

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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LB 155

may.

SENATOR CUDABACK: Senator Bromm, would you respond?

SENATOR BROMM: Certainly.

SENATOR WEHRBEIN: I understand your amendment, Senator Bromm, but I wasn't clear on are you suggesting that we maybe can't afford to do this, or we ought to reduce the collection of the retirement to compensate for the fund, or did you have a suggestion?

SENATOR BROMM: Well, my rationale, Senator Wehrbein, was that looking at the history of the multiplier and what happens when Omaha gets an increase, the state tries to follow and uses that as a reason to do it. And then Omaha has historically been higher than the rest of them, so then Omaha generally comes back to leapfrog over the state. And at some point you've got to say, what is an adequate, good retirement? And...and so I was questioning that and anticipating that we're going to be asked to do this on the other side of this equation, next year.

SENATOR WEHRBEIN: Okay. Well, thank you. I...we've asked those same questions. And I was going to say I...it's my understanding that the 2 is a goal. And I agree, one of my skepticisms about this issue, initially, was, and I spent quite a bit of time on it a few months ago when I first got this, was the fact would there be enough assets to do it, and with the fact that we always see a ripple effect, and it happens through all our retirement funds. And so it's nearly a foregone conclusion that next year the rest of the state will be in to do this. I've been assured by...that the board will not do that until they are absolutely sure they can afford to go to that level. And I've also had some assurance that there will not be a request above the 2 factor in the foreseeable future. Now knowing everything has changed and it's one of the things about, I think, institutional memory, which we may or may not have, as to how high this may eventually go. But I will tell you that it's my personal decision that I wouldn't go above the 2 in the foreseeable future, if it was in my sense, because once we...we've had that as a goal, as part of the Buck Study, I think it's fair, and that probably is the place that we ought to