

was printed, I believe it was printed separately from the Journal. I hope you have all had an opportunity to examine it. As I indicated very briefly what the amendment does is provide for a COLA in the three defined benefit systems. The three defined benefit systems are the judges' plan, the State Patrol plan, and the school employees retirement plan. It provides for exactly the same COLA in all three systems. It is a COLA that kicks in five years after the date a person retires and thereafter provides a retirement, an additional enhanced retirement benefit at the rate of .03 percent...three tenths of one percent. I will get my decimal place in the right place eventually. Three tenths of one percent thereafter. As I've indicated, it applies to all three plans and as you will see by the handout that we have provided to you, it does that out of about \$6.9 million that is currently used to fund HELP. So it does not call for an additional commitment of state dollars. Now for those of you who are from Omaha and might be concerned about the impact on the Omaha School Systems, we would continue to make a contribution to the Omaha School Systems Retirement Fund equivalent to the amount of the HELP money that they would have received. I might note that the bill has the emergency clause. That is due to a coordination effort that is necessary in this year to both phase out the old COLA that is present in their school retirement system, which is an ad hoc COLA, and incidentally would be provided on a one-time, more than likely one-time basis, but there is provision for a continuing declaration of ad hoc COLAs if funds were available. However, that ad hoc COLA that was a result of legislation in 1993 would likely be declared in September 1 of this year. After that the LB 700 COLA will apply. LB 700 also makes some other significant changes in the school retirement plan. It establishes a floor in the contribution rate for the system. At the present time the contribution rate for the employees fluctuates in accordance with an actuarial evaluation of the plan. The employers rate is established at 101 percent of the employee contributions, so it likewise fluctuates. Placing a floor into the plan is seen as a mechanism for leveling out the contributions, although it is not a guarantee that additional contributions would not be late...needed later in the system. But at least putting a floor in should assist school boards with budgeting and should in all provide for a much more stable fund. I think that the other major provision in the bill that, or the amendment that I would call to your attention, is the change in the formula annuity factor for the school employees from 1.73 to