacement Plan Act of 1998 ("the Act"), the federal government assumed the District's unfunded pension liability for the retirement plans for teachers, police officers, fire fighters, and judges. Pursuant to the Act, the federal government will pay the retirement and death benefits, and a defined share of disability benefits, for employees for service accrued prior to July 1, 1997. The costs for benefits earned after June 30, 1997 are the responsibility of the Government of the District of Columbia. This budget reflects the required annual District contribution to fund these earned benefits. Pursuant to District Code section 1-907.02(a) (2006 Repl.), the District is required to budget the pension contribution at an amount equal to, or greater than, the amount certified by the DCRB on the basis of a prescribed actuarial study and formula calculation that is set forth in section 1-907.03. On January 11, 2016, DCRB transmitted the certified contribution for inclusion in the District's FY 2017 proposed budget, as reflected in this chapter.

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 FD0-2 contains the proposed FY 2017 budget by revenue type compared to the FY 2016 approved budget. It also provides FY 2015 actual data.

Table FD0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change*	Actual FY 2015	Approved FY 2016	Proposed FY 2017	Change from FY 2016	Percentage Change
GENERAL FUND										
LOCAL FUNDS	103,430	136,115	146,456	10,341	7.6	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	103,430	136,115	146,456	10,341	7.6	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	103,430	136,115	146,456	10,341	7.6	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 FD0-3 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 FD0-3

(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	109,199	103,430	136,115	146,456	10,341	7.6
SUBTOTAL NONPERSONAL SERVICES (NPS)	109,199	103,430	136,115	146,456	10,341	7.6
GROSS FUNDS	109,199	103,430	136,115	146,456	10,341	7.6

*Percent change is based on whole dollars.

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

Table FD0-4 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 FD0-4

(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) POLICE / FIRE FIGHTERS' RETIREMENT SYSTEM								
(1100) POLICE / FIRE FIGHTERS' RETIREMENT SYSTEM	103,430	136,115	146,456	10,341	0.0	0.0	0.0	0.0
SUBTOTAL (1000) POLICE / FIRE FIGHTERS' RETIREMENT SYSTEM	103,430	136,115	146,456	10,341	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	103,430	136,115	146,456	10,341	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 Police Officers' and Fire Fighters' Retirement System operates through the following program:

Police/Fire Fighters' Retirement System – D.C. Code section 1-907.02(a) requires the District to appropriate funds that are equal to, or greater than, the actuarially determined amount certified by the DCRB on the basis of a prescribed actuarial study and formula calculation that is set forth in section 1-907.03.

Program Structure Change

The Police Officers' and Fire Fighters' Retirement System has no program structure changes in the FY 2017 proposed budget.

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

Table FD0-5 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 FD0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2016 Approved Budget and FTE		136,115	0.0
Other CSFL Adjustments	Police / Fire Fighters' Retirement System	3,752	0.0
LOCAL FUNDS: FY 2017 Current Services Funding Level (CSFL) Budget		139,867	0.0
Technical Adjustment: To reflect actuarial adjustments	Police / Fire Fighters' Retirement System	5,764	0.0
LOCAL FUNDS: FY 2017 Agency Budget Submission		145,631	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2017 Mayor's Proposed Budget		145,631	0.0
Increase: To align budget with certified actuarial projections	Police / Fire Fighters' Retirement System	825	0.0
LOCAL FUNDS: FY 2017 District's Proposed Budget		146,456	0.0
GROSS FOR FD0 - POLICE OFFICERS' AND FIRE FIGHTERS' RETIREMENT SYSTEM		146,456	0.0

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

FY 2017 Proposed Budget Changes

The Police Officers' and Fire Fighters' Retirement System's proposed FY 2017 gross budget is \$146,456,000, which represents a 7.6 percent increase over its FY 2016 approved gross budget of \$136,115,000. 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.

The Police Officers' and Fire Fighters' Retirement System's FY 2017 CSFL budget is \$139,867,000, which represents a \$3,752,000, or 2.8 percent, increase over the FY 2016 approved Local funds budget of \$136,115,000.

CSFL Assumptions

The FY 2017 CSFL calculated for the Police Officers' and Fire Fighters' Retirement System included an adjustment entry that is not described in detail on table 5. This adjustment was made for an increase of \$3,752,000 to reflect the FY 2017 Financial Plan actuarial projection.

Agency Budget Submission

Technical Adjustment: The pension contribution increased by \$5,764,000, based on the actuarial report certified by the District of Columbia Retirement Board and transmitted to the Mayor in a letter dated January 11, 2016.

The projected FY 2017 retirement contribution for Police Officers is \$76,695,000 which represents a 0.3 percent increase over the FY 2016 contribution of \$76,494,000. Additionally, the projected retirement contribution for Fire Fighters is \$68,936,000, which represents a 15.6 percent increase over the FY 2016 contribution of \$59,621,000.

Mayor's Proposed Budget

No Change: The Police Officers' and Fire Fighters' Retirement System's budget proposal reflects no change from the agency budget submission to the Mayor's proposed budget.

District's Proposed Budget

Increase: The Police Officers' and Fire Fighters' Retirement System's budget proposal reflects an increase of \$825,000 to align the budget with certified actuarial projections.