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FOR IMMEDIATE RELEASE

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**CSBA launches new service to help public entities comply with new GASB 45 rules**

**(Sacramento)** – The California School Boards Association today announced the GASB 45 Solutions program to help school districts and county offices of education comply with the recently enacted Government Accounting Standards Board Statement No. 45.

Adopted in June 2004, GASB 45 requires public agencies, including school districts and county offices of education to report their costs and obligations for post-employment healthcare and other post-employment benefits, referred as OPEBs, much like they now report pension plan obligations. The costs of these post-employment benefits will now be recognized as a current cost during the working years of an employee, similar to a CalPERS or STRS pension, rather than when they retire. OPEBs include medical, dental, vision, hearing, prescription drugs, life insurance, long-term care, long-term disability and death benefits.

CSBA's new GASB 45 Solutions program offers districts and county offices:

- Actuarial valuation services to help quantify the obligations at volume-based prices
- An exclusive benefit trust for prefunding GASB 45 obligations
- A major trust company to be the custodian of the trust funds
- Consultants to advise on alternative strategies and funding approaches to address GASB 45 liabilities
- Investment advisory committee to provide oversight of investment options

“While implementation of GASB 45 does not occur until fiscal year 2007-08, districts and county offices must start planning today to identify the financial impacts and begin to manage the obligation,” said CSBA Executive Director Scott P. Plotkin. “That’s why CSBA partnered with leading professional companies to provide members with a comprehensive one-stop GASB 45 Solutions service.”

“The immediate impact to districts and county offices is that they consider hiring a qualified actuary to perform an actuarial valuation to determine the OPEB expenses and amount of any unfunded liability,” continued Plotkin. “Once this step is performed, districts will then be able to address how to proactively manage their budgets in relation to GASB 45.”

“If districts or county offices do not take adequate steps to manage their obligations, it will have an impact on future borrowing costs, credit ratings and the overall financial health of the organization,” said Plotkin.

For more information, or to schedule an interview, contact CSBA Media Relations Specialist Matt Nichols at (916) 669-3243 or (916) 607-8449 or CSBA Assistant Executive Director, Communication Mina Fasulo at (916) 425-0109.

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*The California School Boards Association is a collaborative group of the state's more than 1,000 school districts and county offices of education. CSBA is a member-driven association that brings together school governing boards and their districts and county offices on behalf of California's children. The association develops, communicates and advocates the perspective of California school districts and county offices of education.*



California School Boards Association

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