TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office FLOOR DEBATE

February 25, 2005 LB 503

negative returns in their retirement investments. I think our negative returns are the least negative returns of any other state. So it was simply a function of the market downturn.

SENATOR LOUDEN: Well, now, there's other retirement funds that the state of Nebraska looks after, I guess, for better...choice of a better word. Does the state have to cover the shortfall on all of those other retirement funds?

SENATOR BOURNE: Well, that was...yes, that was the discussion that Senator Synowiecki and I had. We, a year ago, we tried to compel the judges to increase their contributions to the fund to make up the shortfall, and they sued us and won. And so, as a result, we are, through the state budget, funding their retirement shortfall.

SENATOR CUDABACK: One minute.

SENATOR LOUDEN: True, because something was done. If nothing was done, though, would the judges been able to sue anybody? I mean if it's a shortfall there, do they just have some of the benefits reduced?

SENATOR BOURNE: No, it's a state obligation.

SENATOR LOUDEN: Okay. Thank you, Senator Bourne.

SENATOR BOURNE: If we hadn't made the fund whole, they probably would have sued us over that as well.

SENATOR LOUDEN: Thank you, Senator Bourne. I'm going to listen to the discussion farther, but I always have some disturbing questions when we start raising a tax levy and start raising a lid and that sort of thing, when we're worked to try to keep that under control. So at the present time, I don't know as I can support this amendment. Thank you.

SENATOR CUDABACK: Thank you, Senator Louden. Senator Raikes, on the Bourne amendment to LB 503.

SENATOR RAIKES: Thank you, Mr. President and members. It's