

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
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FLOOR DEBATE

February 25, 2005 LB 503

CLERK: Mr. President, Senator Bourne would move to amend with AM0598. (Legislative Journal pages 617-621.)

SENATOR CUDABACK: Senator Bourne, to open on AM0598.

SENATOR BOURNE: Thank you, Mr. President, members. This is...it's actually a simple amendment, but I won't say it's without controversy. As many of you know, a lot of our retirement funds are underfunded, and it's not anyone's fault necessarily. It's simply a result of downturn markets. The Teachers' Retirement Fund is down, I believe, about \$15 million due to, again, poor market performance over the last few years. And this bill would allow...well, in the underlying bill, as you know, the contributions are increased by the teachers, so the amount the teachers have to pay in is increased, and the amount that the employer or the school district pays in is also increased. This would simply...this amendment would simply for two years give school districts and ESUs additional levy authority and additional budget authority to respond for the short...to the shortfall in the teachers' retirement plan. So again, it's about \$15 million. We had a hearing in the Retirement Committee, of course. The school districts came in and the school board association came in and expressed the difficulty that they would have in meeting this obligation. They asked for, oh, a delay in implementing the additional contributions, and I believe that's in this bill. But then I also...we talked about it in committee, and I will...I assure you the committee did not adopt this, we discussed it and it seemed to meet with some favor in the committee, so I decided to bring the amendment to you for your discretion. And again, simply what it does is it gives school districts additional levy authority, additional budget authority for two years to respond to this budget shortfall, and it simply says that property tax levies by school districts and ESUs, for any increase in retirement costs over the retirement costs budgeted and spent for the prior fiscal year. So it's to help school districts respond to this budget shortfall. If you have any questions, I'd be happy to ask (sic) them. Again, it's not very complicated, but I won't say it's without perhaps some tension. I submit this for your consideration and urge your...its adoption. Thank you.