SENATOR V. JOHNSON: Okay, so I guess that what you are really saying then is that as sort of an operating principle the state recognizes that it contributes to the Social Security fund and so, too, does the employee and the county does the same thing and we look at the Social Security payment as sort of the first line retirement but then our state and county program will be an add-on and we are trying to see to it that when the person does retire he can be assured an income between 60% to 80% of his last paycheck. Is that right?

SENATOR FOWLER: Right.

SENATOR V. JOHNSON: All right, even though the two programs are not totally integrated you at least take that into consideration. Now the kind of changes that we are talking about here, I looked in the bill book and I couldn't get a good sense as to what the probable cost would be to the state and to the county governments. Do you have sense for it now, Senator Fowler?

SENATOR FOWLER: Okay, the cost, the impact of the counties that participate and there are about twenty-seven counties, it is estimated that the cost would be about $409,000. The cost for the change in the judges is about $270,000 to $320,000 in general funds. The change for the state retirement is $300,000 to $450,000 total funds is the estimated range and that would be about $160,000 to $238,000 in general funds because federal funds and cash funds are part of that.

SENATOR V. JOHNSON: So maybe about $800,000 all together if...

SENATOR FOWLER: Shared between the counties and the state for all of these employees.

SENATOR V. JOHNSON: Sure. Now in the fiscal note there is some reference to unfunded liability. Do we have a pretty good chunk of unfunded liability right now, Senator Fowler?

SENATOR FOWLER: I could not give the exact percentage but one of the principles of the retirement system is that any change should be paid within, say, twenty-five years. That is, if we adopt a change in a benefit that will take place in the future you can break that into segments and pay that off over twenty-five years and the actuary calculates the annual payments so that, in fact, that is done. So, I think for all systems we are on schedule or ahead of schedule of paying off the unfunded liability. It is not bad to have an unfunded liability if you are working to pay it off in the proper installments. The concern happens is that if you