



NATIONAL ASSOCIATION OF COUNTIES
 UNITED STATES CONFERENCE OF MAYORS
 NATIONAL LEAGUE OF CITIES

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION
 NATIONAL ASSOCIATION OF STATE AUDITORS COMPTROLLERS & TREASURERS
 GOVERNMENT FINANCE OFFICERS ASSOCIATION
 INTERNATIONAL PERSONNEL MANAGEMENT ASSOCIATION FOR HUMAN RESOURCES
 NATIONAL ASSOCIATION OF STATE RETIREMENT ADMINISTRATORS
 NATIONAL COUNCIL ON TEACHER RETIREMENT

PRESS STATEMENT

For Immediate Release

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State & Local Government Organizations Oppose Proposed Federal Over-Reach

Meaningful Pension Changes Underway at State/Local Level, Federal Intervention Unwarranted

December 8, 2010, Washington, D.C. – The National Association of Counties, United States Conference of Mayors, National League of Cities, International City/County Management Association, National Association of State Auditors Comptrollers and Treasurers, Government Finance Officers Association, International Personnel Management Association for Human Resources, National Council on Teacher Retirement and the National Association of State Retirement Administrators today announced their opposition to HR 6484 – legislation introduced by Representatives Devin Nunes (R-CA), Paul Ryan (R-WI) and Darrell Issa (R-CA) on December 2nd that challenges the validity of current state and local government accounting rules and practices and would mandate inappropriate federal reporting requirements on state and local governments regarding their pension costs. In addition, the legislation sets a precedent for federal intervention into areas that are the financial responsibility of, and have thus been historically regulated by, the states and/or localities.

This legislation represents a fundamental lack of understanding regarding the strong accounting rules and strict legal constraints already in place that require open and transparent governmental financial reporting and processes. The organizations urge Congress to oppose the legislation because it conflicts with existing governmental accounting standards, increases state and local government costs, and undermines investor confidence in the municipal bond market.

Further, the legislation is unwarranted, [as state and local governments are not seeking a so-called federal "bailout" for their retirement systems](#). On the contrary, for the last several years, state and local government employers, employees, retirees and taxpayer organizations have been forging meaningful changes to their systems that will improve and enhance pension sustainability over the long term. [More states have enacted significant legislation in 2010 to modify their retirement plans than in any other year in recent history](#). None of this activity presumes any federal financial assistance.

State and local pension systems collectively have pre-funded nearly four-fifths of their future pension liabilities – even when accounting for the [steep losses in 2008 and earlier this decade](#). While every investor was affected by the 2008 financial market disaster, [state and local retirement systems have a strong track record in managing their assets and a much greater time period to recover than do other retirement plans](#). The public sector pension model is a proven vehicle for preserving a secure retirement for American workers [and lessening reliance on public assistance](#).

Pension fund asset values have been growing since March 2009, and the most recent data show current assets are approximately \$2.9 trillion. The Government Accountability Office has found that public pensions on the whole are financially secure and positioned to meet their long-term pension obligations, and even after the market decline, aggregate public pension funding levels are around 80 percent.

[Inaccurate and inflammatory descriptions of the state of public pensions and unnecessary calls for federal intervention are unwarranted and only serve to confuse the public and unduly alarm state and local government retirees](#). Further, they distract attention from the real pension crisis that Congress should address, namely the vast majority of Americans who have insufficient savings or protections to meet their retirement needs.

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