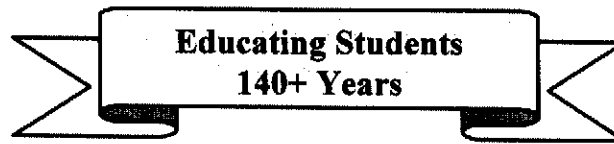


# SAN GABRIEL UNIFIED SCHOOL DISTRICT



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*Superintendent*

**JAN CANFIELD**

*Assistant Superintendent*

*Educational Services*

**ANNA MOLINAR**

*Assistant Superintendent*

*Human Resources*

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October 5, 2011

Director of Research and Technical Activities, Project No. 43-E  
Government Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT. 06856-5116

To Whom It May Concern:

As an educator with the San Gabriel Unified School District, I am writing in opposition to the proposed transfer of the California State Teachers' Retirement System (CalSTRS) unfunded pension obligation from the State of California's financial statements to that of the Local Education Agencies (LEAs).

The draft proposal includes provisions that school districts recognize on their balance sheets each employer's proportional share of the CalSTRS total pension liability. It's estimated that the debt transfer would be approximately \$8,000 per student. This is a debt that would be on school districts' balance sheets and a debt that is not within their ability to control.

California school districts are already subject to \$9.3 billion in annual state funding deferrals from one year to the next. In addition to the inter-year deferrals, the schools have up to \$4.5 billion in intra-year deferrals. Due to these deferrals our district had to borrow \$5 million dollars just to maintain payroll and programs. The proposal will increase borrowing cost at a time when school districts cannot afford the additional cost of borrowing money. The transfer from the state's balance sheets to LEA balance sheets will increase the school district's assumed debt. The probable effect of that debt increase will be to increase the cost of borrowing. At a time when districts are reducing staff and programs due to the State's inability to fund COLAs, meet Proposition 98 guarantees, and trigger mid-year cuts, this proposal would add a significant hardship to each LEA.

For these reasons, I respectfully request that California school districts not be required to include recognition of any California State Teachers' Retirement System unfunded actuarial liability on their balance sheets.

Respectfully,

A handwritten signature in cursive script that reads "Anna Molinar".

Anna Molinar

Assistant Superintendent, Human Resources

San Gabriel Unified School District

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San Gabriel, California 91776

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