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Chair Hoyle and members of the House Rules Committee

Sent via e-mail.

RE: HB 4155 and the Governmental Accounting Standards Board (GASB) Statement #68

I urge you to support HB 4155 which addresses a critical issue for governments in Oregon. Beginning with the June 30, 2015 audit, the State and local governments across Oregon will be required to report their “share” of unfunded liabilities/overfunded surpluses in their pension plans on the face of the financial statements. This requirement is known as GASB 68.

In order to meet this reporting requirement, each governmental entity needs certain pieces of actuarially sound and audited data directly from their pension system provider. Without that information the State and each of the 900+ local governments will have to send their auditors to the pension system to obtain and audit the information. Clearly, a centralized approach to develop and audit the information will eliminate redundant government work and reduce costs to all governments.

Legislation is required to authorize the public employees’ retirement system staff to expend funds to complete the required GASB #68 analysis. The additional costs to provide this analysis would come from employer earnings on the system. This approach will cost us significantly less if the data is provided through a centralized process that if we had to develop this information individually. This bill will not change pension payments for anyone and does not pass costs to employees or to member’s pension accounts – costs will be borne solely by the governmental units that need the information.

Like other governments, the City of Corvallis has a need to issue debt to fund infrastructure investments in the community. Appropriate financial disclosure is essential to the ability of the City to borrow monies at rates that save taxpayers money.

Please support HB 4155 which allows the implementation of a partnership to efficiently implement GASB #68 reporting requirements.

Sincerely,

Nancy Brewer
Finance Director