

that time was referred to the Appropriations Committee for public hearing. The bill was advanced to General File. I have no amendments to the bill pending at this time, Mr. President.

SPEAKER WITHEM: Chair would recognize Senator Wehrbein to open on the bill.

SENATOR WEHRBEIN: Yes, Mr. Speaker, members of the Legislature. This is a request for a deficit appropriation, in this case \$434,103. I'll explain just a little bit about what this is. We have, in use of federal funds within our...using federal funds for employment, in this case, of state workers, state employees over the years, using federal grants, we have had to use...have match money for the Retirement Fund, and this is connected with the Retirement Fund. Per an audit here, done recently, the employers share of retirement contributions, which included federal funds, were returned to the State General Fund, in the past, for employees who terminated their employment prior to becoming vested, in our case it's five years, in the system. Since the State Accounting System cannot identify the federal portion of the forfeitures, this office has used an estimated federal financial participation rate of 20 percent, that results in the federal refund of \$434,103 due for forfeitures occurring in the fiscal years 1990 through 1992. To further explain that perhaps in a little clearer language, what it's simply saying that based on the account that employers..the employees have had paid into them by the state, and in this case using federal funds, because they left prior to being vested, which is five years, that money is not eligible to be taken with them as employees, and so it heretofore has been returned to the General Fund. The federal government is saying, at this point, per the audit, that now...that they want their share of that money returned that was used to match this vestiture that the employees had. And so they are asking for this amount back, based on a payroll of just over \$2 million, \$2,170,513. So the \$434,103 represents a 20 percent of that amount that they are asking to be returned. This has been negotiated for several months. Actually the federal dollars, we feel, could be as high as 25 to 30 percent of the payroll rather than just the 20 percent. So, after much negotiation and thought we concede that this money is due the federal government. They are entitled to the return of this money. And as it has been in the past going into our General Fund, this...now they are demanding that this be returned to them as part of the federal money that originally went into this employee payroll. So I'm asking for a