

large a reserve. There is an annual hearing held on this and I can't see how the department would be able to live with it, to have \$20 million in reserve that isn't necessary. So for some reason they don't agree with the bill and at the hearing even though they were supposed to be just witnesses to give us information purposes, they definitely went on record as being against the bill.

SENATOR STONEY: I see. Senator Maresh, it is my understanding, you can correct me if I am wrong, that the present fund approximates \$70 million here in the state.

SENATOR MARESH: That is correct.

SENATOR STONEY: I have a little difficulty in justifying, if these are sufficient dollars, and I would assume that they are, to meet the needs that we have here in the state, that again we would go to a solvency rate formula which incorporates a multiplier which we know is very comprehensive, very complex in changing a formula when we have one that presently works. Senator Warner has said before, if something is working, why should we change it and I think that is pretty good philosophy.

SENATOR MARESH: But don't you, Senator Stoney, have a lot of complaints from the average employer that has no unemployment experience and their rates go up and they have to keep paying in? Don't you get a response from them that they want the system changed?

SENATOR STONEY: I have (interruption).

SENATOR MARESH: That is what I hear all the time. At the Governor's conference last fall, unemployment compensation was one of the biggest issues. They felt that we are penalizing business that has no experience in unemployment so that is why we came up with this formula.

SENATOR STONEY: Thank you, Senator Maresh. I would just again state, and I think this is critical and we ought to pay very careful consideration to it, and that is that we make the change here in the State of Nebraska. Now Senator Maresh has said that the Department of Labor is opposed to this particular concept. They feel that the present formula is functioning and they have a surplus of \$70 million which would be indicative that there are sufficient funds to fund what we need in the way of unemployment. I am wondering if it would be possible for us to perhaps delete this section and use it as a vehicle for a study during the interim to see whether or not this compre-