

January 13, 1976

know who the prestigious ones are, let alone the nonprestigious ones.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: If I may, as Senator Maresh said, he was not there and the rather prestigious organizations that he makes reference to, I think that the young man was referring to United Way Organizations, Chambers of Commerce, Red Cross, this sort of thing, but the Department of Labor pointed out in their testimony that we have many small organizations who in these past years during good times posed no problem but in the last couple of years a lot of them have gotten into financial troubles and have discontinued and then their people are free to draw this unemployment where there was no payment made. They referred to specific sums that had been lost in the last two years by numerous small organizations that probably most of us are not familiar with and they simply ask that this be corrected stating that their problem was not with the larger organizations but many of the smaller ones. And the occasion for it was the actual loss which they are unable to recover and which, therefore, becomes assessed against the rest of us who are currently paying unemployment. It comes out of the general fund and they have no recourse for these non-profit organizations and this was the general thrust of the bill.

PRESIDENT: Senator Luedtke, do you have another question?

SENATOR LUEDTKE: Yes, I will just follow questioning Senator Murphy, then, if he was present. Then you are telling us that these prestigious ones who do their duty who have no trouble, they are going to have to pay for the bond, too.

SENATOR MURPHY: They would have the occasion for a bond, yes, sir.

SENATOR LUEDTKE: So when we contribute to those organizations now, out of that is going to have to come payment for a bond to take care of these other people that have not, as yet, been identified to this Legislature.

SENATOR MURPHY: I think, Senator Luedtke, and I think you will agree that for this body, or for that matter, for the Department of Labor to go through and sort through the nonprofit organizations who say, yes, he has to, no, he doesn't, yes, he does, no, he doesn't, would be quite impossible and it is not all that big a burden on the individual organization. However, the total sum lost to the state and paid out of funds that you and I are going to have to pay had gotten to be substantial and this was the occasion for the bill.

SENATOR LUEDTKE: Do you know what these bonds will cost something like the United Way, which is not having any trouble but which has the most employees? What will the bond cost them?