
District Retiree Health Contribution

Table RH0-1

Description	FY 2016 Actual	FY 2017 Approved	FY 2018 Proposed	% Change from FY 2017
OPERATING BUDGET	\$29,000,000	\$31,000,000	\$44,500,000	43.5

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 2018 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 maximum contribution for the cost of healthcare for retirees is 75.0 percent, the same as the contribution for all current employees.

The agency's FY 2018 proposed budget is presented in the following tables:

FY 2018 Proposed Gross Funds Operating Budget and FTEs, by Revenue Type

Table RH0-2 contains the proposed FY 2018 budget by revenue type compared to the FY 2017 approved budget. It also provides FY 2016 actual data.

Table RH0-2

(dollars in thousands)

Appropriated Fund	Dollars in Thousands					Full-Time Equivalents				
	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change		Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change	
				FY 2017	Percentage Change*				FY 2017	Percentage Change
GENERAL FUND										
LOCAL FUNDS	29,000	31,000	44,500	13,500	43.5	0.0	0.0	0.0	0.0	N/A
TOTAL FOR GENERAL FUND	29,000	31,000	44,500	13,500	43.5	0.0	0.0	0.0	0.0	N/A
GROSS FUNDS	29,000	31,000	44,500	13,500	43.5	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 2018 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2018 Proposed Operating Budget, by Comptroller Source Group

Table RH0-3 contains the proposed FY 2018 budget at the Comptroller Source Group (object class) level compared to the FY 2017 approved budget. It also provides FY 2015 and FY 2016 actual expenditures.

Table RH0-3

(dollars in thousands)

Comptroller Source Group	Actual FY 2015	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Percentage Change*
50 - SUBSIDIES AND TRANSFERS	91,400	29,000	31,000	44,500	13,500	43.5
SUBTOTAL NONPERSONAL SERVICES (NPS)	91,400	29,000	31,000	44,500	13,500	43.5
GROSS FUNDS	91,400	29,000	31,000	44,500	13,500	43.5

*Percent change is based on whole dollars.

FY 2018 Proposed Operating Budget and FTEs, by Division/Program and Activity

Table RH0-4 contains the proposed FY 2018 budget by division/program and activity compared to the FY 2017 approved budget. It also provides FY 2016 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 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017	Actual FY 2016	Approved FY 2017	Proposed FY 2018	Change from FY 2017
(1000) DISTRICT RETIREE HEALTH CONTRIBUTION								
(1100) DISTRICT RETIREE HEALTH CONTRIBUTION	29,000	31,000	44,500	13,500	0.0	0.0	0.0	0.0
SUBTOTAL (1000) DISTRICT RETIREE HEALTH CONTRIBUTION	29,000	31,000	44,500	13,500	0.0	0.0	0.0	0.0
TOTAL PROPOSED OPERATING BUDGET	29,000	31,000	44,500	13,500	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 2018 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 2018 proposed budget.

FY 2017 Approved Budget to FY 2018 Proposed Budget, by Revenue Type

Table RH0-5 itemizes the changes by revenue type between the FY 2017 approved budget and the FY 2018 proposed budget. For a more comprehensive explanation of changes, please see the FY 2018 Proposed Budget Changes section, which follows the table.

Table RH0-5

(dollars in thousands)

DESCRIPTION	DIVISION/PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2017 Approved Budget and FTE		31,000	0.0
Other CSFL Adjustments	District Retiree Health Contribution	2,200	0.0
LOCAL FUNDS: FY 2018 Current Services Funding Level (CSFL) Budget		33,200	0.0
Technical Adjustment: To align budget with certified actuarial projections	District Retiree Health Contribution	11,300	0.0
LOCAL FUNDS: FY 2018 Agency Budget Submission		44,500	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2018 Mayor's Proposed Budget		44,500	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2018 District's Proposed Budget		44,500	0.0
GROSS FOR RH0 - DISTRICT RETIREE HEALTH CONTRIBUTION		44,500	0.0

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

FY 2018 Proposed Budget Changes

The District Retiree Health Contribution's (OPEB) proposed FY 2018 gross budget is \$44,500,000, which represents a 43.5 percent increase over its FY 2017 approved gross budget of \$31,000,000. 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 2017 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 2018 CSFL adjustments to the FY 2017 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 2018 CSFL budget is \$33,200,000, which represents a \$2,200,000, or 7.1 percent, increase over the FY 2017 approved Local funds budget of \$31,000,000.

CSFL Assumptions

CSFL funding for OPEB includes an increase of \$2,200,000 to account for an adjustment to reflect the FY 2018 Financial Plan projection.

Agency Budget Submission

Technical Adjustment: The District Retiree Health Contribution's proposed budget is increased by \$11,300,000 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 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.

District's Proposed Budget

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