

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 24, 2005 LB 739

you want to really focus and see what you think about how workers are treated. And that part of the bill is on page 26, and it's a part of the bill that has to do with an adjustment to the individual's weekly benefit amount and the amount that they would then get paid. And it sets out an alternative, and we talked about this a little bit on General File. It says: An individual's weekly benefit shall not exceed the lesser of one-half of the state weekly wage--that's not a problem. Then it says: or the previous year's maximum weekly benefit amount plus \$10. Now when you look at those two factors, I think what you have to ask yourself is, on average, how...on average, year in and year out, how much will the one factor, the state average weekly wage, go up? You know, what would be the rate that that would go up normally? And then ask yourself the other question on the other factor: What is \$10? Well, on the frozen rate that we'll start with, \$10 is 3.4 percent. Okay? So that 3.4 percent is the cap, year in and year out, under that factor. But do you know what the other factor, do you know what the state average weekly wage goes up at? Well, the Department of Labor doesn't know for sure but it's very directly related to state total wages, and state total wages go up by 5.1 percent every year, on average, over the last 20 years, since they've been keeping the records. So that means that under this formula, almost every time, the part of the formula that will be applied will be the previous year's maximum benefit plus \$10. The problem with \$10 is twofold. One, it's not a percentage, so that after the first year when you've added \$10, then if you add \$10 the second year, it's not really \$10 because it's been undermined by loss of purchasing power. Four years out, at standard rates of inflation, it's 10 percent less, and so forth. So it shouldn't be stated in dollar terms to begin with. It should be stated in percentage terms, and that percentage should be closer to 5.1 percent instead of the 3.4 percent that's represented by the relationship of \$10 to the present maximum cap. In effect, there is built into this bill a very real factor that takes down what the worker is going to get year by year by year. It will no longer be 50 percent of the average...

SENATOR CUDABACK: One minute.

SENATOR BEUTLER: ...of the average weekly benefit. It will