

Public Employee Post-Employment Benefits Commission Approach and Workplan



FOR DISCUSSION

09 March 2007

The Commission is charged with delivering a report to the Governor and Legislature by 1 January 2008

**Size Post
Employment
Benefits**

- Identify the full amount of post-employment health care and dental benefits and other pension obligations for which California Governments are liable and which remain unfunded

**Evaluate
Various Plans**

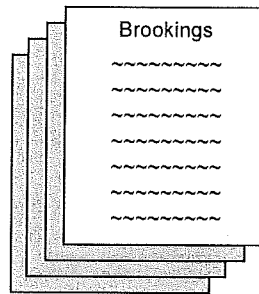
- Evaluate and compare various approaches for addressing governments' unfunded post employment benefit obligations

**Make
Recommendations**

- Propose a plan to address governments' unfunded post employment benefit obligations

In order to meet these goals, the Commission should review existing background material, conduct public hearings to solicit testimony from key interest groups and develop an economic model to evaluate solutions

Background Review



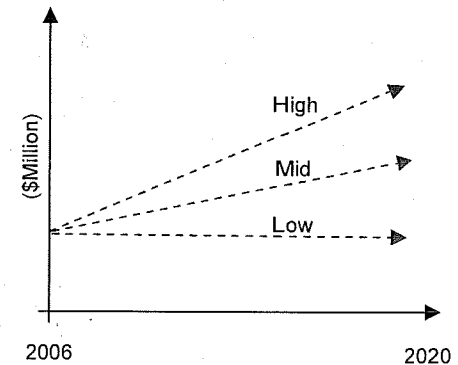
- **Summarize all major publications:** Review all existing major studies regarding reform in California and all other major states and local governments. Develop summaries of all studies.
- **Identify and summarize most significant reform proposals:** Identify most significant reform proposals which should be considered for a California based solution. This includes legislative proposals.
- **Interview most significant SMEs:** Identify and approach subject matter experts for interviews.

Public Hearings



- **Conduct statewide public hearings:** Conduct at least five statewide public hearings with expert panelists, significant interest groups and legislators, as appropriate. Summarize both written and oral testimony.

Economic Model



- **Size current post-employment benefit obligations in state and local agencies:** Issue survey and validate total private sector costs.
- **Produce economic model:** Develop economic model to help forecast fiscal and economic impact of various proposals. Summarize findings and use to help make final recommendations.

This study will be conducted in four phases

Background Review

Time Frame: March 1 – April 30
Key Activities - Conduct literature review
- Summarize key studies
- Interview key subject matter experts
- Publish background study
Deliverables: Background study

Public Hearings

Time Frame: March 1 – May 31
Key Activities - Secure dates and locations for hearings
- Secure panelists
- Conduct up to 5 public hearings
- Publish hearing summary
Deliverables: Hearing summary

Economic Modeling

Time Frame: March 1 – December 31
Key Activities - Gather data
- Construct model
- Review structure with SMEs
- Establish model parameters
- Develop proposal parameters
- Summarize outputs
Deliverables: Report sizing post employment benefit obligations
Economic model
Model documentation

Formulate Recommendations

Time Frame: March 1 – December 31
Key Activities - Obtain consensus on proposals to evaluate
- Establish proposal parameters
- Summarize economic and sociological impact of proposals
- Review findings with Commission
- Finalize recommendations
- Publish recommendations and submit to Governor and Legislature
Deliverables: Final Commission recommendations

DISCUSSION

