

(1) a recognition that:

(i) funding State retiree health benefits solely on a pay-as-you-go basis is no longer a viable solution; and

(ii) any proposed solution, funding or otherwise, should treat employees, retirees, and taxpaying citizens fairly;

(2) in light of the enormity of the State's projected unfunded accrued liability for retiree health care ~~that is estimated to be as high as \$20,400,000,000~~ and the potential effect this liability may have on the State's bond rating, the State's ultimate goal should be to fully fund the obligations set forth under the Government Accounting Standards Board (GASB) Statement 45;

(3) a clear message should be sent to the bond rating agencies that the State is taking this issue seriously, and a multiyear plan that clearly articulates the State's commitment to address this issue should be implemented as soon as practicable;

(4) any funding solution proposed by the Commission will likely include some direct State appropriation, with the Commission pursuing any and all viable funding sources, including the possibility of employee contributions during active service;

(5) the Commission should consider the actual impact any changes in the State Employee and Retiree Health and Welfare Benefits Program will have on the State's annual required contribution and should look for appropriate cost efficiencies that maintain the quality health care coverage the State provides for retirees; and

(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