

SENATOR RUMERY: Senator, would you answer that please.

SENATOR GOODRICH: Mr. Speaker, is that okay? Okay, yes the 112% increase that is being referred to that is called for in the bill in other words, is the conservative figure from the Department of Labor. There are some estimates that even say that is higher. Now, the reason that that is considered to be a possibility of being higher is, let me explain what in effect will happen if you pass this bill in its present form. Every employer in the State of Nebraska will get a 112% increase in the contributions that they make now. For example one firm in Grand Island pays \$19,000 in now his will be very close to \$40,000. Every single employer regardless of what his rate is, regardless of what his turnover rate is gets 112% increase. Let me add one more thing on top of that. That is the fact that there is on page 12, I believe it is, or anyhow they call for on page 18 rather line 12 of the committee amendment form of the bill it says in essence that they are going to get a 3% of the base as a reserve after all claims have been paid. Right now there is a balance in the fund of about 77 million dollars. It started out at the beginning of 1980 they started out with about 79 million. At the end of 80 they had about 77 million they dropped a couple of million dollars. Okay, they are going to pick that up. They anticipate an increase in 81 over and above what they lost in 80. So what they want to do is continue this 112% increase on every single employer in the State of Nebraska until such time as a reserve fund is 90 million dollars over and above the claims that are filed during the course of the year. So they are going to wind up pulling anywhere from 60 to 90 million dollars out of the economy of the State of Nebraska just as a reserve fund over there. Now what that does. . . .

SPEAKER MARVEL: You have one minute.

SENATOR GOODRICH: What that does, is effect the amount of the type of claims they just honor everything and anything that comes down the tube whether it is legitimate or not legitimate, they can really give them an incentive, they have all of the money they need, give it, give all the claims that you want to give but you can't run out of money any more they have got it arranged so they will get a 90 million dollar fund because it is 3% of the base. The base in Nebraska is three and a quarter billion dollars. Three percent of that is a little over 90 million dollars and that is what they want as a reserve fund over and above the claims.