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TRANSCRIPT OF A MEETING
OF THE
STATE OF NEVADA
DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION
EMPLOYMENT SECURITY DIVISION
PUBLIC HEARING

Monday, December 7, 2009
10:00 a.m.

Live Meeting:
Auditorium
500 E. Third Street,
Carson City, Nevada 89701

Video Conference To:
Department of Employment, Training and Rehabilitation
2800 E. St. Louis Avenue, Conference Room C
Las Vegas, Nevada 89101

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A P P E A R A N C E S

Staff: Cynthia Jones
Steven Bauder
Art Martinez

Public: (None Participating)

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2 MS. JONES: Good morning. My name is Cindy
3 Jones. I serve as the Administrator of Nevada's
4 Employment Security Division.

5 The purpose of the Public Hearing today is to
6 receive comments on the proposed regulation to establish
7 the Unemployment Insurance Tax Rate Schedule for
8 Calendar Year 2010.

9 Nevada Revised Statute 612.550 requires the
10 Administrator of the Division to establish a schedule
11 each year by regulation. A regulation workshop to
12 solicit comments from interested parties, as well as a
13 public, was conducted on October 6, 2009, as required by
14 NRS 233B.061 and NRS 233B.0608. A small business
15 workshop was also conducted on October 12th, 2009.

16 Mr. Bauder, was proper notice of today's Public
17 Hearing given and as required by NRS 233B.060?

18 MR. BAUDER: For the record, Steven Bauder.
19 This hearing has been noticed as required by NRS 233B.

20 MS. JONES: Okay. Thank you, sir.

21 The proposed rate schedule provides for the
22 continuation of a Tax Rate Schedule of an average of
23 1.33 percent that is currently in effect for calendar
24 year 2009. At the public meeting and regulation
25 workshop held on October 6, public testimony indicated

1 that based on current economic conditions, an increase
2 in the average unemployment insurance tax rate would be
3 detrimental to businesses in Nevada at this time. The
4 Employment Security Council recommended that the average
5 tax rate be maintained for calendar year 2010.

6 At the small business workshop conducted
7 October 12th, no public comments were received. On
8 September 30th, 2009, the final balance of the
9 Unemployment Insurance Trust Fund was 60.6 million.
10 Under the proposed schedule, the Trust Fund balance is
11 estimated to be a negative 827.9 million on
12 September 30th, 2010.

13 At that level, the fund will be approximately
14 1,959,000,000 under the state solvency measure of 1
15 being enough reserve to pay benefits for one year
16 without any tax collections, as provided under NRS
17 612.550.

18 The current economic downturn is unprecedented
19 in the history of the UI program in Nevada and across
20 the nation. Nevada's program paid out only 264 million
21 in 2004. Nevada's UI Trust Fund this year will have
22 paid out 1 billion by year's end and, all told, with
23 federal extensions and the additional \$25 weekly
24 compensation, will have paid out approximately
25 \$1.9 billion in 2009 to Nevada's unemployed workers.

1 In late October of this year, Nevada began
2 borrowing from the federal government to pay benefits
3 and has borrowed nearly 60 million to date. Nevada will
4 not be alone in borrowing. The U.S. Department of Labor
5 estimates that an approximately 44 states will need to
6 borrow approximately \$90 billion by the end of this
7 recession for the continuation of their unemployed
8 insurance programs.

9 At the hearings attended by the public, it was
10 recognized by business and representatives of business
11 that taxes would need to be raised in the future to pay
12 back loans, restored Trust Fund solvency, and a
13 mechanism when need to be found to pay interest
14 associated with the loans.

15 I would like to open the floor for public
16 comment at this time. Do we have any public comment in
17 southern Nevada regarding the proposed regulation?

18 MR. MARTINEZ: Good morning, Cindy. Art
19 Martinez here as Supervising Auditor in the Las Vegas
20 Field Audit Office. There are no public comments at
21 this time.

22 MS. JONES: Okay. Thank you.

23 And do we have any public comments in the
24 north?

25 I'm seeing no members from the public. It's up

1 so you, Sy.

2 All right. Given no additional public comment
3 has been received on this regulation, Mr. Bauder, have
4 we received any written comments regarding the proposed
5 regulation?

6 MR. BAUDER: Again, for the record, Steven
7 Bauder, DETR ESD. We received no written comments.

8 MS. JONES: Okay. Thank you.

9 Given that there are no additional public
10 comments regarding the proposed regulation, I have
11 chosen to accept the Employment Security Council's
12 recommendation to continue the unemployment insurance
13 average tax rate of 1.33 percent for calendar year 2010.

14 The average tax rate established by this
15 regulation affects those employers eligible for
16 experience rating, which is approximately 35,000, or 59
17 percent, of all Nevada employers.

18 If there are no other comments, I will adjourn
19 this meeting.

20 No comments. Okay. This meeting is adjourned.
21 Thank you very much.

22 * * * * *

23 (The Public Hearing adjourned.)

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TRANSCRIBER'S CERTIFICATE

I, SHANNON L. TAYLOR, do hereby certify:

That I was provided by the Nevada Department of Employment, Training and Rehabilitation, Employment Security Division, Contributions Section, with a CD containing a Public Hearing of the Nevada Employment Security Division, held on Monday, December 7, 2009, and that I thereafter transcribed, to the very best of my ability, the contents of said Public Hearing on said CD;

That the foregoing transcript, consisting of pages 1 through 7, is the transcription of the above-noted Public Hearing;

DATED at Carson City, Nevada, this 19th day of January, 2010.

SHANNON L. TAYLOR
CERTIFIED COURT REPORTER
NEVADA CCR #322