

(6) SPECIAL CONSIDERATION SHOULD BE GIVEN TO STATE RETIREES WHO ARE RECEIVING BENEFITS OR STATE EMPLOYEES WHO HAVE ACCRUED AT LEAST 16 YEARS OF SERVICE WITH THE STATE AND HAVE VESTED FOR STATE RETIREE HEALTH BENEFITS UNDER CURRENT LAW, RECOGNIZING THAT WHILE THERE MAY BE NO LEGAL OBLIGATION ON THE PART OF THE STATE TO PROVIDE RETIREE HEALTH CARE BENEFITS TO THESE INDIVIDUALS, THE COMMISSION SHOULD VIEW THE COMMITMENT TO PROVIDE RETIREE HEALTH CARE BENEFITS TO THESE INDIVIDUALS AS AN ETHICAL ONE.

(E) THE COMMISSION SHALL:

(1) CONTRACT WITH AN ACTUARIAL CONSULTING FIRM TO:

(I) COMMISSION AN ACTUARIAL VALUATION THAT ILLUSTRATES THE STATE'S ANNUAL REQUIRED CONTRIBUTION AS BOTH A FIXED DOLLAR AMOUNT AND ALSO AS A PERCENTAGE OF PAYROLL; AND

(II) PROVIDE ONGOING SERVICES TO THE COMMISSION THROUGHOUT ITS EXISTENCE;

(2) REVIEW THE SPECIFIC LEGAL OBLIGATIONS OF THE STATE TO PROVIDE RETIREE HEALTH BENEFITS TO EXISTING RETIREES, FULLY VESTED EMPLOYEES, ACTIVE EMPLOYEES, AND NEW EMPLOYEES;

(3) STUDY THE COST DRIVERS ASSOCIATED WITH THE STATE'S UNFUNDED RETIREE HEALTH CARE LIABILITIES WHICH PROVIDE THE BASIS FOR THE UNFUNDED ACCRUED LIABILITY OF THAT IS ESTIMATED TO BE AS HIGH AS \$20,400,000,000 AS WELL AS THE ONGOING NORMAL COSTS ASSOCIATED WITH THE RETIREE HEALTH CARE LIABILITIES;

(4) REVIEW THE CURRENT HEALTH CARE BENEFIT LEVELS FOR BOTH STATE EMPLOYEES AND RETIREES AND HOW THE BENEFITS COMPARE TO BENEFITS PROVIDED UNDER MEDICARE, BY PRIVATE EMPLOYERS, AND BY OTHER PUBLIC EMPLOYERS, WITH A PARTICULAR EMPHASIS ON WHETHER THE VARIOUS LEVELS ARE APPROPRIATE, EQUITABLE, AND SUSTAINABLE;

(5) REVIEW THE ELIGIBILITY REQUIREMENTS FOR STATE RETIREE HEALTH CARE BENEFITS WITH A PARTICULAR EMPHASIS ON WHETHER THE REQUIREMENTS ARE APPROPRIATE AND EQUITABLE;

(6) REVIEW ALTERNATIVE VEHICLES FOR PROVIDING HEALTH CARE BENEFITS TO STATE RETIREES INCLUDING VOLUNTARY EMPLOYEE BENEFICIARY ACCOUNTS (VEBAS), SECTION 401(H) ACCOUNTS, SECTION 115 TRUSTS, HEALTH REIMBURSEMENT ARRANGEMENTS, AND HEALTH SAVINGS ACCOUNTS; AND

(7) RECOMMEND A MULTIYEAR IMPLEMENTATION PLAN TO ADDRESS FULLY FUNDING THE OBLIGATIONS OF THE STATE AS SET FORTH IN GASB STATEMENT 45 AS SOON AS PRACTICABLE.

(F) (1) THE COMMISSION SHALL BE STAFFED BY THE DEPARTMENT OF LEGISLATIVE SERVICES.