

SENATOR MARESH: Senator Stoney this formula is going to help small businesses. Last fall the Governor had a conference on small businesses and we heard more about those businesses that never lay off anybody, nobody ever quits their employment with them and still their rates go up and up and they kept telling us what could be done, so this will help the small businesses but it will be a bigger burden for the ones that have the high experience of unemployment such as contractors, the home builders and those. What this does now is it phases it in gradually. the first year we have no change, the second year will be a half percent and then the last year it will be the way the schedule is worked out. So it will raise more money from those that have the high unemployment experience.

SENATOR STONEY: Senator Maresh, perhaps you could address one of the questions that was posed to me by an individual that has a small electric firm in my particular district, has approximately thirty employees and it seemed to be the indication that his unemployment compensation participation would be increased from approximately 3.7% to 7.4% which is a doubling. Now from your understanding of this particular formula, is that correct?

SENATOR MARESH: Senator Stoney, I think that by cutting the unemployment benefits for those that quit voluntarily will save about four million dollars there. Another point that those that have the high unemployment should pay more. I think that they have been penalizing those that have no unemployment so we need to take a new look and adjust the figures. I think what they are doing, they are getting figures from the Department of Labor which I think is stretching the point a little bit. They say that they are going to raise that much but I don't think it is necessary. Probably if the unemployment in the state will go up then we will need to raise more money but with present conditions I think that they are over exaggerating the amount that will be increased. I don't think that they will raise any more than they need to. I think that they are projecting higher figures than are needed for the number of dollars that are needed.

SENATOR STONEY: Senator Maresh, I don't know whether some of these individuals.....difficulties with this particular portion of the bill and this formula are real or imaginary. But, they are concerned about it. It is also my understanding that this is a technical and a comprehensive change in