

January 4, 1990

LB 259, 259A, 505, 678A, 720A, 969-996  
LR 231

SENATOR CHAMBERS: I don't mind.

PRESIDENT: Thank you for being so cooperative. We'll take it up after lunch. Mr. Speaker.

SPEAKER BARRETT: Mr. President, I move that we recess until one-thirty.

PRESIDENT: You have heard the motion. All in favor say aye. Opposed nay. We are recessed until one-thirty. Senator Chambers, we'll take yours up...Senator Chambers, we'll take yours up right after...at one-thirty. Okay.

RECESS

PRESIDENT NICHOL PRESIDING

PRESIDENT: Members of the Legislature who are hiding out in their offices, appreciate it if you would come to the sanctuary so we can start the service. We already have three members here but we need a few more.

CLERK: I have a quorum present, Mr. President.

PRESIDENT: Senator Chambers will be here in a moment, and then we can begin on the...Mr. Clerk, do you want to read in new bills while we are waiting, please?

CLERK: Mr. President, yes, I do. Thank you, new bills. (Read for the first time by title: LB 969-996. See pages 150-57 of the Legislative Journal.)

Mr. President, I have a series of amendments to be printed, Senator Hefner to LR 231, Senator Wesely to LB 720A, LB 678A, Senator Withem to LB 259, LB 259A, and Senator Weihing to LB 505.

Mr. President, I will announce now that there will be a Reference Committee meeting at three o'clock in Room 2101, Reference Committee at three o'clock. 2102. That is all that I have, Mr. President.

PRESIDENT: Ladies and gentlemen, as you will recall, we are on

January 8, 1990

LB 409, 958-1013, 1031, 1032  
LR 235

SPEAKER BARRETT: Let's stand at ease until eleven-fifteen, Mr. President.

PRESIDENT: Okay, thank you.

EASE

CLERK: Three quick announcements. Reference will meet underneath the south balcony now. Referencing Committee, underneath the south balcony right now.

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: (Microphone not activated immediately.) ...return to the Legislative Chamber. The Legislature will reconvene and continue our discussion on the adoption of our permanent rules. Please return to the Legislative Chamber. Mr. Clerk, would you read in new bills, please.

CLERK: (Read LB 1031 and LB 1032 by title for the first time. See pages 198-99 of the Legislative Journal.)

Mr. President, in addition to those items, I have a new resolution. (Read brief summary of LR 235. See page 199 of the Journal.) That will be laid over.

I have amendments from Speaker Barrett to be printed to LE 409. Mr. President, I also have a Reference Report referring LBs 958-1013, as well as certain gubernatorial appointments received. That's all that I have, Mr. President. (See pages 199-201 of the Legislative Journal.)

SPEAKER BARRETT: Thank you, Mr. Clerk. Have you a motion, Mr. Clerk, to reconsider action taken last week?

CLERK: Mr. President, Senator Chambers would move to reconsider the vote on the Wesely amendment to the rules, which I believe the Legislature discussed on Thursday afternoon.

SPEAKER BARRETT: Thank you. The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, this motion is designed to reconsider the vote that was taken on

February 7, 1990

LB 313, 663A, 863, 901, 986, 991, 1004  
1032, 1050, 1117, 1178

SPEAKER BARRETT PRESIDING

SPEAKER BARRETT: Good morning, ladies and gentlemen, welcome to the George W. Norris Legislative Chamber. Our Chaplain of the day is Pastor William Yeager of Westminster Presbyterian Church here in Lincoln. Will you please rise for the prayer.

PASTOR YEAGER: (Prayer offered.)

SPEAKER BARRETT: Thank you very much, Reverend Yeager. We hope you can come back again. Roll call.

CLERK: I have a quorum present present, Mr. President.

SPEAKER BARRETT: Thank you. Any corrections to the Journal?

CLERK: No corrections, Mr. President.

SPEAKER BARRETT: Any messages, reports or announcements?

CLERK: Mr. President, Enrollment and Review reports LB 1050, LB 1004 and LB 863 to Select File, those signed by Senator Lindsay as Chair. (See pages 686-87 of the Legislative Journal.)

Government Committee reports LB 1032 to General File with amendments. That's signed by Senator Baack. Business and Labor reports LB 901 to General File, LB 1178 General File, LB 313 General File with amendments, LB 986 indefinitely postponed, LB 991 indefinitely postponed, LB 1117 indefinitely postponed, those signed by Senator Coordsen. (See pages 688-90 of the Legislative Journal.)

Mr. President, notice of hearing from the Revenue Committee. That is signed by Senator Hall and new A bill, Mr. President, LB 663A. It's a bill by Senator Scofield. (Read brief description. See page 690 of the Legislative Journal.)

Mr. President, I have received a request from the Nebraska State College System regarding approval required by the Legislature for a bond issue with respect to student housing at Kearney State College. That will be referred to Reference Committee.

Mr. President, finally, a report from the Department of Social Services filed pursuant to statute. That will be on file in my

CLERK: Mr. President, the first bill for discussion by the Legislature is LB 313. It was introduced by Senator McFarland on January 10 of last year. (Read title.) The bill was introduced, as I say, on January 10 last year, referred to Business and Labor, was advanced to General File. I do have committee amendments pending by the Business and Labor Committee. (See page 688 of the Legislative Journal.)

PRESIDENT: Senator Coordsen, please.

SENATOR COORDSEN: Thank you, Mr. President, and members of the body. I will address the committee amendments and I would ask if you would turn to LB 313 in your bill book if you are interested. LB 313, as originally introduced, contained an increase in workers' compensation weekly benefit from the current \$245 to \$290, which would have been effective this last fall. As many of you might remember, every time this issue and the concurrent unemployment increases come up, there is quite a large amount of difference between what those who are paying think is fair and those that are receiving think is fair. The committee amendment that we are addressing now contains two elements. One is a change in the weekly benefit from what is contained in 313 in that, bear in mind the current rate is 245, that on the effective date of this act, which would be in July of 1990, the weekly benefit rate would be raised to \$255, and on July 1, 1991, next year, the weekly rate would be raised another \$10 to \$265. Also included in the committee amendment is LB 986, which we heard in Business and Labor Committee. LB 986 is a bill that addresses a growing concern in the business community in that while the weekly compensation rates may be comparable to other states, across the United States the premium increases have been substantial to pay for the medical payment side in addition to the weekly benefit section. There were a number of people in the business community that felt that were they to be allowed a deductible on their workers' compensation insurance that the increases in premium might well be more bearable to them. So LB 986 with some further amendments that are contained within the committee amendment by the Workers' Compensation Court provides that for each workers' compensation policy that is issued in the State of Nebraska, they shall offer at the option of the employer a deductible in increments of \$500, beginning with a deductible of 500 and going to a deductible of 2,500. The committee was concerned that in doing this that there was no impact upon the coverage of employees,

there was no impact upon the coverage of the employees. So the wording is such that the insurer is liable for the full amount of medical coverage and that the deductible is an issue between the employer and his insurance carrier, that it does not impact what is due or incurred by an employee under workers' compensation plan. An insurance company is not required to offer this deductible if they find, upon investigation, that an employer might not be financially liable for that amount of deductible, that is that they wouldn't be able to come up with the 500, the 2,000, 2,500 dollars to pay their share of the medical cost of the employee. The person who is employed by a policyholder which chooses to exercise the option shall not be required to pay any of the deductible amount, and in no way shall the employee's coverage be impacted in any way by an employer's use of this deductible. So that, then, is the committee amendment. It provides for an increase in weekly compensation of \$10 this year, \$10 next year, and folds into 313 LB 986, which provides a deductible for employers to help them through the crisis of the drastically increased premiums. I would share with you that the business community and labor interests tended to their business and labored rather intensively over a period of some months to find a mutually agreeable ground that they could both support in 313. The business community wanted no increase. They felt with the increased medical costs, that those costs were all they could bear. The representative of labor wanted 313 as originally written with the \$290 maximum. This is a compromise proposal that was agreed upon by several people. No one gets what they want but it does allow coverage of a portion of the salary for those people who are unable to work because of work-related injuries. For a single worker, the committee amendments would provide that their weekly income would be about the same, their net take-home dollars would be about the same, for anyone single with no exemptions beyond that, that earn from a little less than 21,000, 20 thousand, 800 and some dollars back down the wage scale. Certainly, every employee would be affected differently depending upon his individual status. Sometimes mention is made of average weekly wage. The average weekly wage in Nebraska figures out to be about \$17,000, a little over that, per year on the most recently available information, which is something like \$327 a week, and when you deduct from that income tax, social security, the other deductions for a single employee, you will find that the committee amendments will almost replace what would be a normal take-home pay for those people. With that then, I would answer any questions. Thank

which was \$245 in 1988, continued through 1989 as well. No raise in those benefits occurred. Now the committee amendment comes out and says, well, it shouldn't be 290, as the World-Herald agreed would be reasonable. We are going to reduce it to 255 and 265. I think that is entirely inappropriate and just a real unfair situation with respect to what we would pay in workers' comp benefits or allow to be paid in workers' comp benefits to those employees who are injured on the job. I like the second part of the amendment. I commend Senator Coordsen and the committee for bringing the second part about the deductible. It was part of LB 986. I think that is an excellent idea. It is worthy of consideration and I plan to support that part of the amendment. What I, however, have proposed in this committee...amendment to the committee amendments is that, instead of just increasing it \$10 to 255 and 265 the following year, I propose to raise it to 275 and 285. That is not a significant increase. Take a look at the chart that I have passed around of the information on LB 313. It notes that we are 43rd out of the 50 states. Look at the bottom of it and it is a comparison of maximum weekly worker's comp benefits for our surrounding states: Iowa, \$660; Colorado, \$355, and now for 1990, it will be \$371; and 1990 for Iowa, \$684. They have raised their workers' comp benefits. Wyoming in 1989 was \$346 per week. I think in 1990 that has raised, we don't have the exact figures. South Dakota went from 281 to 289. Missouri went to 289.75. Kansas, the lowest one, is at \$271 already, what they are paying in maximum workers' comp benefits. What I am proposing is that we at least be near and competitive with Kansas, and not be so far behind our surrounding states. I think 275 for 1990, 285 for 1991 is completely fair and reasonable. As a matter of fact, I really think it should be quite more than that, but I realize the past history of this, so I am suggesting this amount as a reasonable change, at least at this time. And I think it is merited and warranted. The purpose of workers' comp, of course, is to provide an income for the injured employee, who may be injured on the job at no fault of his or her own, and to allow them a living wage at least until they are recovered from their injuries or rehabilitated so that they can get other employment. What happens often in those situations is that the family and the employee are devastated when an injury occurs on the job that may not be the fault of the employee at all. A young man and his family, if they are like most people in our state, they have house payments to meet, they have doctor bills to pay, they have car payments to meet. Usually you have a budget of some

an honest increase. I wish it were more. I think it should be more. And I don't think we buy off on any agreement. I think my suggestion, I mean that bill was held in committee for an entire year. I was told last year that one of the bills, either unemployment or workers' comp, was going to come out in 1989, and then the other bill would come out in 1990, so you alternated years. Neither bill came out of committee last year. When you are at an impasse like that in that particular committee and there are four votes against you, apparently, I think that compromise is a forced compromise. It is a compromise of coercion. It is not something that is voluntary and some kind of fair negotiations that are going on when you are faced with the prospect of not having the bill come out or at least making some concession. I would urge you to amend the committee amendments, retain the part that pertains to the deductible, retain the part about LB 986, I think that is fine idea.

PRESIDENT: Time has expired.

SENATOR McFARLAND: But increase the benefits from 255 to 275 and bring us in line with our surrounding states, and at least bring us to comparable to Kansas. Thank you.

PRESIDENT: Thank you. I have a couple of lights that were on prior to us skipping to the McFarland amendment. Please indicate if you do or don't want to talk about the McFarland. Senator Hefner, then Senator Morrissey.

SENATOR HEFNER: Mr. President, and members of the body, I rise to oppose the McFarland amendment because I feel that is going too far. Workmen's compensation premiums are going up by leaps and bounds and I just want to talk about the small business part of it. Small businesses in rural Nebraska are struggling to make a go of it, and if we raise this too far, it will certainly put a hardship on them. Right now the weekly benefit is \$245 a week, and under the committee amendment, it would go up \$10, 255, this year, and another \$10 a week the following year, so I think that is reasonable. And I also want to talk a little bit about the second part of the committee amendment. This is the deductible on workmen's comp. Since the premiums on workman's comp are going up by leaps and bounds, I thought it would be good to put a deductible on. We have deductibles on our fire insurance. We have deductibles on our...on some of our other insurance, like car insurance. Why not have it on workmen's

PRESIDENT: Thank you Mr. Clerk, I understand you have an amendment.

CLERK: Mr. President, Senator Coordsen would move to amend the bill. (The Coordsen amendment appears on page 967 of the Legislative Journal.)

PRESIDENT: Senator Coordsen, please.

SENATOR COORDSEN: Thank you, Mr. President, and members of the body. Senator McFarland explained 313A, I think, adequately. The amendment to the bill is to change the amounts to compensate for the adoption of the committee amendments and to compensate for the inclusion of LB 986, which would cause some additional expenses for the Workers' Compensation Court, as I understand it. The A bill then, this amendment provides that \$10,400 be increased for Workers' Compensation expenses for the state in '90-91 and \$20,800 for '91-92, and it also includes in Section 2 an appropriation to the Workers' Compensation Court in the amount of \$59,093, and for '91-92, \$54,902. So that is the amendment which brings the amounts into line with 313 as currently amended. So I would move the adoption of this amendment.

PRESIDENT: Is there any further discussion on the Coordsen amendment? If not, the question is the adoption of the Coordsen amendment. All those in favor vote aye, opposed nay. Senator Coordsen.

SENATOR COORDSEN: We're four short, aren't we?

PRESIDENT: It looks like it.

SENATOR COORDSEN: Let's see, no, we're only three short. This is...it's my understanding an A bill takes 25 though rather than a majority of those present and voting, doesn't it, Mr. President?

PRESIDENT: Yeah, that's correct.

SENATOR COORDSEN: It would appear...except on Friday. (Laughter.) It's amazing how many good suggestions one would come about, but unless two people show up very quickly, I am afraid that I'm going to have to ask the Chair for...aha. Oh, isn't this close? Isn't this close?