

**(Neb.)- Neb. Gov. Heineman Vetoes Teacher Retirement Bill**

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LINCOLN, Neb. (AP) - Nebraska Gov. Dave Heineman has vetoed a teacher retirement bill, arguing that a proposed increase in the state's contribution is unsustainable.

Heineman said Monday that he supports a short-term fix within the bill, but called on lawmakers to conduct a study of Nebraska's public-employee retirement system.

The bill seeks to address projected shortfalls in the retirement plans for public school employees. The employee contribution would remain the same at nearly 10 percent, while the state's contribution would grow from 1 percent to 2 percent.

Heineman says the increase would cost the state an additional \$20 million annually.

Sen. Jeremy Nordquist says he will move to override. He says the bill was a compromise, and teacher and school-district contributions have increased 28 percent in recent years.