

reduction. Senator Pappas has come in with an amendment which you are now considering. The school teachers, and the school custodians, and most importantly the school administrators want to have the whole cake. They don't want to go like social security recipients. They say, oh just reduce our benefits 3 percent each year, just reduce them 3 percent each year, so that at age 60, if we were to retire, we'd get 85 percent of what our benefits should be. Now the actuaries tell us that if they retired at age 60 they should only receive, with actuarially reductions, 58 percent of what their benefits would be. Social security says if they retire at age 60 they should receive 65 percent of what their benefits would be. But the administrators say, oh give us 85 percent of our benefits, will you please. Now Senator Wesely and I sat down with Dale Siefkes and Herb Schimek, two weeks ago, to see if we could work out a compromise on this issue, and we could not, and we could not because the school administrators and the school teachers want the whole hog, they want the whole hog. What will the whole hog cost? Well, we now have a letter addressed to the NSEA by an actuary that the NSEA hired, that the NSEA hired, to see what the NSEA and Senator Pappas's program is going to cost. And the letter says that, applying all traditional actuarial assumptions to early retirement, it is going to cost an additional \$57 million, it's going to cost an additional \$57 million. It went on to say that the way you fund the additional \$57 million is you either increase the employee contribution, from the bills current level of 4.8 percent to 5.4 percent, or in the alternative you increase the school board match from 101 percent to 124 percent, or in the alternative, you do it either way. Finally it goes on to say the State of Nebraska could, of course, increase its service annuity contribution by \$2 million, annually.

SENATOR BARRETT: One minute.

SENATOR V. JOHNSON: It is a high cost program that provides school administrators, school custodians, and school teachers something that no other citizen can get under the social security law, that you can't get under the major public pension program that now exists. Senator Wesely says, all right, we will allow early retirement, we will not require full actuary reductions, but we think that the reduction ought to at least be how they are in the social security program. Senator Pappas, whose amendment is out