

District Retiree Health Contribution

Description	FY 2009 Actual	FY 2010 Approved	FY 2011 Proposed	% Change from FY 2010
Operating Budget	\$81,100,000	\$90,700,000	\$98,700,000	8.8

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 District passed emergency legislation effective in FY 2010 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. It also passed temporary legislation setting the District contribution at 75 percent of the cost of selected health benefit plans for eligible spouses and dependents of police officers and firefighters who retired after being injured in the line of duty or who were killed in the line of duty. The District continues to pay one-third of the cost of retirees' life insurance premiums. 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 2011 contribution to the funding of its OPEB liabilities.

The agency's FY 2011 proposed budget is presented in the following tables:

FY 2011 Proposed Gross Funds Operating Budget, by Revenue Type

Table RH0-1 contains the proposed FY 2011 agency budget compared to the FY 2010 approved budget. It also provides FY 2008 and FY 2009 actual expenditures.

Table RH0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
General Fund						
Local Funds	110,907	81,100	90,700	98,700	8,000	8.8
Total for General Fund	110,907	81,100	90,700	98,700	8,000	8.8
Gross Funds	110,907	81,100	90,700	98,700	8,000	8.8

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

FY 2011 Proposed Operating Budget, by Comptroller Source Group

Table RH0-2 contains the proposed FY 2011 budget at the Comptroller Source Group (object class) level compared to the FY 2010 approved budget. It also provides FY 2008 and FY 2009 actual expenditures.

Table RH0-2
(dollars in thousands)

Comptroller Source Group	Actual FY 2008	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Percent Change*
50 Subsidies and Transfers	110,907	81,100	90,700	98,700	8,000	8.8
Subtotal Nonpersonal Services (NPS)	110,907	81,100	90,700	98,700	8,000	8.8
Gross Funds	110,907	81,100	90,700	98,700	8,000	8.8

*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 had no program changes in the FY 2011 Proposed Budget.

FY 2011 Proposed Operating Budget and FTEs, by Program and Activity

Table RH0-3 contains the proposed FY 2011 budget by program and activity compared to the FY 2010 approved budget. It also provides FY 2009 actual data.

Table RH0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010	Actual FY 2009	Approved FY 2010	Proposed FY 2011	Change from FY 2010
(1000) District Retiree Health Contribution								
(1100) District Retiree Health Contribution	81,100	90,700	98,700	8,000	0.0	0.0	0.0	0.0
Subtotal (1000) District Retiree Health Contribution	81,100	90,700	98,700	8,000	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	81,100	90,700	98,700	8,000	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 2011 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2011 Proposed Budget Changes

The District Retiree Health Contribution had an increase of \$8,000,000 to meet the actuarially required contribution.

FY 2010 Approved Budget to FY 2011 Proposed Budget, by Revenue Type

Table RH0-4 itemizes the changes by revenue type between the FY 2010 approved budget and the FY 2011 proposed budget.

Table RH0-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUND: FY 2010 Approved Budget and FTE		90,700	0.0
Cost Increase: Increased to meet the actuarially required contribution level	District Retiree Health Contribution	8,000	0.0
LOCAL FUND: FY 2011 Proposed Budget and FTE		98,700	0.0
Gross for RH0 - District Retiree Health Contribution		98,700	0.0

