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August 24, 2009

Mr. David Bean
Director of Research
Governmental Accounting Standards Board
401 Merritt 7
Norwalk, CT 06856-5116

Dear Mr. Bean:

On behalf of the National Association of State Auditors, Comptrollers and Treasurers, we appreciate the opportunity to respond to the Governmental Accounting Standards Board's Exposure Draft (ED), *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*.

We agree with the provisions of the proposed Exposure Draft. Our members included the following comments in their responses:

- We believe that the cost of obtaining an actuarial valuation for small plans outweighs the benefit of the use of more precise actuarial methods. Permitting agent multiple-employer OPEB plans to aggregate the alternative method applied to qualified individual plans with actuarial methods applied to larger individual plans is a logical result that we also support. In combination we expect these two changes to maximize the efficiency of actuarial services without significantly diminishing the reliability of the agent multiple-employer OPEB plan's financial information.
- We commend the GASB in weighing the costs associated with standards compliance in relation to the reliability and usefulness of the resulting information.
- The common reporting date will improve the consistency of reporting OPEB related components. Any change that simplifies and improves the measurement and understanding of financial information for the taxpayer should be supported.
- Regarding the frequency and timing of actuarial valuations (whether using an actuary or the alternative method), we support the provisions of paragraph 8 as we agree with the Board that it would be inappropriate and unfair to allow agent employers to obtain measurements at a lesser frequency than that required for agent multiple-employer OPEB plans.
- The Exposure Draft clarifies the requirement for coordination of the frequency and timing of actuarial measurements between an agent multiple-employer OPEB plan and its participating employers, thus improving consistency.
- Having agent employers obtain actuarial valuations at least as often as the agent multiple-employer plan and as of a common date will further synchronize reporting between the two and should not be overly burdensome.
- We believe that allowing more employers to use the alternative measurement method may reduce the cost of compliance and requiring that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers be determined at the same minimum frequency and as of a common date will improve the consistency of reporting.

However, we do have one suggested revision. The last phrase of the last sentence in paragraph 7 reads ". . . for individual-employer OPEB plans that are eligible." For better clarity, we suggest that this sentence be revised to make it clear that those "plans that are eligible" applies to the plans that meet the criteria in paragraph 3.

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We appreciate the efforts of the Board and the opportunity to provide our comments. Should you have any questions or need additional information regarding our response, please contact Kim O'Ryan of NASC at (859) 276-1147 or me at (304) 558-2251.

Sincerely,

A handwritten signature in black ink that reads "Glen B. Gainer, III". The signature is written in a cursive style with a horizontal line above the "III".

Glen B. Gainer, III
NASACT President