

October 11, 2011

Director of Research and Technical Activities  
Project No. E-34  
Government Accounting Standards Board  
401 Merritt 7, PO Box 5116  
Norwalk, CT 06856-5116

To the Director of Research and Technical Activities:

The Ohio Library Council represents Ohio's 251 public library systems. The employees of our public libraries receive retirement income and benefits through the Ohio Public Employees Retirement System. I am responding to the Government Accounting Standards Board invitation to provide comments on its Exposure Draft, Accounting and Financial Reporting for Pensions and amendments of GASB Statement No. 27.

I appreciate the process undertaken by the GASB board to standardize public employer pension plan disclosure on financial statements. However, I am troubled that this proposal, at least from a public library standpoint may standardize the disclosure across employers, but at the expense of accurately reporting the individual public library employer's real liability.

An estimated 70% of employees of public libraries are not lifelong employees of a library. Most of our employees come to us as second careers, either from the public or private sector. Yet, using this "proportionate" share of net pension liability, public libraries will certainly be over-reporting their liability. In fact, we believe that the nature of Ohio's retirement systems establishes that the liability belongs to the retirement system, in our case Ohio Public Employees Retirement System, and not the individual public library employer.

We would urge GASB to provide clear and realistic implementation guidelines that specifically address a wide range of public employers; within public library employers in Ohio we have library systems with more than 600 employees and library systems with fewer than 5. We would also recommend that the pension expense be shown on a separate line so that auditors can easily distinguish this "proportional" liability from actual liabilities specific to the public library. We also believe that clear direction regarding audits of this liability would be useful.

I appreciate the opportunity to share with you our concerns, and would be happy to answer any additional questions you might have.

Sincerely,

Lynda Murray  
Director of Government and Legal Services