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LB 488A

SENATOR GOODRICH: Literally what I am doing is letting the constitutional officers discuss this among themselves and get some kind of a consensus of opinion among themselves as to what they can settle for or work with because you remember if we don't do this it will be four years down the road before we can do it again and I just let them discuss it among themselves, taking the economy of the state into consideration, that sort of thing. They decided okay, we will go back to the 5% figure like the employees were going to get and that sort of thing and they decided okay, we would settle for that.

SENATOR KAHLE: Well my problem I guess is that we are evidently going to build in a 5% increase for the next four years. Is that correct?

SENATOR GOODRICH: Well it is except that it is compounding and you know you don't give 20% the first year. You give 5% the first year and the 5% the second year so literally you are only giving them a 2.5% per year because you are only going to give them half of the 5% per year because it is not effective for the full four years. In other words, the whole amount isn't effective so literally the net effect is that we are giving them a 2.5% increase each in their salaries over a four year period.

SENATOR KAHLE: When would this start then?

SENATOR GOODRICH: With the incoming...after the next election, in other words.

SENATOR KAHLE: Well your mathematics is different than mine. If you add 5% one year and then the next year you add 5% you are adding on to the 5% you added the year before and if you do that for four years straight why you've got considerable more than a 20% increase. Is that right?

SENATOR GOODRICH: That is true except that over a period of four years you are giving them 20%. Right? But you are only going to give them half of it for the four year period.

SENATOR KAHLE: I assume you are taking in the last four years with that also.

SENATOR GOODRICH: The straight four year period, your 5% per year but you are only giving them 5% the first year, 5% the second year, 5% the third year so literally it is like giving them 10% over four years. Now you divide that by four and you've got 2.5%.

SENATOR KAHLE: Well the thing that I am bothered with, we