

now apparently negotiate salary and fringe benefits and have the ability to go to the Commission of Industrial Relations if not satisfied. It is my understanding that at least some bargaining units, if not all, have agreed that this year they are not going to negotiate either salaries or health insurance but clearly from the Supreme Court decision they could. Now I don't know of anyone who defends or pretends, for that matter, that generally the state salaries, employee salaries, and I am talking of those under the Department of Personnel, I don't know of anybody who pretends that they are comparable to the salaries of others in like positions but not employed by state government but coming from the same employment areas. So when it comes to negotiations, I know of no plus that state government has on their side other than they do have a favorable health insurance. Now if we are also going to scrap that by statute...

SPEAKER NICHOL: One minute.

SENATOR WARNER: ...then there will be nothing left that I can see that the state has to say we have these pluses in negotiations and, employee, you have those pluses, how do we compromise, there is going to be none. Very clearly that if we, to me at least, if you make this move by statute, you will have placed the state in a much more difficult position when it comes to those fact. Now as far as cost savings, as I understand, if Senator Wesely's amendment was adopted, it is about \$16,000 difference between what the committee proposed and what in effect is done here. The other thing that we have done is that we set up in effect a minimum premium reserve which by next year at this time should have had accumulated in it upwards to \$800,000 which will be from general fund, cash funds, federal funds. We do pay attention to cash funds and federal funds, by the way, a great deal attention. But that is also going to help make an adjustment at the time when it is made but I would urge the body to reject the amendment at this time and keep in mind this kind of a change all ought to be done in a package of salary and benefits at one time.

SPEAKER NICHOL: Senator Labedz, then Senator Lowell Johnson.

SENATOR LABEDZ: Thank you, Mr. Speaker. I rise in opposition to the amendment of Senator Wesely to LB 722 and I realize that we are talking about the fringe benefits for