

recognize who's money this is, who's retirement it is, who's put the money into the system. And if you look at the history of the separation between the Omaha system and the state system, each system has come into this Legislature and has had the ability to get approval for factor increases when they've been able to substantiate the ability to fund it. In 1984, the state system came in and got a factor increase, from 1.50 to 1.65. It took Omaha another 4 or 5 years, took them 5 years, 1989, before Omaha came in and raised...got raised up from 1.5 to 1.65. It only makes good sense that we allow these systems to advance their factors when they have the ability to do it. The Omaha system, the teachers in the Omaha system did not have the advantage of the increase in the factor for five years, because their retirement system could not afford it. Their retirement system now, in 1992, can afford a factor increase. The state system may or may not be able to afford it. And it is up to them, when they can afford it, when they're actuaries tell them they can afford it, to come to the Legislature and ask for the factor increase. It would be irresponsible for us to not increase the factor when they've put the money in there for this very purpose, as it would be irresponsible for us to raise the factor if the money wasn't there. But there's no question, there's no debate, there's no argument about the ability for this factor to be raised and for the money to be there. And so to try and now link these two systems together, when the history has been that they're not...they've not been linked, there is a 5...you need to listen to the fact that there was a 5 year difference in the 2 systems, 1984 to 1989, and it was a disadvantage to OPS. The state factor was higher than the OPS factor. But when the OPS retirement system had the money in it, they came in, 1989, they got the raise. They're able to come in now because of some good times, economically, in their retirement system, some wise, some prudent judgment of their investments, and they're able to get a factor increase. To punish them now because the state system isn't getting that, at this point in time would be just as ridiculous as it would have been to punish the state system for five years because OPS couldn't have afforded it in the eighties. So, I...I encourage you to not accept the committee amendments. This money belongs to the retired teachers, they've put their money into it and they're entitled to the factor increase when the actuarial facts bear it out. Thank you.

SPEAKER BAACK: Thank you, Senator Horgan. Senator Nelson, you're next.