SENATOR CLARK: The committee amendments are adopted. On the bill, Senator Pappas.

SENATOR PAPPAS: Mr. Speaker, members of the Legislature, a few minutes ago you heard our Honorable Governor speak about how we can keep the dedicated state workers, and different means and methods. He talked about a salary increase. This bill, LB 134, simply adds a little more incentive to keep the good state employees and then give them a small reward after they do retire.

SENATOR CLARK: Senator Wesely. Senator Wesely, did you want to be heard on the bill?

SENATOR WESELY: Yes. Although we are all in the process of discussing a number of budget items, I would like to ask Senator Pappas...I don't know if he has had a chance to discuss it, LB 134 appears to me to be worthy legislation providing a benefit to retired employees, but as a person who has been concerned throughout my five years in the Legislature with health care costs, I would like to know the cost of this. The impact statement that we have indicates that it is not going to be tremendously costly, but I think that it has to be something to consider. If you add to a pool in health insurance coverage groups of individuals that are more likely to have need for health coverage, you are bound to increase costs because you are going to have to reflect their added need for health care in the premium that you pay. So I don't understand how the fiscal impact statement that I have looked at could indicate no additional cost and was wondering if Senator Pappas could address that issue, and how we are going to be able to afford this additional benefit even though it is a worthy benefit under the austere budget that we just had presented and whether or not there will not, in fact, be an increase in cost to us and I would appreciate a response to that from Senator Pappas.

SENATOR CLARK: Senator Pappas, do you care to answer?

SENATOR PAPPAS: Yes, the way it was going to....I will address Senator Wesely's question. The way...when you have a pool type thing for determining rates, these people that retire early are replaced with other people that retire early, so when you use a pool type of situation the rate increase would be very minimal. Also, in determining rates they not only use the age factor of the group but also the local and statewide health cost care,per day cost care and usage cost care. So it would be a very, very small minimal increase, if any at all. And if that does not suffice, we