

who believe that merit can never be given objectively. Just because a couple of agencies, in a report handed out to us, might have used the merit increase to some degree of ability of being unwise in their decision, doesn't mean we should jeopardize these employees of other agencies where the supervisor probably used good judgement in administering merit. If we try to take a half percent of three percent, this means then that the state employees would only be getting a 2½ percent increase, plus the flat allowance. If we take a three percent increase, plus that flat allowance, and add a half a percent, that means naturally that we are going to provide an increase, to the best information I have from Senator Warner given to me, that this is calling for possibly about \$1.2 million which would be used for merit pay. That is the purpose of the amendment. I ask for the adoption.

PRESIDENT: Senator Warner.

SENATOR WARNER: Just briefly, Mr. President, I assume the basic argument in this is the desirability of merit. As I understand Senator Koch's motion I think he has correctly stated that it would have a total impact on all funds of about \$1.2 million across the state for all employees, and it would be distributed at the discretion of the agency's head, to be distributed however he saw fit to those employees that would qualify. I think the issue that you need to address yourself to is first do you support merit pay. If you do, then do you wish to add to the total agencies, all agencies requests, the approximate dollar amount that Senator Koch has indicated to you.

PRESIDENT: Senator Ralph Kelly.

SENATOR KELLY: Mr. President, members. A question of Senator Warner. Senator Warner, the agencies contained in LB 531, can you state whether they have, or have not, in place rules and regulations regarding their distribution of merit pay.

SENATOR WARNER: I passed out a sheet the other day, if you still have a copy, that only shows how merit was distributed last year, those agencies that reported.

SENATOR KELLY: I guess my question....

SENATOR WARNER: I don't see any of them reporting on this sheet.

SENATOR KELLY: Let me phrase the question this way--are there printed rules and regulations by these agencies of the criteria that they use to distribute merit pay?

SENATOR WARNER: Not that I'm aware of, Senator Kelly. If there are, they're not generally distributed. To my knowledge all merit pay is up to the discretion of the agency head, and there are no personnel guidelines that I'm aware of.

SENATOR KELLY: Thank you very much. A question of Senator Koch. Senator Koch, is the thrust of your amendment to increase the personal service monies in the budget by that one half percent?

SENATOR KOCH: That is correct, Senator Kelly.