

cost and you are going to have an \$11 million reserve, yes, you can probably go on for two more years without any increased fiscal impact to either the state or the contributors. But to say it doesn't have a fiscal impact I think is not a very accurate statement, and I think you all ought to know what is happening with this bill. It could be that the fiscal impact could hit us a lot quicker than two years if, for some reason, the investment portfolio would go down or for whatever reasons the amount of the reserve would be reduced, and it may be that the fiscal impact won't hit us for a longer period than a year or two or three if the investments go the other way, if you are able to keep the reserve going up, and all kinds of things Senator Haberman knows even much better than I as to what can affect your reserve and your contribution. But the facts still remain that what we have done with this bill in its present form, while that probably the most visible part of this bill was the 25 year service requirement that was taken out of the bill on Select File, that was the most visible part. But, nonetheless, there are three other changes right now that are going to increase the cost of the program to be shared by the state and the contributors of \$5.3 million a year, and I think it is important that we know that this part of the bill is still intact.

PRESIDENT: Thank you. Senator Nelson, please.

SENATOR NELSON: Yes, and to carry that a little bit further, in the fiscal note that was changed through the adoption of the previous amendments, however, new members are currently entering the plan with an average cost to the plan of 17.8 percent as covered payroll. With the current contribution rate of 16 percent, the provisions above will result in new members entering the plan with an average cost to the plan of 19.4 percent. Eventually, as the surplus is used up, and as Senator Hannibal said, the state will be required to provide the supplemental General Fund appropriation, and that is the fiscal note on LB 953. So I think we have some 400 members and, if it is \$5.3 million, do your math. I call this quite a boost, and as I mentioned before, some of these, and as I have passed out, are five and six thousand dollars annually increase in retirement, and so naturally that has to come from someplace, plus the 50 to 75 percent for the survivor. And that just doesn't come in out of the sky. So I believe that the fiscal note does have to be considered. It may not right at this year, but certainly something that we are adding right down the line.