

SPEAKER NICHOL: The question has been called. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 33 ayes, 0 nays to cease debate, Mr. President.

SPEAKER NICHOL: Debate has ceased. Senator Vard, are you going to close, please?

SENATOR V. JOHNSON: Yes. This is a motion to return the bill for a specific amendment. The amendment is to strike the enacting clause, a tough issue, but this is our last chance to take a hard look at this question and to decide for ourselves whether we're doing the correct thing in our early retirement concepts and programs and I am not persuaded that we are yet doing the correct thing. It has taken me a while to resurrect some of the material that I had saved during the course of our earlier debates on this issue, but I finally got it in my hot hands. The actuary...the Tilling Gas people, Tilling Gas, Nelson and Warren, wrote to the Nebraska State Education Association on January 14, 1986, that this bill in and of itself would result in an increase of unfunded liabilities of \$57 million. Now obviously, those unfunded liabilities have to get funded and so the actuary recommends the way to get those liabilities funded is to simply increase the member contribution rate, that is the school teacher, the school custodian, the school administrator rate from 4.8 percent of his or her current salary to 5.4 percent of his or her current salary and that's being done in this bill. In addition, the actuary indicated that that rate should, in effect, be matched by local school districts. He suggests 101 percent of match and that is what will be done so local school districts will now be paying 5.45 percent of their payroll to take care of the existing retirement program plus the funding, in effect, of the \$57 million liability question which has to be funded over a long period of time. Now I'm not...changing retirement programs are not a problem for me, but this particular change represents a very, very significant policy departure for our state. Currently, state employees can retire at age 65. They can also retire at age 60, but if they do, their benefits will be actuarially reduced. They won't just be reduced by 3 percent a year, they will be actuarially reduced. Judges can retire at age 65, but if they decide to retire, they could retire as early as age 55. If they do, their benefits are actuarially reduced. University of Nebraska people, they retire at age 65. They could retire as early as age 55, but if they do, their benefits