





move forward before the climate is ready, it can lead to misinterpretations of what is required, which is what happened in the past with implementing accounting changes to retiree health care liabilities.

We are asking you to: First, consider extending these discussions for a year or more to give us the necessary time to educate and prepare for any possible accounting changes; Second, to give states and local governmental entities the ability to have their constitutionally mandated guarantor as the entity that will be required to show their pension liabilities in their financial statements; Third, we support the additional issues CalSTRS is recommending to change and are working with CalSTRS in a dialog on these issues.

As we continue to discuss the practical aspects of how your recommendations would be implemented, we would be happy to communicate issues of interest to you and how these changes could lead to policy changes as a result.

I appreciate the opportunity to share our views on these important issues and would be happy to answer any questions that you may have.