

apply for unemployment compensation benefits. The amount they receive is a percentage of the wage they are receiving. This benefit is paid out of a fund made up of employers' contributions. Employees...employees do not contribute to this fund like they do the Social Security and some other funds. This is all paid by the employers. Employers can get a reduction in the amount they pay into the fund if they do not have many withdrawals by their employees. We have now what we call positive account employers and negative account employers. The Department of Labor keeps track of what each employer pays into the amount and what their so-called lay-off employees draw out of the fund. Positive account employers have a reserve balance in the fund and can be charged up to a maximum of 3.4 percent of the first 7,000 of an employee's wages or they may be able to get a lower experience rating. Now negative account employers, and that's what this bill deals with, are those employers that deplete their accounts and then their employees draw out of the state pool. These negative account employees...employers pay a maximum of 5.4 percent. This bill, as amended, would raise the negative account employer one-half of 1 percent starting January 1, 1993. That's about a year off. And then it would go from 5 point...and then January 1, 1994 it would go up another half percent from 5.9 percent to 6.4 percent. It would cost these negative account employers \$35 per employee more than it's costing them now. And then starting January 1, 1994, it would cost them \$70 per employee. This is just a modest increase. The State Department of Labor increased the reserve effective January 1, 1992. At the present time, the positive account employers are picking up the cost. And the reason for this is because the negative account employers are up to their limit, so they're not paying any increase of this cost. I passed out a chart to you that compares Nebraska with some of our neighboring states, like Wyoming, Iowa, South Dakota, Colorado, Kansas, Missouri, and we are below all of those in our contribution rates and also in the maximum amount of wage that is charged...the employee's wage that is charged against them. As you will notice in this chart that I passed out, Wyoming has a cost of \$1,014 to each employer and that rate can go up as high as 9.75, where in Nebraska, if you adopt or pass this bill, the maximum would be 6.4. A number of associations are supporting this bill, LB 411. I passed out a sheet where they have endorsed this because they would feel that this would only be fair to the employers in Nebraska. I could support a modest increase in the benefits if we get this bill passed because then the negative account employers would be helping to pick up this