

SENATOR LANDIS: ...review of disbursements and accruals by the officeholders, by the political subdivisions. Secondly, an actuarial study by either their actuary or the insurance company they're dealing with as to the effectiveness of the accrual rates that they're setting. Those two things exist. Third, there is the affirmative obligation in the statute that a political subdivision will put an amount of money in these pots sufficient to cover their responsibilities. That would be true contractually under their promises that they are now making to their employees. It secondarily becomes their responsibility as an affirmative obligation under the statute as well.

SENATOR WESELY: Is the actuarial study an annual requirement or is that an initial...?

SENATOR LANDIS: The actuarial study is a one-time obligation, I know.

PRESIDENT MOUL: Time.

SENATOR LANDIS: Let me examine the provisions. I don't believe that that is an annual obligation.

PRESIDENT MOUL: Thank you, Senator Wesely. Senator Peterson.

SENATOR PETERSON: Madam President and colleagues, I strongly rise to oppose the bracket motion. In addition to the cash flow benefits, self-funding allows an employer to reduce insurance company expense factors. Self-funding is more cost effective in the long run because administrative costs and expense factors are lower overall in a self-funded program. And the ability to purchase what you need in contrast to what insurers sell is a critical component to successful cost control. A number of different groups, cities and counties, some of the counties and colleges and the Nebraska Public Power, MUD, and the list goes on and on, state school boards, favor this. The City of Norfolk in the last number of years have over a million dollars savings in self-funding, the City of McCook over 900,000, some colleges as much as 200,000. To not pass this legislation this year, I think, is I think an E clause is being... is on the bill. You know, everyone is having problems with money, the counties, the schools and the cities and everybody now, and to take away this availability is not good policy, in my estimation. And Senator Wesely should be more concerned about those entities saving that they can have in this instead of putting a burden on them if we