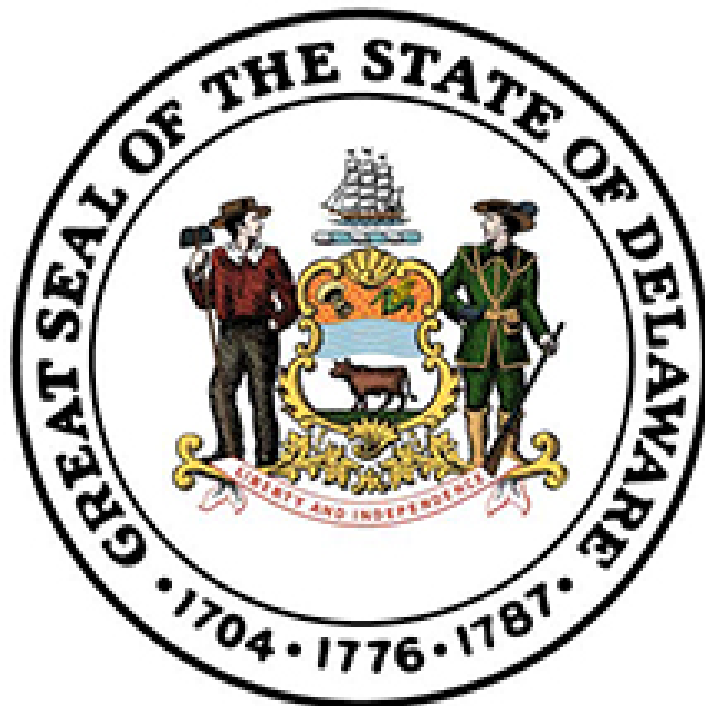


Initial Report on  
Other Post-Employment Benefits  
(OPEB)

Retirement Benefits Study Committee



**November 1, 2021**



**STATE OF DELAWARE**  
**RETIREMENT BENEFITS STUDY COMMITTEE**  
**PURSUANT TO EXECUTIVE ORDER 51**

To: The Honorable John C. Carney, Jr., Governor  
Members of the Delaware General Assembly  
Members of the Delaware Economic and Financial Advisory Council (DEFAC)

From: Rick Geisenberger, Chair and Secretary of Finance *RJG*  
Cerron Cade, Vice Chair and Director of the Office of Management and Budget *CC*

RE: RBSC Initial Report (November 1, 2021)

The Retirement Benefits Study Committee (the “Committee”) was established by Governor Carney in September 2019 and charged with studying options for reducing Delaware’s unfunded liability for retiree health care benefits, also known as Other Post-Employment Benefits (OPEB).

The attached report is broken into four sections – Summary of Activity, Findings, Principles for Reform, and Recommendations. The Committee has held nine (9) public meetings. The Committee determined that pay-as-you-go costs of State retiree health care benefits are expected to continue to grow dramatically, placing stress on Delaware’s state budget and credit rating. Delaware’s retiree healthcare benefits and subsidies are higher than average, the State’s OPEB liability relative to key metrics is materially higher than all other Triple-A rated states, and the State’s OPEB liability will balloon to more than \$36 billion by 2050 if no changes are made.

The Committee agreed on key Principles for Reform. For example, any reforms should provide retiree health care benefits for career employees that are affordable to the retiree, comparable to those offered by similar government employers, and can be sustainably maintained within the means of the State and its taxpayers, without placing pressure on public services or the State’s financial strength and credit worthiness.

The Committee found that a combination of enhanced funding and benefit reforms provides the most effective reductions in future unfunded OPEB liability. The report makes specific recommendations to increase the OPEB Trust Fund and outlines several benefit reform ideas for continuing review by the Committee with an eye toward implementation in 2024 or thereafter.

The Committee will continue its work and will advance further detailed recommendations and implementation guidance in a subsequent report due March 31, 2022. A copy of this report and all materials reviewed by the Committee are available at:

<https://finance.delaware.gov/financial-reports/committee-reports/retirement-benefit-study-committee/>

# RBSC Initial Report

## Findings and Recommendations

November 1, 2021

### Report Background

The Retirement Benefits Study Committee (RBSC, the Committee) was established and resumed by the following authority:

**Executive Order 34**, signed by Governor John Carney on September 13, 2019

**Executive Order 51**, signed by Governor John Carney on July 21, 2021

This report of findings and recommendations has been prepared for Governor Carney, the Delaware General Assembly and the Delaware Economic and Financial Advisory Council (DEFAC) in accordance with Executive Orders Number 34 and 51, which re-established the RBSC.

The Committee was charged with studying options for reducing the unfunded liability for Other Post-Employment Benefits (OPEB) and making recommendations to the Governor, General Assembly and DEFAC. This report fulfills the requirement to provide a report by November 2021. Subsequent reports are due in March 2022 and 2023.

### Committee Membership

Rick Geisenberger, Chair and Secretary of Finance  
Cerron Cade, Director of the Office of Management and Budget

Ruth Ann Jones, Controller General

Joanna Adams, Director of the State Office of Pensions

Faith Rentz, Director of the Office of Statewide Benefits and Insurance Coverage

Colleen Davis, State Treasurer

Rep. John L. Mitchell, appointed by the Speaker of the House of Representatives

Rep. Ruth Briggs-King, appointed by the Minority Leader of the House of Representatives

Sen. Trey Paradee, appointed by the President Pro Tempore of the Senate

Sen. David Lawson, appointed by the Minority Leader of the Senate

Michael Begatto, Executive Director, AFSCME, Council 81, appointed by the Director of the Office of Management and Budget

Jeff Taschner, Executive Director, Delaware State Education Association, appointed by the Director of the Office of Management and Budget

Aaron Klein, Chief Accounting Officer, Marlette Funding, appointed by the Secretary of Finance in consultation with the Delaware State Chamber of Commerce

## Summary of Committee Activity

The Committee met nine times between September, 2019 and October, 2021 and reviewed over 300 pages of materials in addition to past reports, appendices, and actuarial and financial data. Materials were prepared by staff and the State's consultants including benefits consultant Willis Towers Watson, plan actuary Cheiron, and financial advisor PFM. The data reviewed has included:

- Plan benefits, statutory and administrative
- Plan actuarial information
- Plan demographics
- Medical benefit budgetary trends
- Bond rating agency assessments
- Comparative OPEB financial benchmarking
- Comparative OPEB benefits benchmarking
- Plan options
- Actuarial estimates of plan options
- Illustrative retiree impacts of potential changes
- Implementation considerations for plan options

The materials reviewed by the Committee and meeting minutes are available in full at: <https://finance.delaware.gov/financial-reports/committee-reports/retirement-benefit-study-committee/>

## Summary of Committee Findings

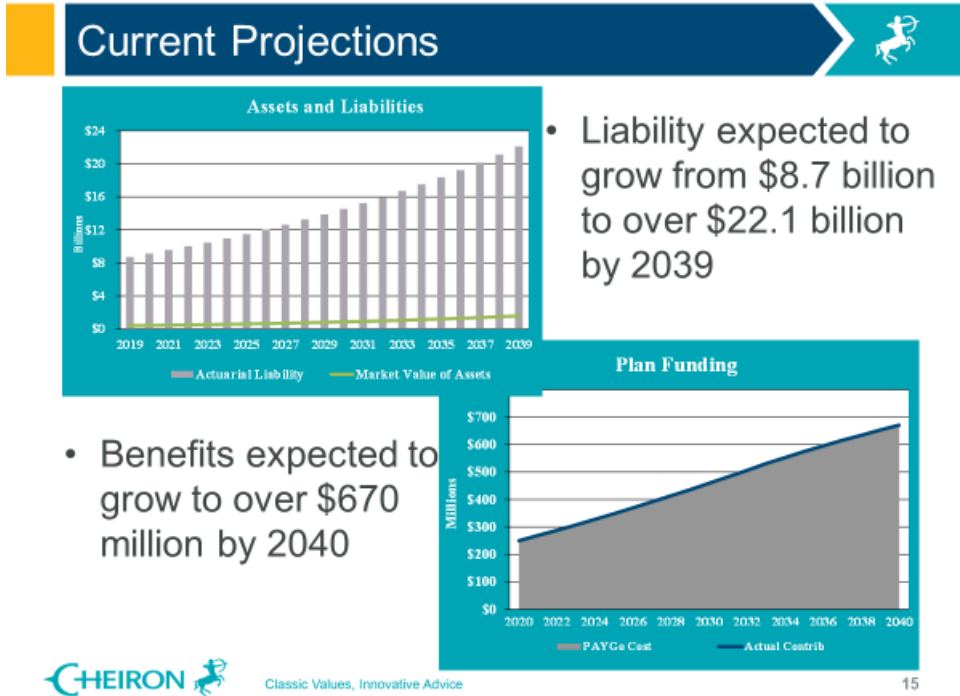
Key representative findings from the materials reviewed include:

1. A large and growing number of former State employees, and their spouses and beneficiaries, receive and rely upon OPEB benefits.

	2019	2020
Retirees, Beneficiaries and Spouses with Coverage	31,861	32,352

Source: 12/10/2019 and 7/26/21 presentations

- The pay-as-you-go cost of retiree medical benefits has increased significantly and is projected to continue to grow much faster than inflation. The liability for OPEB is also projected to continue to grow dramatically, placing stress on the State's net position and financials.



Source: 11/12/19 presentation

3. At June 30, 2020, 19 percent of members receiving OPEB benefits were under age 65, but 30 percent of the liability was attributable to the cost of pre-Medicare coverage.

**Key Results – State OPEB**

Eligible Participants are those active employees or terminated vested in the State, Judges, or State Police Retirement Plans. Inactive participants are retirees, disableds, spouses, and surviving spouses with medical coverage.

	2019	2020 Total	2020 Pre-Medicare	2020 Medicare
Actives Actuarial Liability (AL)	\$4,475	\$ 5,179	\$ 2,055	\$3,124
Inactive AL	<u>\$4,255</u>	<u>\$ 4,698</u>	<u>\$931</u>	<u>\$3,766</u>
Total AL (in millions)	\$8,730	\$ 9,877	\$ 2,987	\$ 6,890
Market Value of Assets (MVA)	<u>\$410</u>	<u>\$ 464</u>		
<b>UAL (Total AL – MVA) (in millions)</b>	<b>\$ 8,320</b>	<b>\$ 9,413</b>		
<b>MVA Funded Ratio (MVA/AL)</b>	<b>4.7%</b>	<b>4.7%</b>		
<b>Eligible Participant Counts*</b>				
Active	38,497	39,308		
Terminated Vested	3,907	3,959		
Inactive	<u>31,861</u>	<u>32,352</u>		
<b>Total</b>	<b>74,265</b>	<b>75,619</b>		

willistowerswatson.com  
 © 2021 Willis Towers Watson. All rights reserved. Proprietary and Confidential. For Willis Towers Watson and Willis Towers Watson client use only.

Willis Towers Watson  10  
 Slide content developed by Cheiron

Source: 7/26/21 presentation

4. Delaware’s debt is rated AAA by the major bond rating agencies, the highest rating available. The State’s net OPEB liability is significantly larger than other AAA-rated and regional states relative to key metrics such as state population, personal income, and gross state product.



**AAA-Rated States: OPEB Funding Context**

State	Moody's Adjusted Net OPEB Liability (ANOL) Per Capita FY2018	Moody's Adjusted Net OPEB Liability (ANOL) as a % of Personal Income FY2018	Moody's Adjusted Net OPEB Liability (ANOL) as a % of State GDP FY2018
DE	\$7,450	14.5%	9.6%
TX	\$2,515	5.1%	4.1%
MD	\$1,774	2.8%	2.6%
GA	\$747	1.6%	1.3%
VA	\$727	1.2%	1.0%
MO	\$634	1.4%	1.2%
SC	\$529	1.2%	1.2%
FL	\$352	0.7%	0.7%
TN	\$225	0.5%	0.4%
MN	\$109	0.2%	0.2%
IN	\$70	0.1%	0.1%
IA	\$58	0.1%	0.1%
UT	\$31	0.1%	0.1%
SD	\$0 (no employer funded OPEB)	--	--

Sources: Moody's Investors Service, "Medians – Adjusted net pension liabilities decline; OPEB liabilities vary widely," September 2019.

© PFM

Source: 11/12/19 presentation

6

5. A majority of the AAA-rated states either do not provide any access to coverage for new hires, or provide access-only with no employer subsidy.



**AAA-Rated States: Structure and Liability Management**

No OPEB (All Retirees)	No OPEB (New Hires)	Retirees Pay 100% of Blended Premium (Implicit Subsidy)	Other Retiree Premium Cost Sharing Structures
<b>SD</b>	<b>TN</b> closed to new hires 7/1/2015 <b>UT</b> Closed to new hires 1/1/2006	<b>FL</b> <b>IN</b> <b>IA</b> <b>MO</b> <b>MN</b>	<p align="center"><b>GA</b></p> <p>For individual coverage, retirees contribute 100% if &lt;10 years of service (YOS); declining incrementally to a minimum of 25% with 30 YOS; for dependent, retirees contribute a minimum of 45% up to 100%, depending on YOS (increased from approx. 25% for all prior to 2012)</p> <p align="center"><b>SC</b></p> <p>Retirees hired since 2008 to contribute 50% of premium if 15-24 YOS, no contribution if 25 or more YOS (pre-2018 hires eligible after 10 YOS)</p> <p align="center"><b>TX</b></p> <p>Future retirees with &lt;5 YOS as of 9/1/2014 to contribute 50% of premium if &lt;15 YOS at retirement, 25% if 15-19 YOS, no contribution if 20+ YOS. Retirees pay 100% of dental. Grandfathered retirees have no medical contribution.</p>

**Notes:**

- South Dakota had an implicit subsidy until 2014 adjustments shifted all retirees into a separately rated plan.
- Utah coverage for grandfathered employees is based on conversion of accrued, unused sick leave on retirement.
- Indiana has a defined contribution benefit that can be used to offset cost of 100% premium. State contributes \$500-\$1,400 to an employees account annually, with the amount varying by age, plus a larger one-time amount on retirement (\$1,000\*YOS) if minimum YOS eligibility requirements are met.
- Tennessee hires prior to 2015 retiring from the State with 30 YOS to receive \$50 subsidy per month; 20-29 YOS, \$37.50; and 15-19 YOS, \$25; retired teachers contribute 40% if <20 YOS, 30% if 20-29 YOS, 20% if 30+ YOS



© PFM

Sources: Review of states' respective annual CAFRs, The Pew Charitable Trusts' 50-State Survey of Retiree Health Care Liabilities - December 2018, The Pew Charitable Trusts' State Retiree Health Care Liabilities - May 2016, NASRA 2019 State OPEB Plan Design Summary; Moody's 3/17/19 Medians - Adjusted net pension liabilities decline; OPEB liabilities vary widely; National Conference of State Legislators 2010 and 2013 Pension and Retirement Plan Enactments in 2010 State Legislatures.

5

Source: 11/12/19 presentation

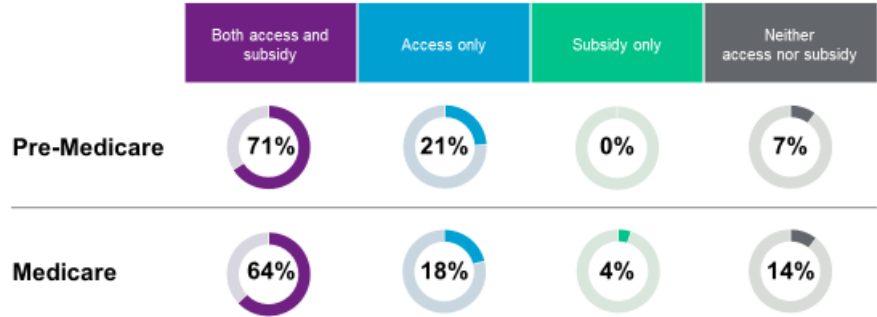


6. A survey of 27 responding state governments found that a majority do offer access and employer subsidies for pre-Medicare and Medicare-eligible retirees, similar to Delaware. However, roughly 30 percent do not subsidize retiree healthcare.

**Access and/or subsidization of retiree medical programs**

All States (including those not offering retiree medical)

Does your State provide access to coverage and/or financial support through an employer-sponsored plan or an exchange to pre-Medicare and/or Medicare retirees?



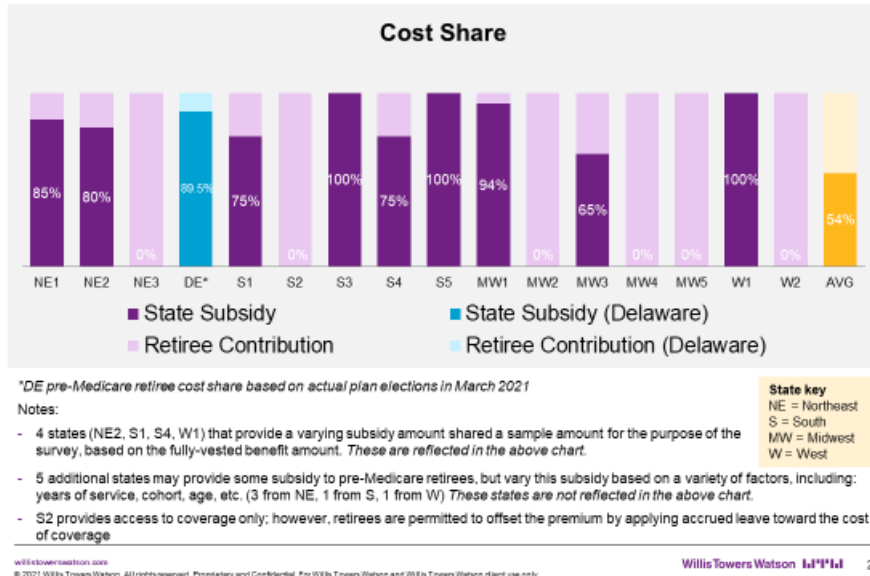
Similar to the majority of state respondents, the State of Delaware offers access and subsidy to both Pre-Medicare and Medicare retirees.

Source: 7/6/21 presentation

7. Among the state survey respondents that do subsidize retiree medical benefits, the State of Delaware employer subsidy was higher than the average on a percentage basis for both pre-Medicare and Medicare coverage.

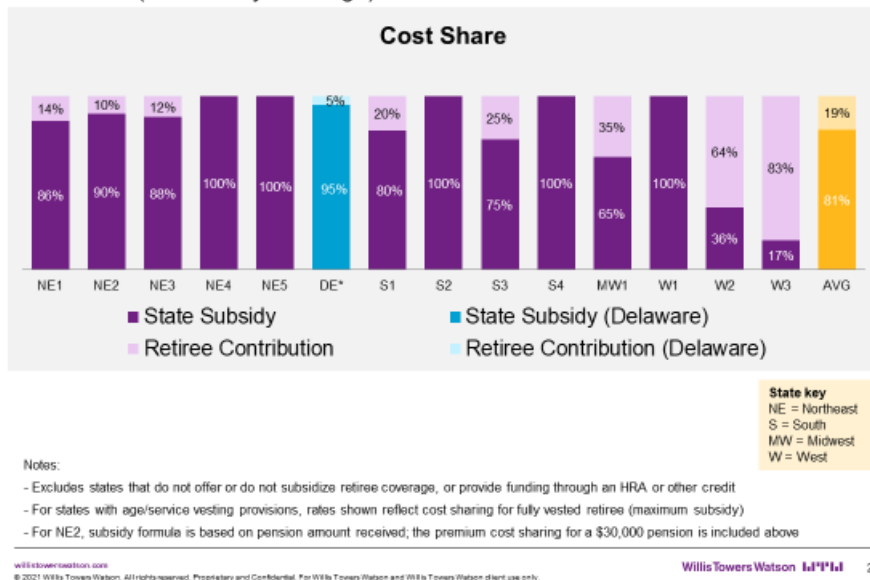
**Pre-Medicare retiree subsidy**

Cost share (retiree only coverage, for fully-vested retirees)



**Medicare-eligible retiree subsidy**

Cost share (retiree only coverage)



Source: 7/6/21 presentation

8. A number of benefit reform options would result in cost savings and reduction in liability including several options with minimal or modest impacts on retirees and members.

Presented to RBSC on  
March 9, 2020

Actuarial Value of Options Previously Explored

Scenario Label	Description	Immediate OPEB Liability Reduction	OPEB Liability Reduction Over 30 Years	Retiree/Member Impact
HRA (2% Increase)	Delaware eliminates Medicfill coverage and moves to individual marketplace structure – retirees receive annual HRA to purchase individual coverage comparable to the value of subsidy received by State of Delaware currently, with 2% annual increase to HRA amount provided in future years	\$2.4b	\$22.0b	●
Active Spouses	Delaware reduces spousal subsidy by 50% for future retirees; no impact to current spouses of retirees	\$0.9b	\$5.9b	●
Eligibility of State Share Schedule C	State Share eligibility schedule for those hired since 1/2007 to 20 years = 50%, 25 years = 75% and 30 years = 100%	\$0.5b	\$9.6b	●
Eliminate Term Deferred Vested Benefits B	Effective 7/1/2020 future terminated vested participants would not have access to any state health benefits, those that are already terminated could still come back and have access to healthcare	\$0.0b	\$1.4b	●
Set Minimum Age for healthcare	Minimum age to start healthcare would be age 60 for State Employees and Judges but Public Safety would be age 55	\$0.7b	\$6.8b	●
Combination starting 1/1/2021*	-\$5,100 HRA for Medicare retirees with 2% inflation -Vesting schedule C -Future Retiree Spouses would receive 50% of benefit -Eliminate Term Vested Benefits B -Minimum age for healthcare (60 and 55 for public safety) *with 0.5% funding	\$3.75b	\$28.4b	●●

Note: Health Reimbursement Arrangement (HRA) is a tax-free account that can be used to pay premiums for Medicare Parts A, B and D, Medicare Advantage plan and/or supplemental plan, as well as qualified out-of-pocket expenses (deductibles, copays, etc.)

willistowerswatson.com

© 2021 Willis Towers Watson. All rights reserved. Proprietary and Confidential. For Willis Towers Watson and Willis Towers Watson client use only.

Willis Towers Watson 15

● Minimal negative impact ● Modest negative impact ● Significant negative impact

Source: 7/6/21 presentation

- The survey findings indicate that benefit provisions would remain within typical ranges if reform options were implemented as considered in Delaware. Such options would require legislative action.

Revisiting Options with Updated Benchmarking and Market Data

	Prior and New Considerations	Benchmarking Results*	Requires legislative change?
Establish minimum age for eligibility	Previously evaluated (age 60 for State Employees and Judges but Public Safety would be age 55)	65% of states have a minimum age requirement (age 55 most common)	Y
State Share vesting schedule	Several options previously evaluated to increase years of service requirements for State Share schedule	74% of states have eligibility and/or subsidy provisions that vary by YOS, but provisions vary widely	Y
Reduce spouse subsidy by 50%	Previously evaluated for current and/or future retirees	Of those states that provide a subsidized benefit to retirees, half provide the same level of subsidy to retiree and spouses	Y
Eliminate Term Deferred Vested Benefits	Previously evaluated eliminating benefits for this group	50% of states allow deferred term-vesting, including most states surrounding Delaware	Y
Health Reimbursement Arrangement (HRA)	Previously evaluated with Individual Marketplace, with and without index; retirees can buy up/down for preferred coverage and accumulate savings for future years  HRA could be offered with employer sponsored coverage – but given limited plan choice, administrative burden may outweigh benefits	4 states offer HRA with Individual Marketplace connector as only option, and 1 state offers as a choice  No states offer retiree HRA with employer sponsored coverage	Y
★ Group Medicare Advantage (Group MA)	Last evaluated as part of 2016 Medical TPA RFP and did not yield material cost savings vs. current Medicfill. Since 2016, evolving MA market in Delaware may yield competitive carrier proposals for comparable level of medical coverage; Group MA proposals were solicited as part of 2021 Medical TPA RFP as a potential interim solution	24% of states offer Group MA options only, and 31% offer choice of Group MA and Medicare Supplement options	Y

\* Based on 27 state respondents as of Sept 2020 (see full report for more details)

willistowerswatson.com

© 2021 Willis Towers Watson. All rights reserved. Proprietary and Confidential. For Willis Towers Watson and Willis Towers Watson client use only.

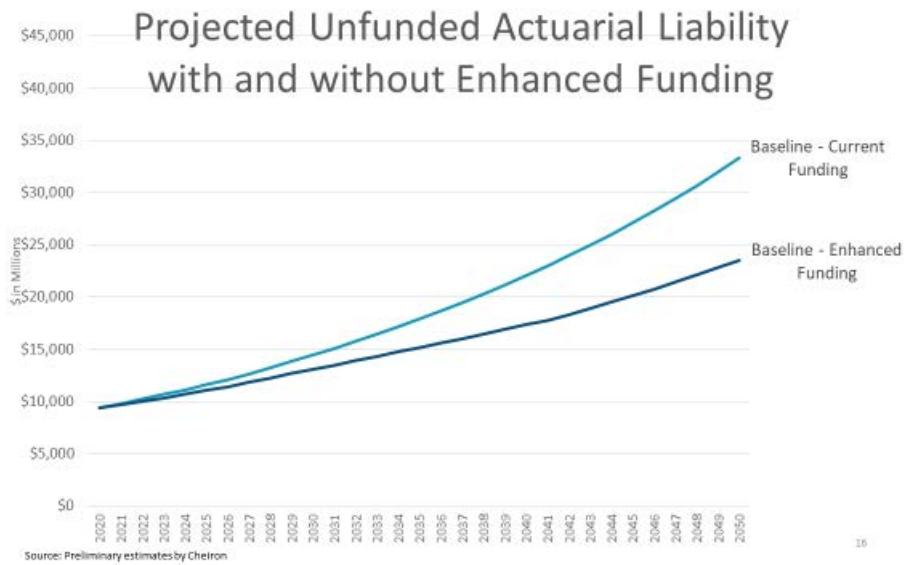
★ New option for evaluation

Willis Towers Watson 17

Source: 7/6/21 presentation

- 10. Increasing the OPEB Trust Fund pre-funding by a recurring contribution equal to roughly 1% of the State's operating budget would reduce the growth of the State's unfunded liability long-term, but the unfunded liability would continue to grow and remain substantial, absent benefit reforms.

### Increased Funding Alone Improves but does not Solve the Liability Challenge



Source: 8/30/21 presentation

11. Implementation of individual benefit eligibility reform options would also not prevent the total and unfunded liability from increasing. Combinations of enhanced funding and benefit reform would provide the most effective reductions in future unfunded liability.

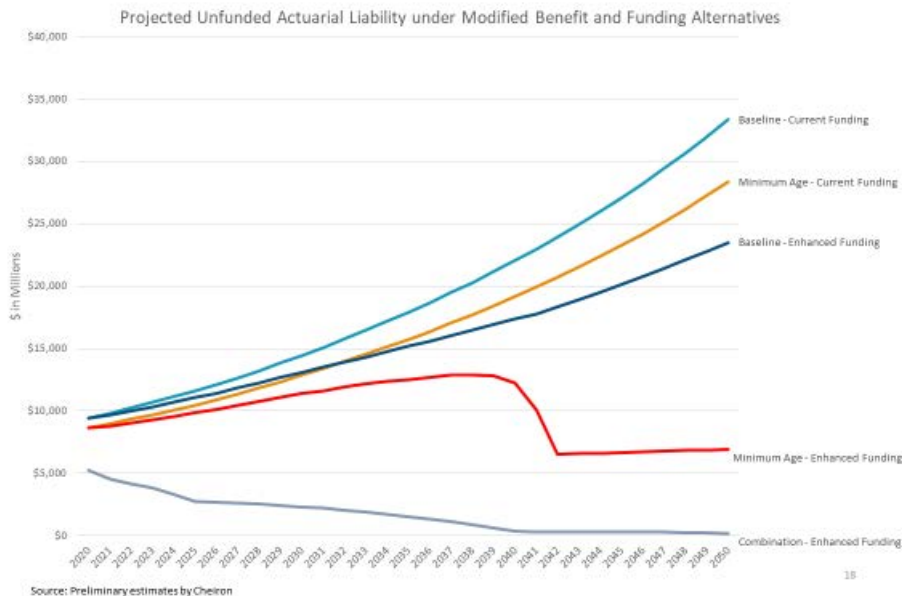
Combinations of Benefit Modifications and Additional Funding Significantly Reduce OPEB Net Liability

		2050 Projection					
		Total Benefits	ADC	Accrued Liabilities	Trust Assets	Funded Ratio	Discount Rate
Current Funding	Baseline	\$787	\$2,486	\$36,876	\$3,535	9.6%	2.2%
	Eliminate Future Terminated Vesteds	\$743	\$2,383	\$35,369	\$3,535	10.0%	2.2%
	Graduated State Share Based on YOS	\$787	\$2,084	\$31,326	\$3,535	11.3%	2.2%
	Minimum Required Age 60/ 55	\$690	\$2,078	\$31,866	\$3,535	11.1%	2.2%
	HRA (2% Increase)	\$566	\$1,105	\$16,963	\$3,535	20.8%	2.2%
	Reduce Spousal Subsidy for Future Retirees	\$681	\$2,070	\$31,626	\$3,535	11.5%	2.2%
	Combination	\$379	\$636	\$10,586	\$3,535	33.4%	2.2%
\$0 million/ \$47 million Funding	Baseline	\$787	\$2,024	\$33,424	\$9,917	29.7%	3.0%
	Eliminate Future Terminated Vesteds	\$743	\$1,880	\$31,451	\$9,917	31.5%	3.1%
	Graduated State Share Based on YOS	\$787	\$788	\$17,185	\$9,917	57.7%	7.0%
	Minimum Required Age 60/ 55	\$690	\$746	\$16,831	\$9,917	58.9%	7.0%
	HRA (2% Increase)	\$566	\$337	\$11,055	\$9,917	89.7%	7.0%
	Reduce Spousal Subsidy for Future Retirees	\$681	\$773	\$16,882	\$9,917	58.7%	7.0%
	Combination	\$379	\$142	\$5,859	\$5,670	96.8%	7.0%
	Group Medicare Advantage w EGWP for Rx	\$712	\$1,652	\$28,027	\$9,917	35.4%	3.3%

Source: Preliminary estimates by Cheiron

17

Combination of Benefit Modifications and Additional Funding Significantly Reduce OPEB Net Liability



18

Source: 8/30/21 presentation

## Committee Principles for Reform

Based on the findings and plan options reviewed and the Committee's discussions, the following principles were developed:

- I. Provide retiree health care benefits for career employees that are affordable to the retiree, comparable to those offered by similar government employers, and can be sustainably maintained within the long-term resources made available to the State by its taxpayers, without placing pressure on public services or the state's financial strength and creditworthiness.
- II. Preserve benefit eligibility and comparable level of coverage for career employees that have already retired or are near retirement.
- III. Provide a benefit that is transparent, understandable, predictable, and accessible.
- IV. Provide quality customer service and education to assist retirees with structural changes or transitions.
- V. Implement steps to reduce the unfunded OPEB liability through a combination of enhanced recurring funding above pay-go funding, benefit reforms, and increases in the actuarial discount rate as a result of such changes. The magnitude of benefit savings generated by reform should be of at least equal magnitude to enhanced funding within an actionable timeframe, e.g., within five to ten years of adopting reforms.
- VI. Transition OPEB funding from pay-go funding to the pension funding model, which uses current taxpayer resources to pre-fund future liabilities as they are earned by employees, by enhancing the current budgetary pre-funding of 0.36% of payroll. Possible mechanisms would include an OPEB Trust Fund Carveout from the Budget Benchmark Appropriation and Index structure, and/ or a gradual scheduled increase in the percentage of payroll pre-funding amount, within actuarially determined levels.
- VII. Target benefit reforms to be as minimally disruptive to career employees as possible, and to balance expected savings equitably in proportion to the costs and liabilities generated by retirees receiving pre-Medicare and Medicare medical benefits.
- VIII. Through the combination of principles above, demonstrate meaningful improvement by reaching an actuarial funded ratio of OPEB liabilities of at least 60% by 2050, including funding 100% of the Actuarially Determined Contribution (ADC), and demonstrate interim progress toward that objective by reaching an actuarial funded ratio of at least 10% by 2033, and 50% of the ADC.

- IX. Evaluate the current benefit and premium-sharing structure to identify opportunities to bring cost growth in line with inflation by introducing consumer choice and plan flexibility. This potentially includes such mechanisms as: providing retirees an indexed employer contribution to purchase coverage, such as in the individual Medicare marketplace; or, changing the statutory premium-sharing formula from a structure that defines and limits retiree contributions to one that limits employer contributions within fixed ranges as a percent of payroll, and requires changes in benefits and/ or retiree contributions when the ranges are exceeded.
- X. Benefit reforms that would impact eligibility of active or future employees should be evaluated within the context of overall employee compensation and consider trends in salaries and other compensation.

## Committee Recommendations

The Committee reviewed and discussed numerous options, many of which merit further study but require further analysis, documentation and data from the market before they are ripe for action by the Governor and General Assembly. At this time, in meeting the timeframe required by Executive Order 51, the Committee is prepared to recommend the following:

- I. Transition OPEB funding from pay-go to pre-funding to reduce the unfunded liability over time, through the following mechanisms:
  - a. A substantial increase in recurring funding by adopting an OPEB Trust Fund Carveout from the Budget Benchmark Appropriation and Index structure. The structure reviewed by the Committee consisted of a set-aside from available extraordinary revenues in a fiscal year equal to 1% of the operating budget.
  - b. Increasing the OPEB Fund payroll rate adopted in the annual Budget Bill from the current 0.36% to an amount that provides a more material increase in Fund assets over time. This could be accomplished by maintaining the overall benefits payroll rate for FY22, 22.80% of payroll (inclusive of the pension liability, retiree health insurance costs, and OPEB fund), as a floor, such that any decreases in individual portions of the rate such as the pension rate would result in a corresponding increase to the OPEB Fund rate. Note that the FY20 gap between the actuarial expense of OPEB and the pay-go contribution plus the 0.36% pre-funding was equal to 15.34% of payroll, at the pay-go discount rate of 2.21%.
  - c. Provide additional one-time contributions when circumstances such as one-time revenues or surpluses permit, similar to Section 16 (Escheat – Special Funds) of the FY 2022 Bond and Capital Improvement Act (SB 200).

- II. Continue reviewing the following benefit options for potential implementation effective January 1, 2024 or thereafter:
  - a. Transitioning coverage of Medicare-eligible retirees from the Medicare Supplement to an employer-sponsored Medicare Advantage plan or to an indexed employer subsidy, funded through a Health Reimbursement Account (HRA), for purchasing Medicare coverage on the individual marketplace. The State Employee Benefits Committee is currently reviewing Medicare Advantage proposals, but review of the HRA/ marketplace option would require an additional RFP to evaluate the cost structure and implementation steps.
  - b. Develop and implement a plan to educate active and retired members on the issues, challenges and opportunities highlighted in the Findings and Principles for Reform sections of this report and gain feedback on options under consideration through meetings and a survey.
  - c. Reduce the State share/ subsidy for spouses of retirees from 100% to 50% for future retirees after a certain effective date, for those that have not reached retirement eligibility status.
  - d. Modify the eligibility schedule for State share/ subsidy for those hired since 1/2007 to 20 years of service = 50%, 25 years = 75% and 30 years = 100%, after a certain effective date.
  - e. Establish a minimum age to enroll on the retiree medical plan of 60 for State Employees and 55 for employees subject to a mandatory retirement age, providing a deferred benefit for those that retire prior to the minimum. This would apply after a certain effective date, for those that have not reached retirement eligibility status.
  - f. Eliminate the ability to access retiree medical benefits for vested employees that terminate their State service without filing with the Pension Office for retirement. This would apply to employees that terminate after a certain effective date, and require employees in the future to retire from State service in order to receive the retiree medical benefit.
- III. Advance further detailed recommendations and implementation guidance in the additional report required by March 31, 2022, under Executive Order 51. Based on Principle VII above, it is anticipated that detailed recommendations would include Recommendations I and II.a above, along with one or two options from among II.b-f.