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FLOOR DEBATE

May 6, 2003

LB 320

SPEAKER BROMM: Senator Brashear, you're recognized to open on AM1720.

SENATOR BRASHEAR: Thank you, Mr. Speaker, members of the body. I want to acknowledge immediately that, yes, Senator Stuhr and I and Senator Wehrbein and many others...and I'm appreciative...have worked hard in trying to fashion this. And I hope that it will be acceptable to a majority of you. The amendment is similar to the Retirement Committee amendment, but it increases the court fee proposed by the Retirement Committee amendment. It also increases the member contributions, those in the judiciary, effective 2003, and it provides for benefit enhancements to the judges retirement plan. Permit me a brief overview, if you will, of the plan. Judges are presently contributing 6 percent of their salary toward their retirement, but after 20 years they no longer contribute. They may retire at age 65 and receive normal retirement benefits. Unlike every other state employee retirement plan, the state as an employer does not make a regular matching contribution. Senator Stuhr pointed this out. In 1995 (sic--1955)...that's nearly 50 years ago...the Legislature instituted a \$1 filing...\$1 of the filing fee was earmarked to serve as the employer contribution, and it has remained there until today. In past years, when the judges retirement fund has faced a shortfall, the Legislature has acted by appropriating General Funds. The last time we did that was in 1996, for \$121,000. In the six years since, there's been no General Fund appropriation. And although the state did not contribute during this time, the fund was not adversely affected, because the fund's financial investments achieved positive returns. However, because returns on the fund's investments have diminished the last two years, there's presently a deficit in the fund. In December of 2002, the actuarial report by Buck Consultants indicated that the deficiency was \$726,000. Recently, the Retirement Systems Board has projected the deficit to be \$1.5 million. The amendment before you increases the fee to the judges retirement plan from \$1 to \$5. The increase to the court fee will generate \$1.6 million from filing fees to address the deficit that is in the fund, and which would be required to be made up from General Fund appropriations if it were not made up by earmarking the filing fee. The increase will also ensure the future integrity