

February 19, 2014

Written Testimony in Support of House Bill 4155

Chair Hoyle, Vice-Chairs Hicks and Holvey, and Representatives Barnhart, Berger,
Harker, Jenson, Kennemer, and Smith Warner,

The Association of Oregon Counties (AOC) strongly urges you to support House Bill 4155.

Beginning in 2015, state and local governments will be required to report their share of unfunded liabilities and overfunded surpluses in their pension plans on the face of their financial statements. This requirement is known as Governmental Accounting Standards Board 68 (GASB 68). In order to meet this reporting requirement, each governmental entity needs certain audited data directly from their pension system provider, or the State and each of the over 900 Oregon local governments will have to send their auditors to the pension system to obtain and audit the information. A centralized approach to develop and audit the required information is therefore essential, and will eliminate redundant work and reduce costs to all governments.

Legislation is required to authorize PERS to help governments comply with GASB 68. Any additional costs to PERS for this assistance would come from employer earnings on the system. House Bill 4155 will not change pension payments for anyone, and does not pass costs to employees or to member pension accounts. Costs will be borne solely by the governmental units that need the information.

Please support House Bill 4155.

Sincerely,



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