

Sec. E.135.1 COMMISSION ON THE DESIGN AND FUNDING OF
RETIREMENT AND RETIREE HEALTH BENEFITS PLANS
FOR STATE EMPLOYEES AND TEACHERS

(a) A commission is created to review and report on the design and funding of retirement and retiree health benefit plans for the state employees' and teachers' retirement systems. The commission is charged with making recommendations about plan design, benefit provisions, and appropriate funding sources, along with other recommendations it deems appropriate for consideration, consistent with actuarial and governmental accounting standards, as well as demographic and workforce trends and the long-term sustainability of the benefit programs. The joint fiscal committee may provide benchmark targets reducing the rate of expenditure growth for retirement and retiree health benefits to the commission to guide the development of recommendations.

(b) The commission shall comprise the following members:

(1) one member of the house of representatives, appointed by the speaker of the house (**Terry Macaig**);

(2) one member of the senate, appointed by the president pro tempore of the senate (**Jeanette White**);

(3) the state treasurer, who shall chair the commission (**Jeb Spaulding**);

(4) the secretary of administration or designee (**Neale Lunderville**);

(5) the commissioner of education or designee (**Bill Talbott**);

(6) one member of the public with pension and benefit experience appointed by the governor (**Doug Wacek**);

(7) one member of the public with pension and benefit experience appointed jointly by the speaker of the house and the president pro tempore of the senate (**David Coates**).

(c) The report shall include, but not be limited to, the following:

(1) an evaluation of current benefits structures and contribution characteristics in comparison to other comparable public and private systems;

(2) an estimate of the cost of current and proposed benefits structures on a budgetary, pay-as-you-go basis and full actuarial accrual basis;

(3) a five-year review of benefit expenditure levels as well as employer and employee contribution levels and growth rates and a three-, five- and ten-year projection of these levels and rates;

(4) based on benefit and funding benchmarks, options for providing new benefit structures with the objective of adequate benefits within the established cost containment benchmarks;

(5) funding methods, including contributions from state, municipalities, and employees, to achieve these objectives; and

(6) an evaluation of whether current governance, oversight, and lines of authority are appropriate and consistent with funding objectives.

(d) During the course of its deliberations and prior to any final recommendations being made, the commission should solicit input from the affected parties, such as employees, taxpayers, and organizations representing those parties, including the Vermont state employees association, Vermont-NEA, and the Vermont league of cities and towns.

(e) The commission may select and oversee outside expert benefit and legal expert advisory services as it deems appropriate. An amount of \$150,000 is appropriated for this purpose in Sec. B.1101(a) of this act.

(f) On or before December 18, 2009 the commission shall file a report and recommendations with the governor and the general assembly.

(g) The commission shall also provide the report to the board of trustees of the state employees' and teachers' retirement systems for their consideration, deliberation, and comment to the general assembly.

(h) Administrative support shall be provided by the office of the state treasurer.

(i) Legislative and public members shall be entitled to per diem compensation and expenses as provided for in § 406 of Title 2 and § 1010 of Title 32 respectively.