

**STATE OF NEVADA
DEPARTMENT OF EMPLOYMENT, TRAINING & REHABILITATION
PUBLIC HEARING**

**To establish the Unemployment Insurance Tax Rate Schedule of
Calendar Year 2009 (NAC 612.270)**

December 3, 2008

Live Meeting

**DETR Northern Office
500 E Third Street, Auditorium
Carson City, Nevada**

Video Conferenced to:

**DETR Southern Office
2800 E. St. Louis Ave, Conference Rm C
Las Vegas, Nevada**

Department of Employment, Training and Rehabilitation Staff

Cynthia A Jones, Deputy Director DETR/Administrator, Employment Security Division
Donna Clark, Chief of Contributions, ESD-Contributions
Tom Susich, DETR Legal Counsel
Kelly Karch, Deputy Administrator, ESD
Joyce Golden, Admin Assistant, ESD
David Schmidt, Economist, DETR
Joan A Richards, Management Analyst, ESD-Contributions
Terry Simonton, Supervising Auditor, ESD-Contributions
Lynda Parven, Deputy Administrator, ESD

Public

Ed Vogel, Las Vegas Review Journal

Exhibit A – Attendance Record
Exhibit B – Copy of Public Hearing Notice
Exhibit C – Copy of Proposed Regulation

In compliance with NRS 233B.0603, a public hearing was held at DETR Northern Headquarters, 500 E. Third Street, Auditorium, Carson City, Nevada. This meeting was also video conferenced to the DETR Southern Headquarters, 2800 E. St. Louis Street, Conference Room C, Las Vegas, Nevada.

Ms. Cynthia A. Jones, Deputy Director DETR/Administrator, Employment Security Division opened the Hearing at 10:00 a.m. Ms. Jones stated that the purpose of the public hearing was to receive comments on the proposed regulation to establish the unemployment insurance tax rate schedule for calendar year 2009, pursuant to NRS 612.550, which requires the Administrator of the Employment Security Division to establish the schedule each year by regulation. A regulation workshop to solicit comments from interested parties as well as the public was conducted on October 2, 2008 as required by NRS 233B.061 and NRS 233B.0608.

Ms. Jones asked Ms. Richards if proper notice of the hearing as required by NRS 233B.060 was given. Ms. Richards, Management Analyst for the Division's Contributions Section, responded that proper notice was given and posted as required.

Ms. Jones continued by saying that the proposed rate schedule provides for a continuation of the average tax rate currently in effect of 1.33%. Ms. Jones stated that the Employment Security Council recommended the continuation of the average tax rate at the public meeting and regulation workshop held on October 2, 2008.

Ms. Jones stated that she chose to accept the Employment Security Council's recommendation to continue the unemployment insurance average tax rate for experience rated employers of 1.33%. The average tax rate established by this regulation affects those employers eligible for an experience rating which are approximately 33,666 or 55% of the employer community. The Unemployment Insurance Trust Fund is maintained on a counter cyclical financing basis, so during the economic downturns that are currently occurring, there are reserves available to cover benefits without having to raise employer taxes.

On September 30, 2008 the final balance of the Unemployment Insurance Trust Fund was \$703.4 million and under the proposed schedule, is estimated to be approximately \$450.3 million on September 30, 2009. At that level, the fund would be approximately \$119.3 million under a measure equaling 1 or enough funds to pay benefits for one year with no additional contributions as calculated in accordance with NRS 612.550. While it is desirable to have a solvency level of at least 1, the division recognizes that it would not be prudent to raise taxes on Nevada businesses during this period of economic difficulty. While Nevada's trust fund reserves are expected to fall below desired levels, it is in better shape than many states whose trusts funds are being depleted and now have to borrow from the federal government to pay benefits.

Ms. Jones asked Ms. Golden if the Division had received any written comments on the proposed regulation. Ms. Golden responded that the Division has not received any comments, verbally or written.

Ms. Jones then asked if there were any comments in Las Vegas from the public on the proposed regulation. Terry Simonton, Supervising Auditor responded that there were no comments. The same question was presented at the Carson City location, where there were none.

The Administrator, Cynthia A. Jones, adopted the proposed regulation to establish an estimated average unemployment tax rate of 1.33% of taxable wages for the Nevada employers to apply for calendar year 2009.

There were no further comments or questions. The Hearing was adjourned at 10:10 a.m.