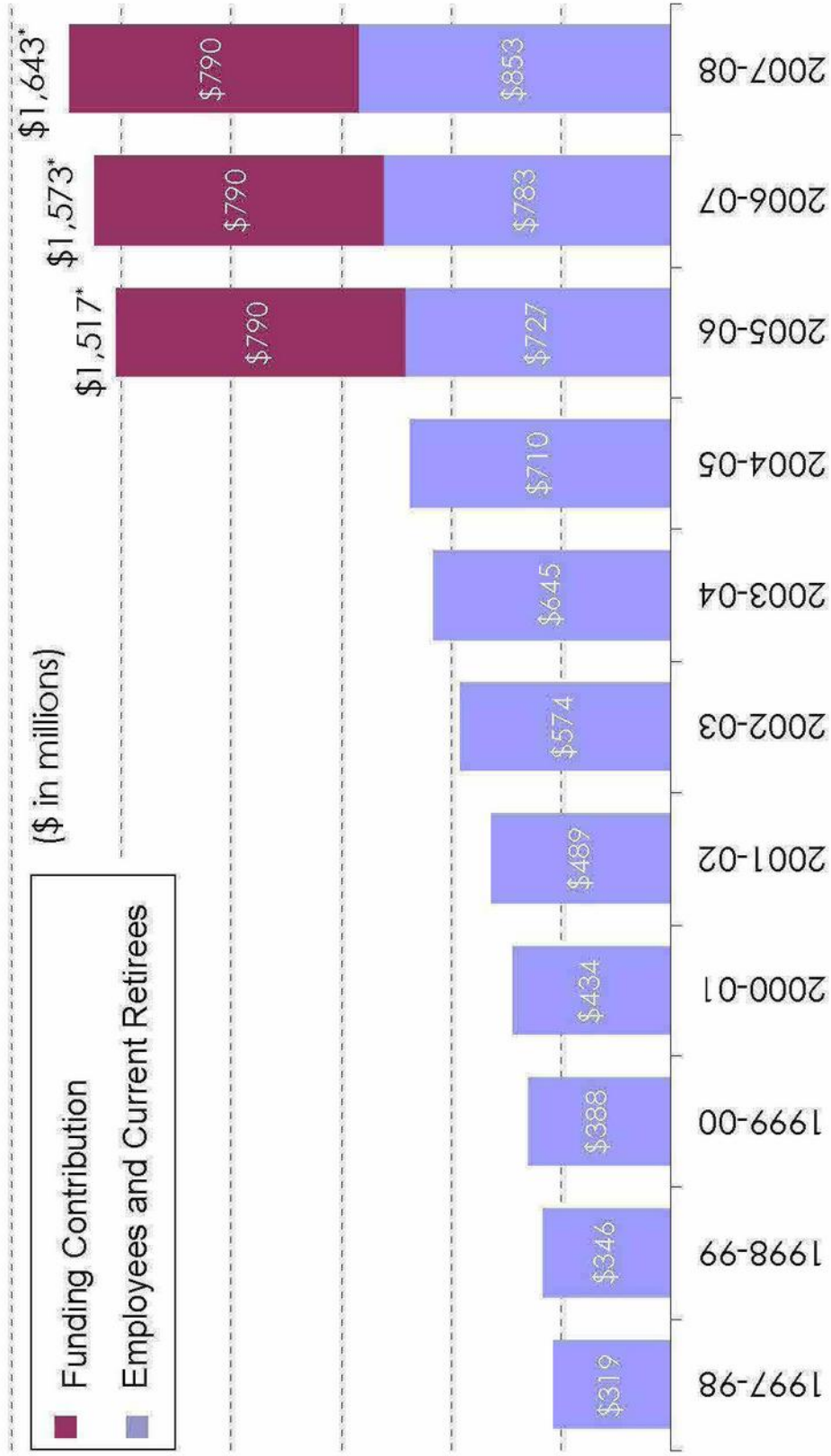




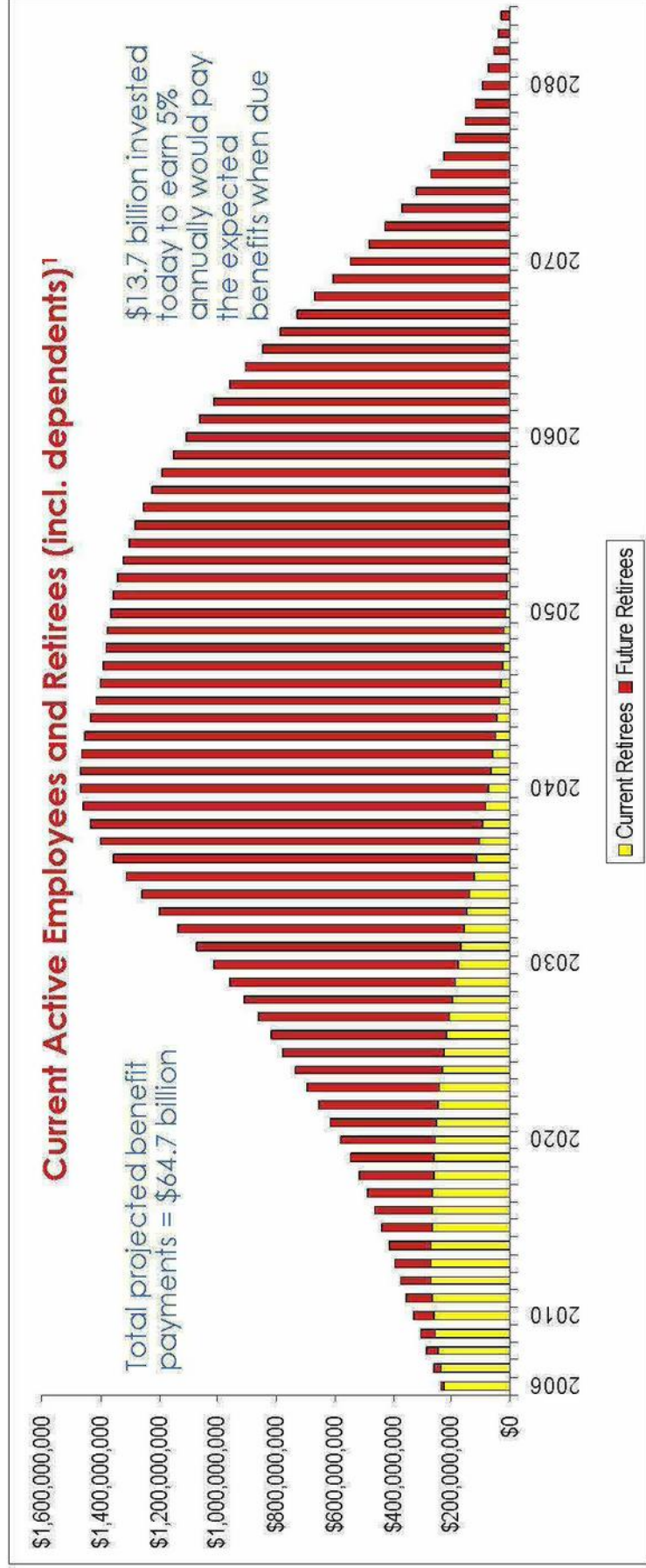
Fully Funding: True Health & Welfare Expenditure



Source: CAFR, Towers Perrin and Segal
 *Assumes no change



Projected OPEB Benefit Payments



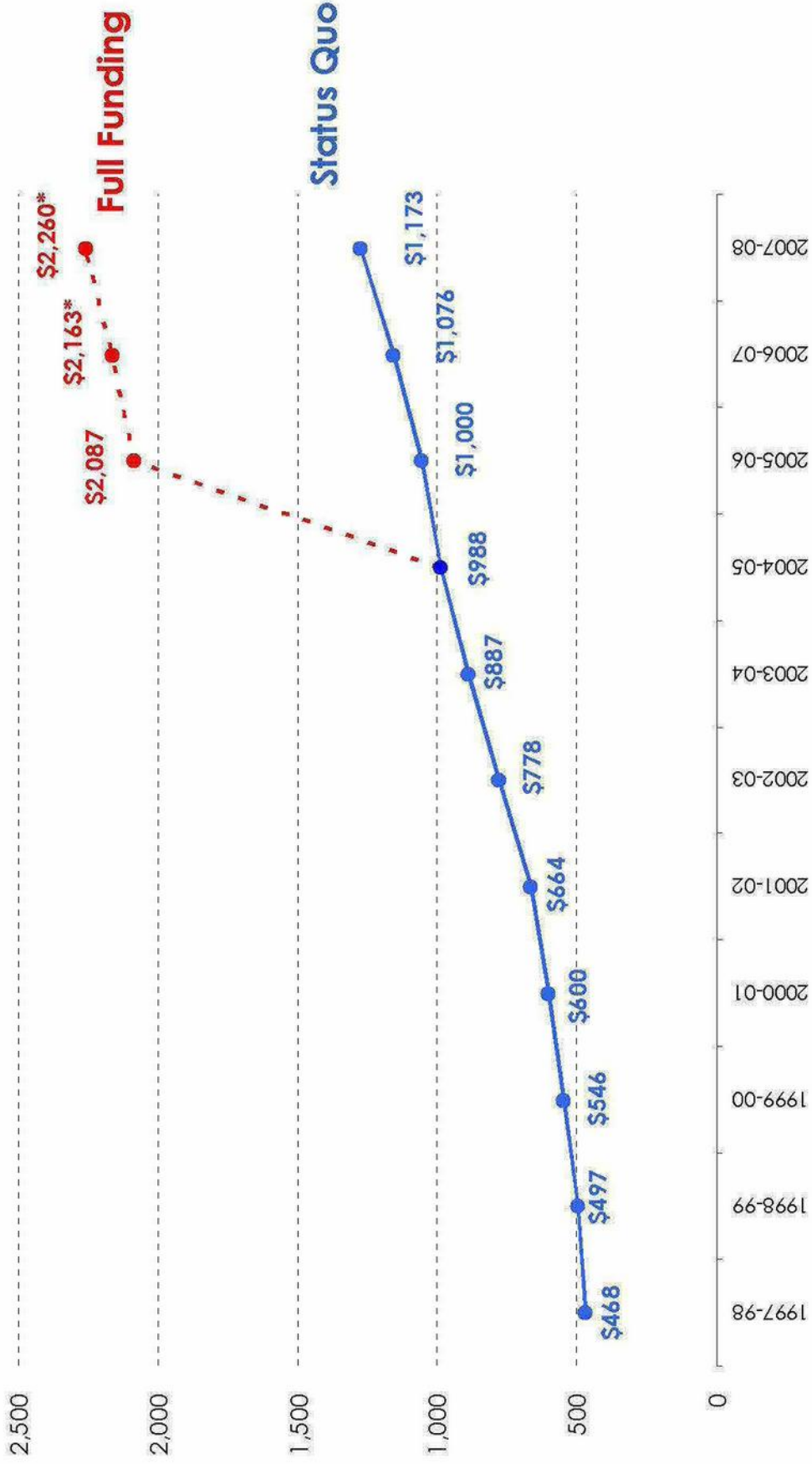
- Current cost for retiree benefit premiums is \$235 million annually, or \$323 per student
- Total retiree counts will increase 20% in next 30-35 years
- Healthcare cost increases are 12% annually. Retiree benefits for current retirees (incl. dependents) and current active employees only could cost \$1.4 billion in 2040

¹ Payments shown above are only for current members of the plan. New District employees will increase costs further.



Students Shoulder the Burden

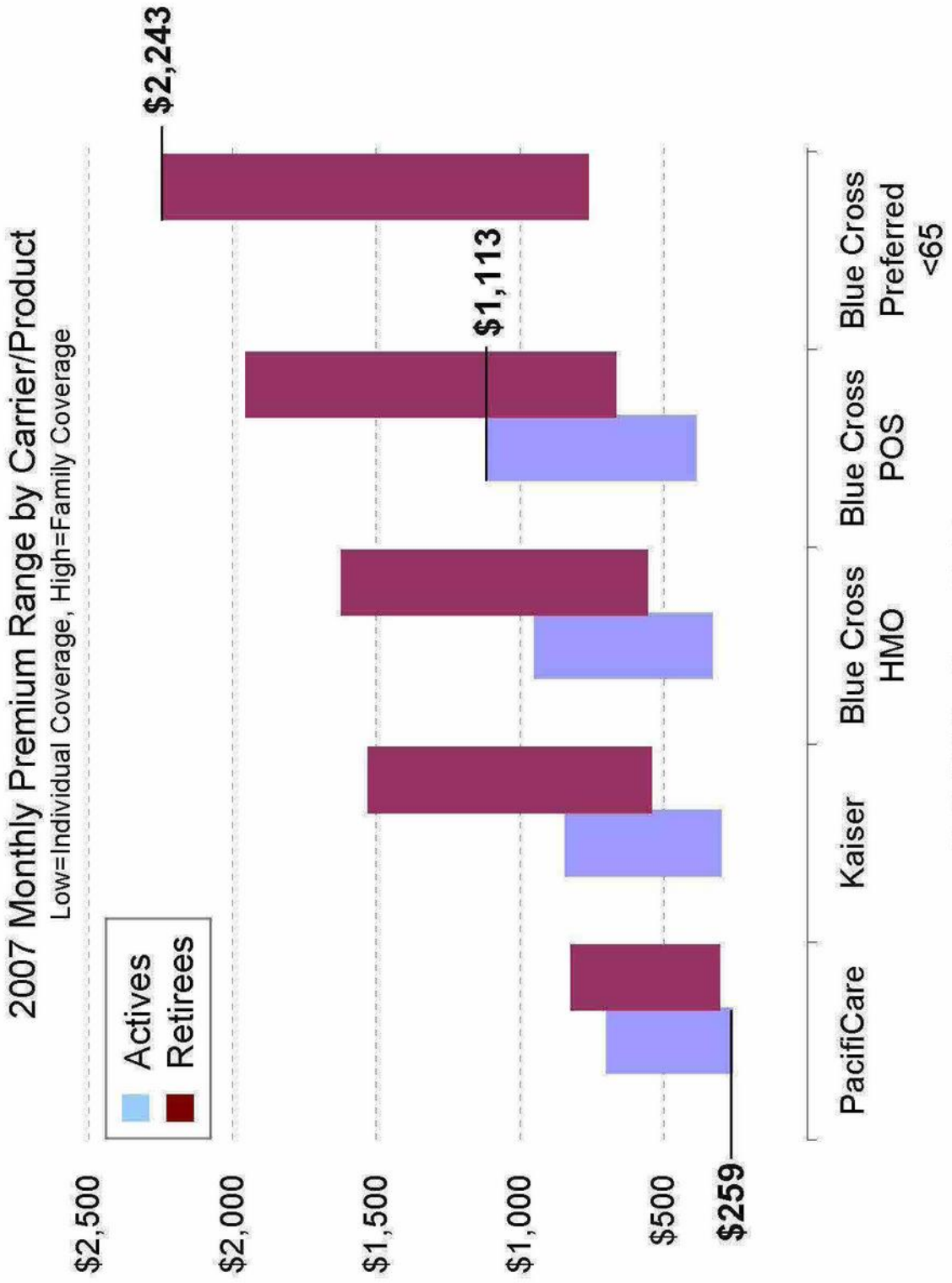
Burden per Student for True H&W Expenditure
Full-funding of retiree program starting 2005-06



Note: Student count based on norm enrollment. For 2005 and beyond enrollment assumed to be 727,000 K-12.
*Assumes no change



District Plans Have Disparate Costs



SOURCE: Segal

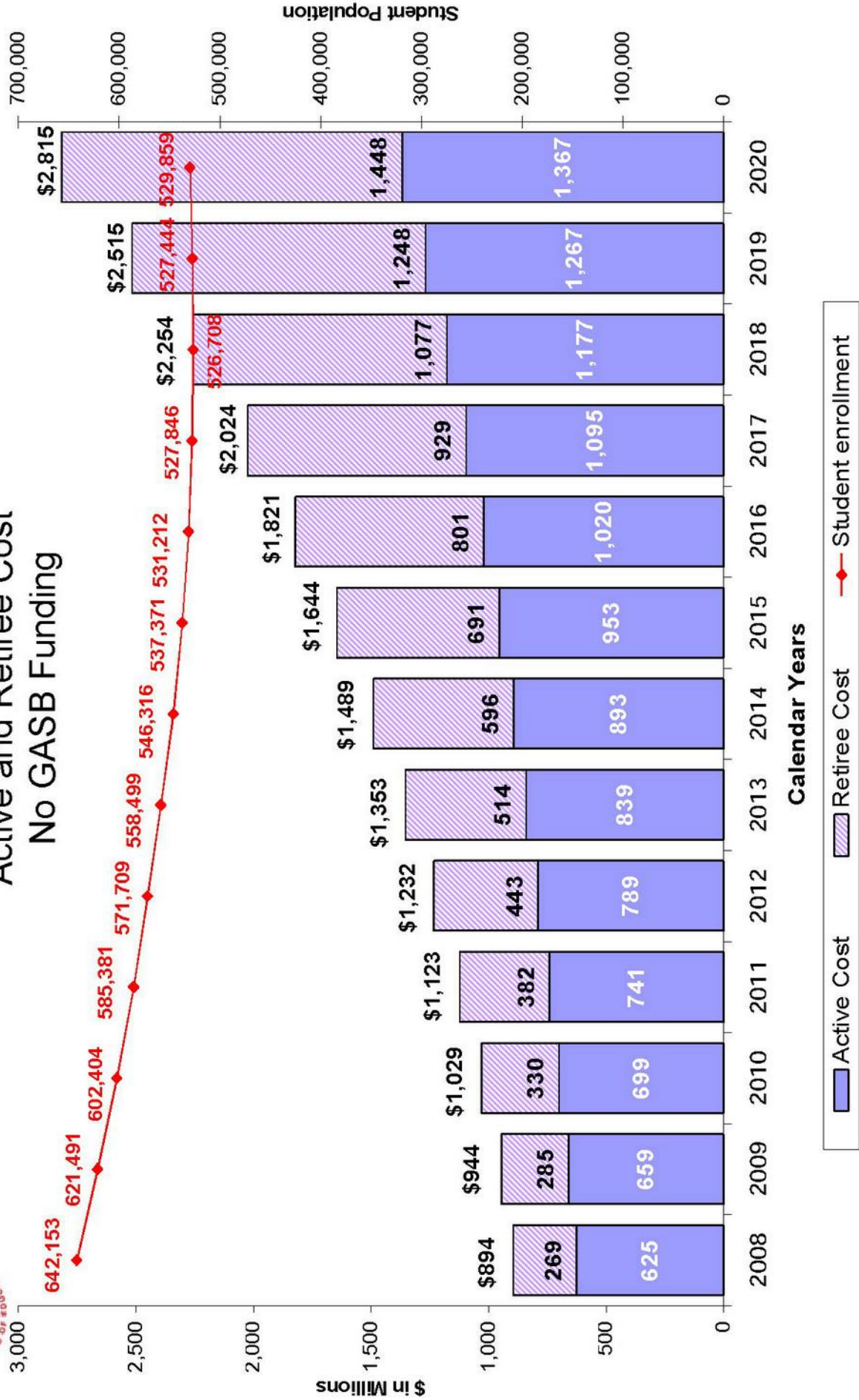
3/1/2007

Health & Welfare Program Update



Cash Flow for H&W Benefits

Active and Retiree Cost
No GASB Funding



Source: Segal Company August 2008; Student population Budget.