Letter of Comment No. 185 File Reference: 34-E Date Received: 10/12/11

California School Boards Association

October 11, 2011

Director of Research and Technical Activities Governmental Accounting Standards Board 401 Merritt 7 P.O. Box 5116 Norwalk, Connecticut 06856-5116

Project No. 34-E



Re: Governmental Accounting Standards Board Exposure Draft for Amendments to Statements 25 and 27

To Whom It May Concern:

I am writing on behalf of the California School Boards Association (CSBA), which represents nearly 1,000 school districts and county boards of education statewide, to express our opposition to the Governmental Accounting Standards Board (GASB) Exposure Draft for Amendments to Statements 25 and 27. The proposed changes would add a Net Pension Liability to employer balance sheets equal to their proportionate share of the pension plan's unfunded liability. This change would confuse the public and increase borrowing costs by overstating local education agencies' debt, and overlook that school employers have no responsibility for the unfunded liability of public pension plans.

In California, the California Public Employees Retirement System (CalPERS) and the California State Teachers Retirement System (CalSTRS) serve school employees. School employers have no authority over benefit or contribution levels. The State of California is the sponsor of both plans, and therefore, is responsible for the unfunded liability.

CSBA requests that California school employers not be required to include recognition of the unfunded liability of either CalPERS or CalSTRS on employers' balance sheets.

Thank you for considering this request.

Sincerely,

Brian M. Rivas

Senior Legislative Advocate Governmental Relations

Bian M. Ring

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