

SENATOR NELSON: Yes, Mr. Speaker. I have to take a little exception with Senator Pirsch that the systems are not the same. Actually, when you get...well there are a lot of points in one system that is the same in the other. For example, Omaha, the current members rate is set in statute, and that's at 5.8 percent, and the state's is on a variable. And I think their...their contribution rate is, I believe, 6.5, yes, 6.52, and it's matched 101 percent by the employer. I fully agree that the money is there with Omaha, an actuarial study done. But again it does fly in the face of our Nebraska Retirement Systems as adopted, the general principles, and that is to evaluate the changes in this proposal, I will have to tell you, is in conflict. That simply is the increase from 1.65 to 1.70. So, I...I have to say it's up to the body, really, to make that decision. I got to agree with Senator Wesely, once you grant it, you grant it with...to all. The Omaha system and the...with the...there are some COLA increases, and they would not grant those. We'll talk about that in the bill a little bit later, a 3 percent increase. Their system is sound. And they...they have different, I'm not saying anything against the state investment people, but there are some differences and there are different comparisons, comparison of the rates of the two show that there's the Omaha system and the state system. Actuarial assumptions on salary increases, retirement rates and withdrawal rates, the state system assumes a higher salary increase per year than Omaha, a higher retirement rate at age 60, and a much lower withdrawal rate. So there are...there are differences in the system. The...the state...Omaha does not pay on part-time employees, the state does on 15 or more hours per week. The unfunded liabilities on the state now is, I think, \$32 million and anytime, remember, we went to early retirement a few years back. And whenever you do something that is not actuarially set up to do it, you're going to create an unfunded liability. The state's share in the unfunded liability of the contribution needed is \$4,900,000...932,000, as I said. So, I think it's up to the body to make up their mind if they want to make this move for the Omaha system. It's a difficult one. I did tell the Omaha system I would explain it as carefully as I could, explain it that they are actuarially sound. The body has to make up their mind whether or not they want to take that risk of, I guess my favorite saying, once you start it, there's no stopping. But the Omaha system has not moved as rapid as the state, and they are fiscally sound and the employees have paid into it, and that money is there, and the actuarially it will