

PRESIDENT: Is there any further discussion of Senator Keyes motion? Senator Whitney, do you want to be heard? Senator Keyes is reserving his closing. Senator Whitney.

SENATOR WHITNEY: Mr. President, members of the legislature, this bill LB801 was heard before the retirement committee. Now and the retirement committee discussed this bill, now what the bill would do this coming year it would give all state employees a 13.8% increase in their salaries. I wouldn't say all employees it would be those who are satisfactory to the head of the department. Now, the retirement committee considered this and after considerable consideration it said that the employees have already got approximately what they wanted. The budget committee has already put into the budget and recommended to this legislature that each and every employee whether he is satisfactory or not, as long as he is on the job on July 4, 1974 he would receive a \$300 increase in salary. Then he will also receive a 5% increase in salary if he is satisfactory and as near as I can determine there is very, very few who are not considered for this increase. In addition the budget committee has said that we will give the heads of the departments an extra 1/2 of 1% for the salaries of state employees for merit increases. If the head of the department says that a person who is meritorious then he should get an extra increase. Well now this amounts to those people, or for those people who have the lowest incomes approximately a 13% increase in salary. Its 13% increase in salary. Then the ratio downso that the highest paid people will get somewhere around 7 1/2 to 8% increase in salary. Now you take a \$15,000 a year man and he is going to get a \$1,200 increase in salary. You take a person who is receiving about \$4,000 a year, he is going to get a 13% increase in salary and so the budget committee has gone through this and we are recommending this to the legislature and I have had many favorable reports from state employees that they are happy with what the budget committee has recommended. Therefore I am asking that you do not bring this LB801 to the floor. Now one of the problems that 801 is is that it says that on the basis of the way that it was amended that you would take the step increase plus the cost of living during the proceeding calander year. Now what if you had only....now lets go into the future a couple three years. We have or may have been able to controlled inflation and if we are lets say that we go back to the historical average increase of 2% inflation rate. Now what if we had a 4% growth rate in the United States, or 5% or 6 or 7 or maybe even 8. We have psychological improvements that a...a..let us say provided 8%. Well then we would want to give the state employees more money than this formula would provide. Now what we need to do in my judgment is to continue the policy that we have in the past to let the budget committee decide how much the increase should be each and every year. Things change from year to year. You just can't set a law and say that you are going to have prices of wages set on the basis of a particular formula for years and years to come. You have to consider each and every factor each year, and we noticed for example this year, that we had to make changes just the last minute. Increasing the amount that would go to employees. Why? Because we had a greater inflation rate than we anticipated so therefore in order to promote the committee system, and because of the fact that we should consider this every year, and because of the fact that employees have got approximately what they have asked for and in some cases, many of them are more than happy. I feel that the thing to do is