

of LB 130 in looking at it, indicates something like that adjustment for all school employees outside of Omaha is something over \$7 million if I look at it right which will mean a 3 million, well \$3.6 million increase by the local school districts to pay for that. There is a consequence. Everybody says this will all be paid for but the consequence is somebody ends up having to pay. If you raise benefits the money doesn't come from heaven, it comes from taxpayers or somebody out there has got to come up with the money and we talk about the schools and the need for assistance and I'm just using as an example, 130 is a \$3.6 million increase on terms of the school board's contribution which I think would lead to the conclusion that some portion of property taxes will have to be either raised or diverted over to pay for that. So everything has a tie-in. The Omaha schools tie in with the rest of the schools, the school system in general ties into the other retirement systems and is something I think valuable to discuss whether or not this is the best approach to providing adequate retirement benefits. I did want to note that Senator Wickersham talked about the effort to try and have 75 percent as the minimum base on which to target retirement benefits. I was looking at some materials and the old figure we used to use was 60 to 80 percent and that figure I guess has been refined now down to 75 percent and I acknowledge that it was a rough figure. That was a point I was trying to make. Retirement you have some general ideas, general principles, general approaches, but you do have some flexibility. It is not an exact science. You have to determine what you feel is appropriate or not appropriate, so the fact that a consultant has told us that 75 percent is the target, in the old days 75 percent would be at the high end of the replacement salary that we would be targeting. Sixty percent would have been the base that we would have used in terms of the minimum that we would have been working with. So there are things that evolve over time and we aren't exactly locked in on the issue. We have to recognize that we have some choices here that we have to determine what is a best policy and again, raising the 1.8 for Omaha looks like clearly already we're seeing the other teachers coming forth with their proposal of 1.8 and there will be a price to be paid for that. There will be an increased cost and there will be increased expenditures and that may or may not result in increased taxes being spent on this and something for you to think about as you determine whether or not it's what you want to do and the policy you want to adopt. Thank you.