

District Retiree Health Contribution

Description	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	% Change from FY 2012
Operating Budget	\$94,200,000	\$109,800,000	\$107,800,000	-1.8

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 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 2013 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, the Mayor proposes to increase the District's contribution for the cost of healthcare for retirees to 75 percent, similar to the proposal for all current employees.

The agency's FY 2013 proposed budget is presented in the following tables:

FY 2013 Proposed Gross Funds Operating Budget, by Revenue Type

Table RH0-1 contains the proposed FY 2013 agency budget compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table RH0-1
(dollars in thousands)

Appropriated Fund	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
General Fund						
Local Funds	90,700	94,200	109,800	107,800	-2,000	-1.8
Total for General Fund	90,700	94,200	109,800	107,800	-2,000	-1.8
Gross Funds	90,700	94,200	109,800	107,800	-2,000	-1.8

*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 FY 2013 Operating Appendices located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Operating Budget, by Comptroller Source Group

Table RH0-2 contains the proposed FY 2013 budget at the Comptroller Source Group (object class) level compared to the FY 2012 approved budget. It also provides FY 2010 and FY 2011 actual expenditures.

Table RH0-2
(dollars in thousands)

Comptroller Source Group	Actual FY 2010	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Percent Change*
50 - Subsidies and Transfers	90,700	94,200	109,800	107,800	-2,000	-1.8
Subtotal Nonpersonal Services (NPS)	90,700	94,200	109,800	107,800	-2,000	-1.8
Gross Funds	90,700	94,200	109,800	107,800	-2,000	-1.8

*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 has no program structure changes in the FY 2013 proposed budget.

FY 2013 Proposed Operating Budget and FTEs, by Program and Activity

Table RH0-3 contains the proposed FY 2013 budget by program and activity compared to the FY 2012 approved budget. It also provides the FY 2011 actual data.

Table RH0-3

(dollars in thousands)

Program/Activity	Dollars in Thousands				Full-Time Equivalents			
	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012	Actual FY 2011	Approved FY 2012	Proposed FY 2013	Change from FY 2012
(1000) District Retiree Health Contribution								
(1100) District Retiree Health Contribution	94,200	109,800	107,800	-2,000	0.0	0.0	0.0	0.0
Subtotal (1000) District Retiree Health Contribution	94,200	109,800	107,800	-2,000	0.0	0.0	0.0	0.0
Total Proposed Operating Budget	94,200	109,800	107,800	-2,000	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 2013 Operating Appendices** located on the Office of the Chief Financial Officer's website.

FY 2013 Proposed Budget Changes

The District Retiree Health Contribution's proposed FY 2013 gross budget is \$107,800,000, which represents a 1.8 percent decrease from its FY 2012 approved gross budget of \$109,800,000. 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 2012 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 initial adjustments in the budget proposal represent changes that should be compared to the FY 2013 CSFL budget and not necessarily changes made to the FY 2012 Local funds budget. The FY 2013 CSFL adjustments to the FY 2012 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 2013 CSFL budget is \$107,800,000, which represents a \$2,000,000, or 1.8 percent, decrease from the FY 2012 approved Local funds budget of \$109,800,000.

FY 2012 Approved Budget to FY 2013 Proposed Budget, by Revenue Type

Table RH0-4 itemizes the changes by revenue type between the FY 2012 approved budget and the FY 2013 proposed budget.

Table RH0-4

(dollars in thousands)

	PROGRAM	BUDGET	FTE
LOCAL FUNDS: FY 2012 Approved Budget and FTE		109,800	0.0
Other Adjustments	District Retiree Health Contribution	-2,000	0.0
FY 2013 Current Services Funding Level Budget (CSFL)		107,800	0.0
No Changes		0	0.0
FY 2013 Initial Adjusted Budget		107,800	0.0
LOCAL FUNDS: FY 2013 Proposed Budget and FTE		107,800	0.0
Gross for RH0 - District Retiree Health Contribution		107,800	0.0

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