
District Retiree Health Contribution

Description	FY 2014 Actual	FY 2015 Approved	FY 2016 Proposed	% Change from FY 2015
Operating Budget	\$86,600,000	\$91,400,000	\$95,400,000	4.4

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 2016 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, with a maximum contribution of 75 percent, the same contribution as for current employees.

The agency's FY 2016 proposed budget is presented in the following tables:

FY 2016 Proposed Gross Funds Operating Budget, by Revenue Type

Table RH0-1 contains the proposed FY 2016 agency budget compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table RH0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
General Fund						
Local Funds	107,800	86,600	91,400	95,400	4,000	4.4
Total for General Fund	107,800	86,600	91,400	95,400	4,000	4.4
Gross Funds	107,800	86,600	91,400	95,400	4,000	4.4

*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 2016 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2016 Proposed Operating Budget, by Comptroller Source Group

Table RH0-2 contains the proposed FY 2016 budget at the Comptroller Source Group (object class) level compared to the FY 2015 approved budget. It also provides FY 2013 and FY 2014 actual expenditures.

Table RH0-2
(dollars in thousands)

Comptroller Source Group	Actual FY 2013	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Percent Change*
50 - Subsidies and Transfers	107,800	86,600	91,400	95,400	4,000	4.4
Subtotal Nonpersonal Services (NPS)	107,800	86,600	91,400	95,400	4,000	4.4
Gross Funds	107,800	86,600	91,400	95,400	4,000	4.4

*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 District’s OPEB liabilities.

Program Structure Change

The District Retiree Health Contribution has no program structure changes in the FY 2016 proposed budget.

FY 2016 Proposed Operating Budget and FTEs, by Program and Activity

Table RH0-3 contains the proposed FY 2016 budget by program and activity compared to the FY 2015 approved budget. It also provides the FY 2014 actual data.

Table RH0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015	Actual FY 2014	Approved FY 2015	Proposed FY 2016	Change from FY 2015
(1000) District Retiree Health Contribution								
(1100) District Retiree Health Contribution	86,600	91,400	95,400	4,000	0.0	0.0	0.0	0.0
Subtotal (1000) District Retiree Health Contribution	86,600	91,400	95,400	4,000	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	86,600	91,400	95,400	4,000	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 2016 Operating Appendices** located on the Office of the Chief Financial Officer’s website.

FY 2016 Proposed Budget Changes

The District Retiree Health Contribution’s proposed FY 2016 gross budget is \$95,400,000, which represents a 4.4 percent increase over its FY 2015 approved gross budget of \$91,400,000. 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 2015 approved budget across multiple programs/divisions, and it estimates how much it would cost an agency to continue its current programs and operations into the following fiscal year. The FY 2016 CSFL adjustments to the FY 2015 Local funds budget are described in table 4 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 District Retiree Health Contribution’s FY 2016 CSFL budget is \$96,400,000, which represents a \$5,000,000, or 5.5 percent, increase over the FY 2015 approved Local funds budget of \$91,400,000.

The District Retiree Health Contribution's CSFL funding for other adjustments reflects an adjustment for an increase of \$5,000,000 to account for the FY 2016 actuarial projections.

Agency Budget Submission

Technical Adjustment: The District Retiree Health Contribution's budget decreased by \$1,000,000 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 Change: 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.

FY 2015 Approved Budget to FY 2016 Proposed Budget, by Revenue Type

Table RH0-4 itemizes the changes by revenue type between the FY 2015 approved budget and the FY 2016 proposed budget.

Table RH0-4
(dollars in thousands)

DESCRIPTION	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2015 Approved Budget and FTE		91,400	0.0
Other CSFL Adjustments	District Retiree Health Contribution	5,000	0.0
LOCAL FUNDS: FY 2016 Current Services Funding Level (CSFL) Budget		96,400	0.0
Technical Adjustment: To align budget with certified actuarial projections	District Retiree Health Contribution	-1,000	0.0
LOCAL FUNDS: FY 2016 Agency Budget Submission		95,400	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2016 Mayor's Proposed Budget		95,400	0.0
No Change		0	0.0
LOCAL FUNDS: FY 2016 District's Proposed Budget		95,400	0.0
Gross for RH0 - District Retiree Health Contribution		95,400	0.0

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