

a question of the involvement of state funds in this particular bill. The question is the question of the precedent set for the other 11 systems that are under our Retirement Committee, and many of which may well involve state funds with regard to the state employees would probably certainly involve state funds if they, too, desired to follow this particular precedent. I think that, if you allow the precedent to be set in this particular instance, following the principles that we have followed in the past you will not have a leg to stand on with regard...or when it comes time to object to the continuance of that precedent with regard to the other 11 systems because we've adopted a particular principle. That principle is one of the principles of the Retirement Systems Committee. There is a very good book that Senator Wesely put out in January of 1984, which sets out the principles of the Retirement Committee. Principle #3, basically, says, and it makes a lot of sense, it basically says whatever you give to one system you should give to the others, unless there is some very good reason for making a distinction. In fact, it doesn't even say if there is some very good reason for making the distinction. It makes basically the flat out statement that what is good for one is probably good for all, and they should be treated consistently. I think that everyone can see probably the wisdom of that. It really shouldn't make any difference with regard to the cost of living increase whether you are a state employee, or a State Patrol employee, or an Omaha teacher. Inflation affects everybody equally. How you treat one group should be exactly how you treat another group. So the idea of setting a precedent, I think, is a very real danger for those of you who may not be in favor of this concept applied system wide. One of the things that I think concerns me about...it is very difficult to deal with the question of inflation. But I think, to a certain extent, the mechanisms that we have in place, or the mechanisms that we have used in the past do deal with the question of inflation to a certain extent. I might mention, by way of background, that this particular COLA provision, I should have mentioned this earlier, applies not only to those who are currently paying in but not receiving retirement, who have not yet retired, but also to those who have already retired. So there are two groups of people to which this COLA provision, cost of living adjustment provision, applies. Okay, going back to how we deal with inflation in the system that we have, first of all you should remember that retirement benefits are generally