

April 24, 1981

LB 394

Goodrich is talking about, the fund at the present time has no ceiling on it, no limit. Senator Goodrich is attempting to lower the ceiling that 394 is attempting to put in. Now I don't believe that the unemployment funds should be unlimited. I agree with Senator Goodrich in that regard. I think there should be a limit to the number of dollars that the fund has in it that is actually being taken from the employers of the State of Nebraska. But I would point out to this body that there are a number of states, 16 states I think, that are in a bankrupt situation right now with their unemployment compensation. One of the things that the Department of Labor has to do is to attempt to guess as to what the economy is going to do in advance and adjust the fund accordingly. That is the way they have operated in the past, try to keep enough in the fund to be sure and cover the draw down on it for the next year. Now what we attempted to do with 394 was to say that 3 percent is plenty. We don't need to have any more than that. Let's put a ceiling in. Again, I remind you there is no ceiling right now, none whatsoever. It could be 500 million right now, if the Department chose to do it. Obviously they haven't. Senator Goodrich is attempting to lower this ceiling down to 1 percent and I think part of the reason being that several people have got the impression that the ceiling is actually a floor, that they are going to throw \$90 million in there. Now that is certainly not the intention of the 3 percent ceiling that we have got in 394. If anybody interprets in the Department or on this floor or anywhere else that the ceiling is, in fact, a floor, then I think the record needs to be made clear that it is a ceiling, no more than. It doesn't say that you have to have this much. It says no more than 3 percent. Now I would support Senator Goodrich's lowering that ceiling except for one thing. I am afraid that if we hold the ceiling down too low by statute, that if the economy, God forbid, should turn real bad, then we might get in a situation like some of these other 16 states, and I certainly don't want to do that either. I think we need to give the Department a little bit of discretion. And I suggest that the 3 percent is not that bad. On the other side, the 5 percent limit on the solvency fund....

SPEAKER MARVEL: You have 30 seconds.

SENATOR VICKERS: ....I oppose the 5 percent limit and I told Senator Goodrich that I would do this. I also told him that I would hope that we could wait since the solvency fund takes 3 years to take effect, we could wait by that point in time and see if we need a limit on that but under the concept that those that contribute more to the problem