

SENATOR WESELY: Mr. President and members of the Legislature, if you could bear with me just a couple of minutes. This is a significant point I would like to make, and I would like to take your time to do it. This bill deals with one of the key problems that Senator DeCamp talks about in our state right now, the whole question of pension benefits for police in the first class cities and it is a bill that I support in concept, and I support it as it is written at this point with a concern that I want to express at this time, and that is that the problem that we are trying to address with this legislation is the unfunded liability problem in our police pensions. That is really the root of the bill. If you look at the handout that I have passed out, it is a rough sketch of the current law and then what LB 237 does to the law, you will see the changes that we are talking about and again you all probably know this, but we are going from a defined benefit to a defined contribution plan, and that is a change that is long overdue and I commend Senator DeCamp and Senator Lundy for pursuing it. There is one caveat though that I think this body has to be aware of before we vote on this measure, and that deals with the current law. If you will look under city and what their responsibility is, you will see that it says that they have to provide whatever funding is necessary to make up the difference between benefits and the six percent employee contribution. Therein lies the rub. The cities of this state, first class cities, that is, have by and large not done the job they should be in funding these liabilities. They have done them to some degree in police pensions, certainly not to much of a degree in fire pensions. But let me show you what the problem is in police pensions right now in first class cities. Alliance has a funded liability of 26 percent. That is to say, at their present liability they have got funds set aside to take care of 26 percent of them. Columbus has 69 percent. Fairbury has 26 percent. Gering has 36 percent. Holdrege has 22 percent. Nebraska City has 36 percent. North Platte has 33 percent. Now there are a number of cities in this state that have funded their police pension adequately, maybe even more than adequately, but there are a number that have not. LB 237 does not take care of that current problem, that current unfunded liability. The amendment that I had drafted would have said that these cities with an unfunded liability that are in the 20, 30, 40 percent range have to try over a period of time, over 25 years, get it up to 80 percent funded. That is all, just 80 percent funded so that we aren't left in the lurch just as our Social Security system has been, as our other pension funds in New York City and other towns have been because they haven't been funded. They have