December 15, 2015

Mr. David R. Bean  
Director of Research and Technical Activities  
Project No. 24-16ED  
Governmental Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

I am writing to you on behalf of California State Teachers’ Retirement System (CalSTRS) in response to the Governmental Accounting Standards Board’s (GASB) Exposure Draft (ED), Proposed Implementation Guide of the Governmental Accounting Standards Board, Implementation Guide No.20XX-X, and Implementation Guidance Update-20XX. We have reviewed questions presented as beneficial to preparers and agreed with most of the responses provided. However, we identified one potential modification for the board’s consideration, as follows:

**Question 4.47 [CalSTRS Response] – Additional clarification is needed.** A short sale is an obligation but there should be exceptions for those instruments classified as investments under GASB 72. Pension plans can have short positions within the investment portfolio that should fall under the guidance of Statement 72. CalSTRS recommends adding additional verbiage to the response regarding the application of Statement 72 for securities held in a short position.

If you have any questions regarding our position, please contact Lucy Arbuckle at 916-414-4324, email: LArbuckle@CalSTRS.com

Robin Madsen  
Chief Financial Officer  
California State Teachers’ Retirement System

Our Mission: Securing the Financial Future and Sustaining the Trust of California’s Educators