

SENATOR KOCH: Would you read the amendment, please Mr. Clerk.

CLERK: Read amendment.

SENATOR KOCH: Thank you Mr. Clerk. This amendment was offered, as he indicated, a week ago. A year ago at this time this body indicated, by their vote of confidence, that there should be consideration of merit for the state employees of this state. I find it difficult to believe that in one year that we would be willing to go away from a principle that we had endorsed previously, particularly when we believe we should reward those who work for the State of Nebraska for outstanding and meritorious efforts on the part of the state in terms of their employment. This amendment, as offered to you and with the advice that Senator Warner has given to me, if we were to add a half percent to cover the employees of this state for personal services, based upon merit, it would mean approximately \$1.2 million. I know that to some of you this may appear to be a rather large sum of money, and it is. But if we are to make employment in the State of Nebraska meaningful, and hopefully to retain a greater percentage of those who work for us, in the long run it may be an economical reason to adopt the amendment. We're saying to those people if you stay around and you show and demonstrate that you are efficient and loyal, and do exemplify the highest standards of workmanship, whatever it may be, that we will consider you for a merit employee. This is the reason that I offer this amendment. I personally believe in merit. I think this body determined that last session under LB 671. When we discussed the amendment the last time there were those who thought that possibly there were no directions under which it would be given. But 671, as we enacted last session, is still in force, and the rules and regulations established then are still effective, I have been so informed by Mr. Hopner of the Governor's office. Therefore, that should alleviate some feelings that you had in regard to how it would be administered. The rules and regulations for administering the merit pay are still in force, and would still apply to this amendment. I ask for your serious consideration of the amendment.

PRESIDENT: Senator Warner.

SENATOR WARNER: Mr. President, briefly I would rise to oppose the amendment. The basis of what Senator Koch indicated was the estimated impact of an additional half percent on the salary scale for all the state employees is about \$1.2 million. Each one percent is 2.4. I think, in view of the revenue picture that regardless of merit pay, that the amendment should not be adopted.

PRESIDENT: Senator Shirley Marsh. Senator Murphy.

SENATOR MURPHY: Senator Koch, I share the incentive compensation thought. But I very truly am in hopes that this flood gate hasn't broken on this bit of budget. I would be happy to endorse..support your amendment if you would alter it to read that out of the three percent that has been accepted by the Appropriations Committee, that half of one percent be allowed as an incentive pay program, rather than to increase that budget, as your amendment would do in its present form.