

April 24, 1981

LB 394

SENATOR VICKERS: I was going to point that out that somebody can be laid off or quit or whatever from agriculture and not get a dime. Also the largest industry in the State of Nebraska is losing money considerably and I don't see this body getting too much up in arms about it. I would also mention that the solvency fund that Senator Stoney is attempting to remove from this bill has been amended by Senator Maresch so that it takes three years before it takes effect. Now Senator Higgins talked about the second largest industry, meaning the construction industry, and indicating that those people I guess had no way of passing their cost on. I will tell you one thing, the first largest industry in this state doesn't have any method of passing their costs on. But I will suggest to you that the second largest industry does. That is the reason we amended it so that it will take three years to take effect. We did it on purpose so that those that have a contract out there right now and don't have their additional costs built into it, their additional costs that might be incurred by the solvency rate, then we held it like it is right now so that by taking a three year period of time to get the solvency rate into effect it will give them an opportunity to bid with that in mind so that they could, in fact, pass their costs on. I don't see this putting any construction industry out of business, putting anybody in the construction industry out of work. Goodness sakes, if a couple 2 or 3 percent is going to do it, then I would assume that the interest rates going up like they have been is really going to disastrously put them out of business, which I admit has hurt them. But I don't think this 2 or 3 percent on just the first, what, \$6000 of each employment... employer is going to do it, particularly when we are putting it in effect so that they can pass their costs along. Okay, the reason for the solvency fund, again it is a situation where those that use the system pay for the system. In the Business and Labor Committee this year we had a number of bills... a number of bills that some of them were a lot more stronger than 394 is dealing with unemployment compensation backed by business and industry, and I can tell you honestly business and industry, the average businessman up and down the street is upset about unemployment compensation and the reason he is upset is because he has probably not laid anybody off for a long period of time and yet his rates keep going up. At the present time the way it works is that when the fund is depleted, the Department raises it on the bottom end from 10 to 10½ and up to 11 percent, raises it to that individual that hasn't laid anybody off, hasn't got anybody drawing on their fund. Now I ask you, is that fair? I don't think it is. Senator Stoney pointed out that not all the members of the business organization