

From: Kim Tomerlin
Sent: Tuesday, October 04, 2011 3:46 PM
To: Director - GASB
Subject: Pension Liability

Good afternoon,

I received notification from CASBO that GASB is recommending that shortfalls in the CalSTRS and CalPERS programs be entered as a liability to public school employers. I am writing to express my concerns about this idea. While I am a school employer, I am also a California Taxpayer and am personally disheartened by this notion.

My first thought as an independent person is that the California taxpayer is ultimately responsible for any shortfall to these programs, not a school employer. Therefore the liability should rest within the State Budget. To show otherwise is just another shell game with State funds and balance sheets.

As a school employer I find the idea of creating a liability, where there is none, deplorable. School employees pay a percentage of their salary, with a higher percentage "match" paid by the employer to the retirement fund. There is no other requirement of a school employer, and therefore no other liability. In addition, to show a liability at the school level will create a situation that will close many schools due to financial distress. I seriously question how GASB can present and support this idea.

If you are looking for a true fix to the "shortfall" it is this: The amount of money each person puts toward their retirement, plus the required match by the employer, plus any positive or negative results of investment, should be the limit each retiree receives period. It is simple, effective, fair, and equivalent to what private workers (the ultimate taxpayers) in this State can receive.

Please reconsider this process and keep the liability where it is due, which is not with school employers.

Sincerely,

Kim Tomerlin