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LB 394

SENATOR RUMERY: One question senator, who are "they" that you refer to?

SENATOR GOODRICH: The Department of Labor.

SENATOR RUMERY: Thank you very much.

SPEAKER MARVEL: Senator Hefner.

SENATOR HEFNER: Mr. President, colleagues, I support the Maresh amendment and I think that I should perhaps correct some of the statements that were made. I do not feel that at this time it would be feasible, say if this bill passes, or this amendment passes that the rates would go up 112%. I don't know why we would have to have a 90 million dollar reserve in this fund. I believe that that is wrong information and I would certainly fight that all the way. But my question here on this amendment is why should other employers pay for the employers who have a negative balance. I think it is their responsibility and therefore I think this amendment is a good amendment. It doesn't take effect right away. It is phased in over a three year period. I have been talking to quite a few contractors about this and they feel that they should pay more. At the present time their maximum, if they have a negative account is 3.7%. The other employers that have a reserve ratio can pay up to a maximum of up to 2.7%. So I think it is only fair and just that those employers that have a negative balance pay more. I would like to cite you some examples. I was talking to a contractor just a short time ago and he was telling me I just lay off all of my employees when it comes November 1st. He said I lay them off for six months. He says I realize that I have got to pay this 3.7% but that is a cheap way out of it for me. But, do you know what? These other employers are picking up part of that tab. Other employers that do have a reserve in this unemployment compensation fund. Let me cite you another instance, this negative balance employers consist of other employers besides contractors. Take for instance dehy alfalfa plants and I'm associated with one, but our management sees to it that they hire people that either go to highschool or college and use them during the season or also, those that are drawing Social Security. For instance if you draw Social Security then you can not draw unemployment compensation. So I think if we get this rate a little higher for employers with negative balances then they will find ways that they can keep their employees on during the winter months. Therefore I would certainly urge you to support the Maresh amendment.

SPEAKER MARVEL: Senator Higgins and then Senator Stoney.