

a year and the employees' obligation about \$2.7 million. This returns the teachers to the other gains in 457 but maintains the current standard practice for state operated retirement systems which means early retirement is available, it is available at an actuarially reduced figure. What they do is they figure out the amount of money you are entitled to, and instead of spreading it over the time from 65 on, they take that same amount of money and do it from 62 on and reduce the amount of money accordingly that you get each month. Ultimately you wind up with the same amount of money. Why this amendment to LB 457? First, the budget can't take 457 the way it is written and it can't take the bill as amended by that amendment contemplated and introduced by Senators Remmers and Morehead which carries a price tag of \$5 million for the state this year and every year thereafter. The difference then is about almost \$2.5 million between 457 the way it is and about \$1,800,000 between the Remmers-Morehead amendment. We have overridden veto after veto. We approach \$812 million of money spent. With the Governor's assumption of the nonlapsing of those funds, the interest on the reserve fund, we are almost at his spending limit of 18, rather 818. We have moved A bill after A bill. We have \$10 million of water projects although we have always been talking about \$4 million. We have \$1.9 million for 994 up there. We have moved a quarter of a million dollars for telecommunications. We have moved A bill after A bill to Final Reading and this one is simply too expensive. Secondly, were we able to fund fully this bill or the \$5 million in the Remmers amendment, were we not to have any difficulty with that sum of money, it would still be difficult to swallow for what it means about us as managers. We control a number of pension systems. We have separate pension systems for our judges, for state employees, for the Highway Patrol, for police and fire, and for the teachers, and we have always drawn the same rule, yes, you can retire early but when you do so you have to assume some of the responsibility. You have to recognize what you are doing. You can't create an unfunded liability. You get the amount of money you are entitled to but you space it out over a longer period of time. That has been the hard and fast rule that we have established over time. Now this bill is the little boy with the thumb in the dike,