









### Conclusions and Comments

Based on the Preliminary and now the Exposure Draft, we are of the opinion that the methodology set forth in Project 34 is irreversible. It is our understanding that GASB plans to release the final standards in the spring of 2012. Less than six months from now. Plans with \$1 billion or more in assets will have to begin with the first fiscal year ending after June 15, 2010. For most plans that means June 30, 2010. We are concerned that literally hundreds of public pensions and employers will have to begin reporting under the new methodology without any of us knowing the full range of consequences to the changes. Clearly there are a large number of complexities, including data and coordination issues. Therefore, we feel that the proposed transition dates should be adjusted to allow more time for implementation.

We also foresee that there will be a need for a “bridging document” to explain the differences in pension expense and funding methodologies. What that document will contain will not be known until we have had the opportunity to implement the new statements. Again, this is another reason to allow an extended test period to determine this issue.

We would suggest that GASB seriously conduct field tests with a wide variety of public employers and their pensions systems (beyond those currently being tested) and evaluate the results before implementation. The proposed GASB changes are major and there is really no room for unforeseen consequences with the proposed timelines.

Thank you for the opportunity to comment on the Exposure Drafts under Project 34-P, please feel free to contact me directly at [sirbpalmer@aol.com](mailto:sirbpalmer@aol.com) or 916-441-1850.

Sincerely,

Robert R. Palmer  
SACRS Executive Director