

SENATOR BROMM: ..now or projected in the future?

SENATOR WICKERSHAM: Yes.

SENATOR BROMM: Could you just briefly tell me what that is.

SENATOR WICKERSHAM: Well, there are two impacts. One, the annuity factor is changed from 1.73 to 1.8, and the other potential impact...well, there's an impact also due to the way 1059 interacts with the HELP monies as opposed to retirement monies. HELP monies get counted against the schools as an accountable receipt even though they never receive it. Retirement benefits are not counted, retirement...state retiremer<sup>t</sup> contributions are not an accountable receipt so that changes for them. The other change that is applicable is the placing of a floor into the contribution rate. Currently, the contribution rate fluctuates annually. It's determined by the actuary. That would continue, but what we're doing is establishing a floor so that we will tend to even out the contribution rate over time, not that the rate that we're stating as a floor is the fixed rate but it should tend to even the rate out. There have been fluctuations.

SENATOR BROMM: Okay, in terms of dollars, and I...this is probably asking you something that's an unfair question, but dollars on a local salary base for a school, we're talking about if you've got a salary base of a million dollars, our contribution rate now is 1.73, it will go to 1.8 on that million dollars after LB 700 or...is that what you're telling me?

SENATOR WICKERSHAM: The net impact on school districts of the increase in the annuity factor, and I'm...I say a net impact because they currently have employer and employee contributions...

SENATOR BROMM: Right.

SENATOR WICKERSHAM: ..to an ad hoc COLA that will cease, the net impact may be about a...

SPEAKER WITHEM: One minute.

SENATOR WICKERSHAM: Excuse me. May be about a million and a half dollars, although that varies considerably from school