

VERBATIM TRANSCRIPTION

of

the

HEARING TO ADOPT A REGULATION

DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION

held on

December 4, 2013

Prepared by

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**DETR - Nevada Employment Security Council  
December 4, 2013 Meeting  
Verbatim Transcript**

*Note: If a portion of the recording could not be transcribed due to the quality of the recording or because the words could not be distinguished, this has been indicated as follows: "(Incomprehensible)".*

OLSON: Good morning. My name is Rene Olson. I'm the Administrator of the Employment Security Division. And I'd like to call this meeting to order. The purpose of this public hearing is to receive comments on the proposed regulation to establish the unemployment insurance tax rate schedule for the calendar year 2014. NRS612.550 requires the Administrator of the Employment Security Division to establish the schedule each year by regulation. Was proper notice of today's public hearing given as required by NRS233(b).060?

GUZMAN: Christina Guzman with the Employment Security Division. Yes, it was.

OLSON: Thank you. A regulation workshop to solicit comments from interested parties as well as the public was conducted on October 2, 2013 as required by NRS233(b).061 and NRS233(b).0608. At the public meeting and regulation workshop held on October 2, 2013, the Employment Security Council recommended two scenarios.

One was for the Administrator to pursue bonding as a means of paying off the Title XII loans, in which case the average tax rate would decrease to approximately 2.1 percent for experience-rated employers for the upcoming calendar year 2014, with the Administrator being given flexibility to adjust the rate depending on the bonding rates that the state can obtain.

The second scenario, in the absence of bonding, would be to maintain the present rate of 2.25 percent.

I'm going to stop now, actually, and open this meeting for public comment. We need to open the meeting before we start. So that was my mistake. I'm sorry. So, anybody interested in providing public comment can come forward at this time. Seeing none, I'll continue with my comments.

At that meeting, public comment was received from the Nevada Resort Association seeking verification that, in the event of bonding, there would be no more need for an assessment to pay interest on the federal loans. On October 29, 2013, a small-business workshop was held to receive comment from small businesses and other affected employers. Verbal comments were received from the public at this workshop in favor of bonding, with a decrease to 2.1 percent with that added flexibility given to the Administrator to set the

rate according to what the bond rates -- what bond rates were obtained in the final scenario.

Favorable bond ratings have been negotiated. And, in accordance with the Employment Security Council's recommendation, I have elected to decrease the unemployment insurance average tax rate to 1.95 percent for calendar year 2014. The average tax rate established by this regulation affects those employers eligible for an experience rating, which are approximately 36,310, or 63 percent of all employers.

The unemployment insurance trust fund is maintained on a counter cyclical financing basis so that, during economic downturns, there are usually enough reserves available to cover benefits without having to raise employer taxes. Due to the extreme nature of the current downturn, those reserves have been depleted. But, with the bonding scenario, we are in a position to gradually rebuild those reserves.

Have we received any written comments on the proposed regulation?

GUZMAN: Christina Guzman with the Employment Security Division. No, we have not.

OLSON: Thank you. At this point, again, I'll open the meeting for public comment. Anybody wanting to provide public comment can come forward at this time. Seeing none, I hereby adopt the proposed regulation to establish an estimated average unemployment tax rate of 1.95 percent of taxable wages for the Nevada employers to apply for the calendar year 2014.

And, again, before I close the meeting, one final time, we're going to give an opportunity for public comment. We like to give lots of opportunity for public comment.

Okay. With that, if there are no comments, I hereby adjourn this meeting -- this hearing. Thank you.

**END OF RECORDING**