

Written Testimony of Steven B.Frates to the California Post-Employment Benefits Commission, May 31, 2007, Rancho Cucamonga, CA

Good Afternoon Mr. Chairman and Commissioners, it is an honor to appear before your Commission.

The bulk of my testimony today is contained in the copy of the presentation that I made to the California HealthCare Foundation last Spring. It summarizes the findings of a research report on the cost of retiree healthcare benefits for state and local government employees in California that the Foundation commissioned my firm, The Center for Governmental Analysis, to produce. I will now review those findings for you.

Before I start, however, there are three key points that should be kept in mind:

- Individual governing councils and boards make benefit decisions.
- There are wide variations among the many governments in California on benefit levels and associated costs.
- Some councils and boards have paid into Medicare, others haven't, so there are going to be wide variations in costs to state and local governments in California to provide retiree healthcare going forward.