

**Minutes of Meeting of Nevada Employment Security Council
Department of Employment, Training and Rehabilitation
Employment Security Division
October 9, 2006, 10:00 a.m.**

Agenda Item I - Call to Order and Welcome

Chair: It's 10 a.m. so we'll call the State of Nevada Employment Security Council Meeting to order. If anyone has any objections to calling it at this time. I'd like to welcome you all to our meeting and we'll begin with an introduction of council members.

Agenda Item II - Introduction of Council Members

Chair: My name is Paul Havas and I'm Chairman. We will have each member introduce themselves from left to right. Also, I should mention that Connie Sartain is participating from Las Vegas via our communication apparatus. From left to right, if each one of us will introduce themselves.

Forseth: John Forseth.

Garbarino: Dave Garbarino.

Wilkening: Rick Wilkening.

Jones: Cindy Jones, ESD Administrator.

Susich: Tom Susich, Counsel for the Employment Security Division.

Johnson: Katy Johnson, Board of Review, public member.

Foster: George Foster, I represent labor.

Chair: Thank you.

Agenda Item III - Discussion and Possible Action Regarding Approval of Minutes

Chair: We will now have a discussion and possible action regarding approval of the minutes from October 3, 2005. If there is any discussion or any commentary of the minutes as mailed, I would invite that as well as a motion, pursuant to those minutes.

Garbarino: I'd like to make a motion to approve the minutes of 2005.

Chair: There's been a motion to approve the minutes as mailed. Do I hear a second?

10:03:13 Second the motion.

Chair: There's been a motion and a second. Any discussion? Hearing none, all those in favor signify by saying aye.

Board: Aye.

Chair: No opposition, therefore it's passed.

Agenda Item IV - Federal and State Legislative Update

Chair: We will now have the subject matter of Federal and State Legislative Update by Cynthia Jones, our Administrator of the Employment Security Division, Department of Employment, Training and Rehabilitation. Thank you.

Jones: Thank you, Mr. Chairman. Good morning, Mr. Chairman, Council Members and guests. My name is Cindy Jones; I'm the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation. Welcome and I thank you for participating in today's Employment Security Council Meeting and regulation workshop. At this time, I'd like to provide you with a brief federal and state legislative update. The Division has proposed one bill for consideration during the upcoming Nevada Legislative Session. Changes to NRS Chapter 612, Sections 490, 500 and 520 are requested in order to align statutory authority with current practices and clarify the authority of the Administrator in accordance with the Attorney General's opinion issued in 1995. Further, through an additional amendment to Section 490, the Division is also requesting authority to enter into interlocal agreements with other public agencies pursuant to NRS 277 to conduct unemployment insurance benefit appeal hearings on its behalf. The purpose of doing so is to ensure both workers and employers who appeal a decision of the Agency are afforded the opportunity to have a full and fair hearing, in a timely manner, during periods where demand for such exceeds the capacity of the Agency's appeal section. Lastly, the Agency is also requesting to amend NRS 612, Section 551 to clarify language regarding the non-charging of an employer's experience record under this provision, to apply to the last or next to last employer, when an individual leaves employment to accept other work and later becomes unemployed, as reflected during testimony on Assembly Bill 297 during the 1997 legislative session. On the federal front, Workforce Investment Act, or WIA, has yet to be reauthorized. Legislation to reauthorize WIA was approved by the House and by the Senate. Neither version of these bills incorporate the administration's proposal for self-directed career enhancement accounts. Differences between the House and Senate versions have yet to be resolved. The House and Senate are not expected to select conferees for conference and negotiations until a compromise is reached on issues such as faith-based funding and funding stream consolidation. The chances of reauthorization of WIA occurring this congressional session are slim, at this point. If Congress fails to reach a compromise on the bill to reauthorize WIA by the end of this year, the process will have to start over again during the 110th Congressional Session. The Department of Labor is also seeking Congressional support for initiatives promoting unemployment insurance payment and tax integrity. And DOL's proposed legislation to assist states in preventing, identifying and collecting unemployment insurance overpayments. The Department of Labor is also seeking to expand the reemployment and eligibility assessment program which reviews unemployment insurance beneficiaries' need for reemployment assistance and continuing eligibility for unemployment insurance benefits through in-person interviews in One Stop offices. Through a pilot initiative, Nevada is one of twenty states that received a grant in order to assess the program's potential

effectiveness. The results of Nevada's participation in this program have been significant. Participation in the reemployment assessment program, through participating in that program, unemployment insurance claimants stayed on unemployment for an average of three weeks of those who are similarly situated in the program. This three-week reduction in benefits equates to approximately a \$5 million savings to the unemployment insurance trust fund. Given the success of the program, the Division recently applied for continued federal funding of the program for 2007. Given its demonstrated benefit in assisting workers securing employment sooner than they might have had they not participated in the program. That concludes my presentation and I'd be happy to answer any questions. Thank you, Mr. Chairman.

Chair: Any questions or any comment from council members? Thank you, Cynthia.

Agenda Item V - Continued Growth & Construction in Las Vegas

Chair: I'll call upon Rick Wilkening, Council Member, who is going to speak to us on continued growth and construction in Las Vegas. Rick?

Wilkening: Thank you, Paul. As a business representative for the Carpenter's Union, I've had a unique privilege and that's of being employed in the second largest industry in the State of Nevada since 1985. And that industry is construction. In 1985, there were less than 500,000 in Clark County and then I had the opportunity to witness the start of just an unbelievable growth period. From the first mega resort, which was the Mirage, which was built in 1989, to what is now called the largest privately financed construction project in U.S. history, which is the Project City Center, being built by the MGM/Mirage Corporation. And that particular project is a \$7.4 billion, 18 million square foot complex that will employ over 7,000 construction workers at its peak, with its grand opening in 2009. The fact that construction is responsible for over 113,500 jobs in Clark County alone, leaves it second only to gaming in the State of Nevada. And as a business representative of the Carpenter's Union, I have again had the unique opportunity to view the building boom and reflect on the years leading up to the present. Since 1985, I have participated as a carpenter in a great many construction projects, both in Laughlin, Nevada as well as in Las Vegas. And one thing I've noticed is that other than right after 9-11, which time everything absolutely came to an abrupt halt, there's only been a slight slow down in construction and never really a full stoppage of work. We've continued to build or remodel existing buildings, with very few bumps in the road. Though there was a slow down after the Mirage was first built back in 1990, it just was to reflect gaming digesting this new concept in hotel construction, the megaresorts. Then it was off to the races. In the mid-90's, there was the MGM, Treasure Island, Excalibur, the Luxor, Bellagio, New York, New York, Paris, Monte Carlo, and the Aladdin, Venetian and Mandalay Bay, just to name a few. They were all built in the mid-90's and again, the gaming industry slowed down to see what was going to happen. In the meantime, existing hotels began to remodel, providing high paying jobs. Jobs that provide people with something more than a paycheck. Jobs that had healthcare, pensions, training opportunities, giving those individuals the ability to better themselves at

their trade. One of the things that we must remember about these mega resorts is that they were built by skilled labor. These are highly trained carpenters, plumbers, electricians, cement masons, operating engineers, the list goes on. And the vast majority of them had gone through a four-year apprenticeship and in some cases, actually longer, before they got their journeyman status. Construction is once more taking off as gaming throws fuel to the fire. Boyd Gaming has the \$4 billion Echelon. Steve Wynn has the \$1.8 billion Encore at Wynn. And there's the \$1.8 billion Cosmopolitan Resort that is under construction. There is tentatively \$30 billion in construction in Clark County. The Carpenter's Union's research department is currently tracking 120 projects with over 200 towers. And as much as I'd like to say they're all going to get built, of course many of them won't for various reasons. However, the carpenters are concerned that some of these projects aren't going to be able to be built because some of the other unions aren't going to have the qualified trades people to ensure that these projects are able to move ahead. Those same contractors who can get qualified carpenters and laborers are going to come up short with painters, tapers, electricians and possibly some others. One of the things about the Carpenters and Laborers Union is they allow the free flow of members. So members from back east can come out here at no cost as long as they're paid up on their dues and go to work with the same rights of any member that's been in town for twenty years. This allows the Union a lot of leeway in procuring qualified, we call them travelers, but qualified carpenters to come to our state and assist in the building of these large projects. In 1996, the carpenters in Las Vegas built a 64,000 square foot training facility and the carpenters in Reno built a 28,000 square foot training facility for the express purpose of training, not only apprentices, but for the enhanced training of journeyman carpenters. In 2001, the Carpenters International made a significant investment in training with the construction of their state of the art \$22 million Train-the-Trainer Center in Las Vegas, Nevada. And this facility has a \$100 million per year training budget and its sole purpose is to train local apprenticeship coordinators throughout the United States and Canada and allow them to take this training home with them so they can teach the latest technology and safety methods to their apprentices and for the journeyman upgrade classes. And the reason I'm bringing this to your attention is that many of the individuals who are working in the construction industry here in Nevada are coming from other areas of the United States. Places like Michigan, Wisconsin, Ohio, the Rust Belt, where there is absolutely no work. Especially in the construction industry. And these same jobs that are going to be going to workers from outside the state I believe should or could be going to Nevadans. I'm a representative of a high school graduate who had no direction after high school. I mean, I'll be perfectly honest with you with that. I found construction accidentally and like so many young people today who are not graduating, who drop out looking for work, there are many opportunities and many carpenters in Las Vegas, as well as Northern Nevada, they could be making a good wage. A good wage with fringe benefits. Health care, pensions, annuities. And my concern is that blue collar work is held to a different standard than work requiring a degree. But the opportunities are enormous. There's a great many carpenters

who will be making over \$80,000 a year, plus benefits, and I would like to encourage the State to looking in to how we can increase funding in vocational training programs. Because I believe that these programs are good for the State of Nevada. They're good for our people. And it will allow us to repair our citizens for basically the next frontier. Because construction will not stop growing in the State of Nevada. And I'd just like to pass these out. It is a little article that was in the RJ down in Las Vegas. It's called *Vocational Classes Making a Comeback*. And it gives those individuals that are in high school, who really have no desire to go on to college. And there is really a lot of people who, just as much as I would like to see move on to college, I myself was in construction for seven years before I went back to college, and I think it's a great opportunity that I think the State should take advantage of. And I thank you.

Chair: Thank you, Rick. Very informative and very exciting. I really appreciated your presentation. I think all of us have a sense of enthusiasm for what you've provided. I trust that the media will maybe capture and focus on your remarks. And maybe even two or three or four political campaigns. I know in the State of California, vocational training is being featured. And I think it is a very, very important area. So thank you, again. Any comments from members of council?

Garbarino: Dave Garbarino. I'm a representative for the Operating Engineers Union in Las Vegas also. And I'd kind of like to echo what Rick had said. We have a state of the art apprenticeship site in Las Vegas as well, with over, probably getting close to 300 apprentices now. But we're having the same problems. Getting younger people interested in that type of work. And the opportunities out there is just unbelievable. I have two teenage students in high school now and they don't push that type of work in high school. Everything is going more high tech and that's something I think they need to go back to help the economy.

Chair: Thank you. Any other commentary?

Agenda Item VI - Unemployment Insurance Integrity Programs

Chair: We'll go to Steve Zuelke, Integrity Programs Manager of ESD and DETR.

Zuelke: Good morning, Mr. Chairman, members of the Advisory Council. My name is Steve Zuelke. I have had the honor of being named as Manager of the Integrity Programs for the Nevada Employment Security Division. I would like to thank Ms. Jones for inviting me here today to make this presentation. The integrity programs are necessary to ensure our ability to safeguard the millions of dollars of unemployment taxes paid by Nevada Employers. Formerly known as Benefit Payment Control and Benefit Accuracy Measurement, this program is designed to consolidate the two functions into a single activity that is charged with ensuring that proper payment is made to eligible unemployment insurance claimants. As we move into the 21st Century, this task is daunting. The advent of remote claims filings, advances in technology that facilitate defrauding government support programs, and the real and growing problem of identity theft are challenges this program did not face ten years ago. This is coupled with a growing awareness that unemployment insurance fraud is a significant issue. In Nevada, any fraud is

too much fraud. Allowing claimants to file via telephone and Internet have restricted our ability to do a visual assessment of the person filing the claim. As a result, we have had to turn to technology-based solutions to ensure the person making the claim is who they claim to be. Through the use of wage records and cross matches with records from the Department of Motor Vehicles, we are able to positively identify a high percentage of people filing claims. For people who are not positively identified through this stringent pre-screening, we have developed an Affidavit of Identity program to help ensure that checks are being issued to the proper party and not ending up in the hands of criminals. Computer technology has advanced to the point where it is relatively easy to create high quality forgeries of unemployment insurance checks. To combat this risk, we have added watermarks and magnetic ink to our checks. We are also reviewing options such as direct deposit and debit cards, which will give us alternatives that cannot readily be replaced by a scanner, computer and color laser printer. Identity theft is as large a problem for the unemployment insurance program as it is for the public at large. Persons with access to personally identifying information can cause great harm to these systems, as evidenced by a case in the State of California where a ring of people were able to obtain nearly 17 million in fraudulently obtained benefits before they were discovered and apprehended. Processes such as the Department of Motor Vehicles cross match and the Affidavit of Identity program help us to mitigate this risk. Yet we see daily examples of identity theft being perpetrated, frequently using the employers of the State of Nevada as the avenue of the theft. It is relatively easy to obtain a good reproduction of a social security card and a driver's license. All you need are the right connections and the cash. Once you have these documents, you can go to work anywhere using that fictitious social security number as you passport to employment. Employers may also unwittingly contribute to identity theft by failing to obtain valid identification as required from the employee at the time they're hired. To help resolve this issue and to engage in fraud prevention, we are starting an initiative to conduct outreach meetings with Nevada employers and labor organizations. The integrity program staff will contact larger employers, hiring hall unions and other employers to ask for their assistance and commitment to preventing identity theft and to curb unemployment insurance fraud. We will ask these employers and these labor unions to display posters advising of the requirements of an individual to stop filing claims for benefits when these individuals return to full-time work. We'll ask their assistance in verifying the individual's identification at the time of employment and to report newly hired employees through the Nevada Directory of New Hire, a process which is as simple as sending us a copy of the W-4 form completed by the employee at the time they are hired. We will ask them to fully participate in the processes that are designed to help us ensure proper and accurate payment of benefits, such as responding to Notices of Claim Filing, participating in the adjudication and appeal processes, responding to requests for verification of data as mandated under the Benefit Accuracy Measurement Program. We do not intend to impose on Nevada employers. We intend to open a dialogue and a line of communications that has not been used in this manner. Payment of unemployment benefits and protecting

the employer's interests are not mutually exclusive concepts. Rather, when administered correctly, this program keeps thousands of people who are out of work through no fault of their own from becoming insolvent, ensures a fair and equitable tax for the employer, and assists in ensuring the employer's financial future by keeping money in the economy. The integrity programs were designed to further strengthen a solid benefit payment system. By working with internal and external customers, we have started to develop processes that with combat fraud and theft, yet ensure that proper payments of benefits is made when those benefits are due. This concludes my presentation. I'll be happy to answer any questions.

Chair: Are you satisfied with your programs that you are utilizing today? As far as the level of quality of technology?

Zuelke: Mr. Chairman? I believe you are referring to the computer programs that we have?

Chair: That is correct.

Zuelke: Mr. Chairman, we have just applied for two different grants. One grant of which will connect us to the National Directory of New Hire. We have been advised that we will be funded in that grant. This will give us access to that type of data where individuals are hired on a national scale, as opposed to just simply a state scale. The second grant application that we are putting in is to bring an additional person, employees, if you will, to assist us in looking at identity theft. Part of that package is making a request for some additional technology and minor upgrades that will assist us in identifying circumstances where benefits are being fraudulently received in an identity theft circumstance. By and large, we do a good job. Could we do a better job? Certainly we can.

Chair: But the numbers do not become skewed in the context of these programs? Or cannot be?

Zuelke: Mr. Chairman, the difficulty that we encounter as a program, if I had another six full-time employees working on nothing but identity theft and fraud circumstances, I believe I could keep them busy. The level is out there. The programs that we have in place identify a large percentage of individuals who fail to report earnings when they are working, individuals who have questionable identities. The reality of the circumstance is that we have better technology than we have staff to really investigate that technology discovers.

Chair: I see, thank you. Yeah, Rick?

Wilkening: I just wanted to comment that the carpenters have a hiring hall. And you made mention about contacting and I just have to comment on the fact that there has been a marked increase in the contact from the state regarding unemployed carpenters. So I want to commend you on your hard work. Because it's noticeable to me. You know, you deal with that information. I deal with the fact that I have unemployed carpenters. But I just wanted to let the Council know that you guys are calling a lot about my guys.

Sartain: Good morning. This is Connie Sartain, Council Member in Las Vegas today. I have a question. Based on the fraud that you have identified, is there a percentage, a recovery rate that you do get back a certain rate?

Zuelke: Thank you, Connie. We do recover a certain amount of fraud. The issues that we encounter with recovery of benefits under the fraud program, there are multiple issues that we anticipate in addressing during the 2009 legislature. One of the issues that we encounter is that the individual can only be disqualified after receiving benefits in a fraudulent situation for a period up to a year. In a subsequent benefit year we frequently discover that they are offsetting previous fraud overpayments by committing additional fraud. I have been in communication with Ms. Jones. We are discussing the resolution to that. We currently utilize Nevada Revised Statutes 612.445 as a method to disqualify these individuals. This law allows us only to disqualify the individual for up to 52 weeks. At the end of that period of time, that individual is free to come back in and file a new claim. Well, preferably they're going to file legitimately and honestly. But a case that I discussed with Ms. Jones, we have an individual who has filed for six different benefit years and has committed at least a level of fraud in each of those six different benefit years. We cannot exclude this individual from the system. So we will be addressing this. Our recovery is further hampered by the fact that we have not yet begun to take any proactive measures other than sending these individuals billing notices. We have discussed and are reviewing the potential, which was provided for under Nevada Revised Statutes of initiating wage garnishments. Now, there are some questions that arise there such as political palatability of such a function. At what point is it cost effective to do so and is it a valid process. So this is something we are in discussion on. A recent review of our collection rate shows that in both fraud and non-fraud situations, we are successful in collecting between 9 and 13% of overpaid benefits. A significant number of those repayments come through individuals who subsequently file secondary unemployment claims and we simply hold back those benefits from those individuals to repay the initial overpayment. As far as individuals who willingly walk out and hand us the cash, we receive a significant amount of that. But, it certainly could be a higher percentage and that is something we have under consideration.

Chair: Steve, is it my understanding that you give individuals an opportunity to express themselves in the context of their original intent as far as the fraud issue?

Zuelke: Thank you, Mr. Chairman. Prior to making any fraud determination and disqualification for fraud, my staff conducts a complete and thorough investigation into several circumstances. How many weeks did this individual fail to report earnings in conjunction with employment, while drawing unemployment benefits. Do they give us a statement indicating they understood the processes? And we have modified our questions asking individuals have you worked, to the point where they cannot be Very much more clear. The question simply reads on a weekly basis, even if you have not yet been paid, did you work this week? And we find it very hard for individuals to misunderstand that question. But through language issues and other factors, we do receive that on a periodic basis. We are

also in the process of defining thresholds. At which point, when does a person's protestations, no I wasn't committing fraud, lose its credence. If an individual's been advised in the past as to the requirements and they continue to file on a weekly basis and fail to report earnings, can we legitimately say this individual had no idea they were committing unemployment insurance fraud. If they've worked for 26 weeks in a row and failed to report any earnings and drawn an unemployment check during that entire period, can we legitimately believe they didn't get it. So these are a lot of esoteric questions that we're taking under consideration. But prior to issuing a fraud decision, each individual is contacted and given their administrative opportunity to provide input and information that is worked into that determination.

Chair: Anyone else?

Garbarino: Thank you, Mr. Chairman. Working with the union, it also has a hiring hall. And understanding the threats of ID theft and fraud. You mentioned coming to the hiring halls and asking for assistance. What type of assistance do you think that you're going to be requiring from the union halls? Because we also have those issues of safeguarding our members' information and stuff like that. And would those requirements or requests be part of the state statute?

Zuelke: Thank you, Mr. Garbarino. What we're looking at is informational, more than anything. I am in the process of developing with Ms. Jones and our Public Information Officer, Mae Flennoy, a series of posters that goes a little deeper in explaining the requirements of an individual when they are filing a claim for unemployment benefits. One issue that we see, for example, is that people don't seem to get the concept that I went to work today, I start earning pay today, therefore, when I claim at the end of this week, I must report the pay that I earned. Some people are under the concept or the belief that I don't have to declare this until I received my paycheck. And we actually have a fairly high percentage of those individuals that end up in overpayment situations. And not all of them are classified as fraud. Some of them are classified as simple overpayment. Our work with employers, our work with labor unions will simply be to help us spread the message. We are not going to tolerate fraud as it pertains to fraud and this is how you're supposed to be reporting your weeks to us, if and when you return to work.

Garbarino: Thank you.

Chair: Yes, thank you, David. Thank you very much Steve. Oh, I'm sorry.

10:35:43 I had one other question. Just asking how we compare to other states, like neighboring states, such as Utah, in terms of fraudulent claims and recovery. If that was looked at as well. From a deterrent side, it sounds like you're addressing some of those issues with the Legislature coming up, but I was curious as to have we looked at Utah or California in terms of the number of fraudulent claims that come up, comparative to what you have seen?

Zuelke: I wish I could give you an answer to that particular question. I have been on this job and was appointed to this job approximately four months ago. And I'm in the

early stages of getting a real good feel for what's going on in the field. One of the things I think is going to allow us to assist in answering that question, Ms. Jones has indicated that it will not be an issue for the State of Nevada to host a regional integrity meeting, by which they'll be bringing representatives of the benefit payment control units and some benefit accuracy measurement units to the State of Nevada where we can discuss some of those common principles. One of the things we did discover, and this was just as recently as this past Friday, we need to do a better job in determining when an individual is not only receiving benefits from the State of Nevada but also in another state. The other states are to be reporting to us and we're to be cross matching wage data and claim data with them. That is not a hundred percent universal and part of that issue is the State of California that is not bringing up all those particular programs as quickly as they should. As far as what our levels are? We were a party, a small party to the issue I was talking to you about earlier in the State of California where they defrauded the State of California \$17 million. Our losses amounted to about \$250,000 in identity theft circumstances. But every state is experiencing a level of fraud and the common impression, at least as I receive it through conference calls and discussions with some of my peers in other states, is that it's rising. People do not seem to see this as the issue that it may have been 10 years ago. They're stealing from a government agency. They're not picking from your pocket particularly, they're just picking from your tax dollars.

Chair: Thanks again, Steve. Appreciate it.

Agenda Item VII - Unemployment Insurance Modernization Project

Chair: We will now have a presentation by Valerie Ryan, Deputy Administrator, on the subject of unemployment insurance modernization project.

Ryan: Good morning and hello, Mr. Chairman, members of the Council, ladies and gentlemen. My name is Valerie Ryan and I serve as the Deputy Administrator for the Division. It is my privilege to give you an overview this morning of the Division's plans for you and modernization. What is UI Modernization? As I'm sure most of you attending this council meeting know, UI is the short acronym for unemployment insurance. Modernization refers to the trend across the nation for state's to modernize and improve the efficiencies of their aging computer systems. As the UI program has evolved over the past three decades in Nevada, a variety of information systems were developed independently, or with limited interfaces, by the operational units of the programs. Modernizing the UI systems will take advantage of new technologies and improve business process efficiency. The Division also expects to improve outdated reporting methodologies that are imbedded in their legacy software and strengthen the security of the confidential data. The skates that you see listed on this slide have already embarked on UI modernization projects. This type of a large-scale project is a significant commitment, not only in dollars but also in human capital. The Division is keeping its eye on the successes and lessons learned in other states to maximize Nevada's investment and avoid costly pitfalls over the course of the project. A few states have already encountered project failure or entered into litigation with

their software vendors or they are salvaging their financial investments with less than satisfactory results. One of the things that we hope to do in Nevada is take advantage of the lessons learned. With the assistance of the information development and processing division, IDP, Nevada Employment Security estimates the cost of modernizing our UI system with reach \$30 million. So one of the first steps that we will take is to develop a total system requirements fully integrating the major business functions, such as the employer contributions, accounting and audits, benefit delivery, appeals, overpayments and federal reporting. The initial task to define system requirements is in itself a good-sized project. This will require months of analyzing and documenting the business process workflows and data languages that exist between the divisional business units, other agencies or states. When all of this detailed information is filtered through the business requirements, the project team will then have to make decisions about the scope of our modernization effort and evaluate appropriate technology solutions. Project cost estimations will be weighed against the anticipated benefit or improvement to the process of collecting employer contributions and the paying out of our weekly unemployment benefits. Earlier this year, the Division submitted and received approval from the Department of Information Technology for this proposal to define the business and system requirements for new UI automation. The Division is anticipating legislative approval during the upcoming session and plans to begin defining of the requirements next July. Again, with the help of our partner, Division IDP, ESD has calculated a two-year duration for this project, with a cost of \$2.5 million. The Division is planning to fund the requirements definition project from its penalties and interest account in which monies are collected from employer tax delinquencies. ESD is committed to the strategy of completely defining its requirements and expectations before we start shopping software vendors that are selling their solutions for unemployment insurance systems that may or may not meet Nevada's needs. We're hopeful that once we expend the \$2.5 million, then we'll have a better look to see how we're going to expend the rest of the money that can reach up to \$30 million. So take it a piece at a time. Once ESD has defined the requirements to modernize its UI system, the Division will undertake the next task of planning its overall umbrella strategy for the many components of a large-scale automation project. Questions addressed are how long with this take? How much will this cost? Who will do the work? Who will be in charge? And often the most difficult with these large automation projects is how will the Division fund this? A high-level project plan can then be drafted after these questions are addressed and answered and ESD at that time will issue a request for proposal to solicit the appropriate vendors. This does conclude my brief presentation on UI modernization and I thank you for your time and attention. And I would be happy to answer any questions that you may have.

Chair: Thank you very much, Valerie. Appreciate it.

Agenda Item VIII - Workshop to Consider Adoption of Regulation to Establish UI Tax - Rate Schedule for Calendar Year 2007 (NAC 612.270)

Chair: We're ready for our workshop to consider adoption of regulation to establish the

Unemployment Insurance (UI) Tax Rate Schedule for Calendar Year 2007 under the Nevada Administrative Code 612.270. First we will have economic projections and overview by Jered McDonald, Economist, Research and Analysis Bureau, DETR.

McDonald: Good morning, Mr. Chairman, and members of the Council. My name is Jered McDonald. I am an economist with the Research and Analysis Bureau in the Department of Employment, Training and Rehabilitation. I'm here to give two presentations today. The first will be the Nevada Economic Overview and the second will be a Review of the UI Trust Fund. We'll take a look at how it's performed over the last year and see what we're predicting for the coming year and the years after that. Here's a look at Nevada's labor market areas. And you can see that Nevada's current labor force is 1.253 million with about 71% of our labor force in Las Vegas. From 2004 to 2005, you can see the population has hit 2.4 million. We've added about 81,909 people. That's about a 3.5% growth. Here's a look at job growth rates from 1995 to 2005 for Nevada, the United States and California. And you can see that Nevada has fared pretty well on a percentage basis versus our neighbor and the Nation. It's pretty easy to point out where the most recent recession took place, where we bottomed out in 2001 and did manage to create a few jobs. Employment growth has rebounded since then and is in line with pre-recession levels. Here's a look at monthly unemployment rates from 1993 to current. And you can see that Nevada, it tracks pretty well with the United States over most of this time frame until about 2001, when our unemployment rates spiked and then quickly declined since then. They have remained below California and United States for the last four years or so until just recently. They seem to be coming more in line with each other. In between 4.5% and 5%. Here's also a look at job growth rates. This is broken out by metropolitan statistical areas. You can see, again, you can note the business cycle where job growth rates declined and bottomed out in 2001. Reno and Carson City actually had the low growth, actually lost jobs. Since then, employment growth has rebounded in each of our metro areas. Here's a look at the 2005 Nevada Industrial Distribution and you can see that our largest industry is leisure and hospitality. Over the last few years as our economy diversifies, a number of other industries are gaining a larger piece of this pie. That would include, particularly, professional business services, financial activity, construction, manufacturing to a lesser extent, government, so forth. Here are the largest occupations in Nevada for 2006. They're related to our largest industries again and you can see pretty much I think you'd expect to see. We have cashier's, waiters and waitresses, you know, they're related to the retail industries and the restaurant industries. You can also see on there construction. We have registered nurses, carpenters, gaming dealers. So a lot of our largest occupations are closely related to our large industries. Here's a look at the fastest growing jobs in Nevada based on average annual growth rate. And you can see a lot of these jobs are pretty high skilled jobs and pretty good paying. So we have some growth in some good areas. Network systems and data communication analysts. So quite a few of these jobs are related to computer and technical industry, health care, education. Here's a look at Nevada unemployment rates for a 10-year period. From 1998 through

2008. Again, you can note the business cycle by looking at our unemployment rates. Where unemployment has an inverse relationship to the economy. As the economy goes down, our unemployment rates go up. And they topped out in 2002 at about 5.7% and have fallen since then to a, I think that's a historically low, 4.1%. We are expecting to see unemployment rates climb a little bit over the next few years. Here's a similar slide that shows employment growth rates for industrial employment. Again, you can note the business cycle and where growth rates have reached pre-recessionary levels. We are predicting a slight decrease in employment growth rates as our employment gets larger, we don't expect to see the growth rates stay so high. And also, we've just been creating jobs so fast that we're still going to have really strong growth, it just won't be growing as fast as it has been. That's all I have for my economic overview. If there's any questions on that?

Chair: Go ahead, Rick, please.

Wilkening: I just have one question. I'm looking at the Nevada unemployment rates and you indicate that you believe it's going to be going higher in 2007 and 2008 and I'm just curious what gives you that direction?

McDonald: I would say because our unemployment rate is so low. 4.1 is below equilibrium and we would expect just to see that come up a little bit over the next few years.

Wilkening: Okay.

McDonald: Get more in line with a long-term trend instead of staying so low.

Wilkening: Kind of like the state's average as opposed to a low point.

McDonald: Yeah.

Chair: Thank you for much. Jered, you're going to now talk to us about the trust fund, is that correct?

McDonald: Yes, sir. I will now be moving into the trust fund portion of my presentation. This presentation contains historical and projected analysis of the Nevada Unemployment Insurance Trust Fund. My discussion topics will include a review of program objectives, a look at trust fund balances, review of current estimates, the 2007 forecast and tax rate alternatives. We'll also take a look at a 10-year projection and wrap up with forecast wild cards and a tax rate recommendation. This slide presents the objectives of the unemployment insurance system. The unemployment system is set up to provide macroeconomic stimulus and stability to the economy and microeconomic support to households. This macroeconomic stimulus seeks to mute the effects of a downturn in a business cycle. In a recession, as workers are laid off, their spending drops significantly, negatively affecting businesses in the area and potentially leading to further job losses as those businesses cut more jobs. Unemployment insurance provides an automatic stabilizer that comes into play when individuals apply for benefits. These benefits are usually spent on day-to-day living expenses and thus help maintain aggregate consumption during a recession. The microeconomic support seeks to protect households when faced with unexpected job losses. Benefit payments help

provide temporary and limited income support to maintain a workers connection to the local workforce while supporting a job search and allowing households to keep up on their bills. These objectives are achieved through the principal of counter cyclical funding, also known as forward funding. Under this principal, the trust fund accumulates a reserve during times of economic growth and pays out significantly higher benefits than it takes in during a recession. The fund needs to grow to a level high enough that it can pay out benefits in down times without becoming insolvent. This slide highlights the simple flow of funds into and out of the trust fund. You can see that during periods of economic growth, the taxes paid into the fund generally exceed benefits. Also notice that during recessions, the benefits paid significantly increase relative to the combined tax and interest income. As you can see in the early 90's and around 2002 and 2003. This highlights the need for forward funding. If Nevada were to wait for a recession to try to fund the needed unemployment benefits, a so-called pay-as-you-go approach, taxes would have to be increased significantly in the midst of a recession, placing an even larger strain on employers just at the time when they can least afford it. Our next slide shows the overall balance of the trust fund and how it's fared over the last 24 years. You may observe that the fund balance, even at a low point in the most recent recession is roughly four and a half times greater than at a comparable point during the 1981 recession. There are two reasons that account for this. First, Nevada's population and therefore the number of eligible employees who need to be covered by the unemployment system has increased significantly in this time. The increase in covered employment means that the trust fund must grow accordingly to cover these additional workers. Second, prices and wages, and by extension, the average unemployment benefit check have increased over this period. In order to maintain purchasing power to individual households and in the economy at large during a recession, unemployment benefits need to keep pace with this growth, which is why benefits are tied by statute to an individual's wage and a statewide average wage. Our next four slides look at the performance of the fund over the last year, compared with the forecasted performance. This will allow us to analyze the changes in the fund that have occurred over the year. You can see here that covered employment was lower in 2006 than predicted by 2.5% or 27,000 people. You can also see that the number of weeks of unemployment insurance benefits claimed was lower than forecasted by \$280,000. Finally, average unemployment was lower than expected by 13.5%, or roughly 7,000 people. These factors combined led to a stronger than expected performance by the fund over the last year. This slide shows the historical trend for continued weeks of unemployment benefits claimed. I would like to highlight just a few things about this slide. The first is that during a recession, the demand placed on the system increases significantly, nearly doubling in each of the last two recessions. The second is that Nevada's labor force is experiencing rapid growth and demands placed on the unemployment system have increased significantly. Thus, we would expect continued claims to climb over time, especially during times of recession. Lastly, I'd like to point out changes in recent trend. You can see that over the last four years, continued claims have fallen significantly. An effect of a quickly

expanding economy and extremely tight labor market. This slide shows us the effect on the fund that recent labor conditions have caused. In 2006, fund revenues exceeding expectations by 1.9%. On the other hand, expected benefit payments were lower by 24% and the overall balance of the fund ended \$57 million ahead of the forecasted level. The fund benefited from Nevada's historically low unemployment rates, which hit a low of 3.6% in the first quarter of 2006 and remained low until now. While achieving this low unemployment, the tight labor market has also affected the length of time unemployment benefits are collected. To further highlight the strength of the economy, we can take a look at the average duration of unemployment. Since the beginning of 2004, the average length of time a claimant spent on unemployment has fallen by nearly two weeks. Not only are less people claiming unemployment, the amount of time spent on unemployment has consistently fallen over the period. The contributing factors of low unemployment and duration of unemployment has resulted in savings to the fund. This slide provides us with the state solvency figures as determined per NRS 612.550, Section 7. These solvency figures represent the needs of the fund based on the system needs over the last ten years. In the top section of this slide, the requirement for solvency is calculated. This is done by multiplying current covered employment by the highest risk ratio in the last ten years, by the highest average duration of unemployment in the last ten years, by the current average benefit check. As you can see, the state solvency requirement has grown by roughly 131 million from 2003 to 2006, due mostly to the growing population and labor force. The bottom section of this slide shows the change in the trust fund in each year. We see tax revenue, interest income, benefit payments and Reid Act Expenditures. The solvency level shows the balance of the fund over the minimum determined in the first section. The multiple shows this difference as a percent of total. For example, in 2005, the fund was 26% over the statutory level. In 2006, the fund was 41% above the solvency level. This slide presents us with the forecast for 2007. Four different tax rates are compared to help the Council compare the effects these rates will have on the fund. In all scenarios, benefits, employment, unemployment and the solvency requirement are held constant. The variables are the tax rate, tax receipt and the interest earned on the trust fund balance. As you can see, in each scenario, the fund is above the state solvency requirement by 50 to 58% and above the federal average high cost target by 10 to 16%. The current average tax rate is 1.38%. The average high cost multiple is a federal solvency standard that takes in more history than the state solvency multiple. It includes at the least the last twenty years, or a period covering three recessions, whichever is longer. The number represents the years of benefits the system could pay in a recession, equivalent to the average of the worst three such periods in the time frame considered. Our next two slides will demonstrate the changes to these solvency requirements over time. This slide show you the trust fund balance as measured by the Nevada solvency standard. Recessions were experienced in 1980 and '81, '91 and 2001. Notice that there is a lag between the official duration of the recessions and the peak demand placed on the UI system. This is because it can take several months for an economic shock of a recession to move through all segments of the economy. In addition to

this, the '91 and 2000 recessions both differed from historical standards in terms of employment recovery, taking significantly longer to recover to pre-recessionary levels. These jobless recoveries mean that the UI system needs to be prepared to handle a prolonged need for benefits until the job market picks up steam again. Lastly, you can see from the slide that the fund is forecasted to return to pre-recession levels sometime in the next year based on the current average tax rate of 1.38%. This slide presents us with historical behavior of the federal standard mentioned before. The average high cost multiple. As mentioned before, this measurement tells us how many years of benefits without any income to the trust fund the state could afford to pay in a recession. The standard target for this multiple differs among economists, but is generally in the 1 to 1.5 range shaded above. Note that while the previous slide compared the trust fund balance to the state requirement, this measurement deals with the absolute balance of the fund. If the multiple hit zero, then the fund balance is zero. It is worth noting that in 2002, federal Reid Act distribution of \$68 million had a significant impact on the Nevada solvency after the 2001 recession. It represented one month seventeen days worth of benefits using the federal standard. And without it, the average high cost multiple for 2002 would have dropped to .79. And by 2004, the average high cost multiple would have dropped to roughly .65, a 17% loss. The federal payment helped sustain the fund at levels comparable to recent history. Lastly, given the current tax rate from the graph, you can see that based on the average high cost multiple, the trust fund will return to pre-recession level during the next year. As a final tool for examining the fund balance financing for next year, we are providing a view of what the fund might look like in ten years. Ten years is a long time and such forecasts by their nature provide only a foggy picture of what the future could hold. But it provides you with an idea of how current decisions would affect the fund with a moderate decline in employment growth rates and a slight increase in unemployment from the historically low levels we have recently experienced. In addition, this analysis does not introduce any future recessions into the forecast. Rather, forecasts are based solely on the long-term growth of the fund. This would represent an unprecedented period of continuous economic growth but it operates as a tool for seeing a long-term trend this way. The state solvency figures for all tax areas are well above the minimum and the average high cost multiple is shown covering a range of 1.9 to 1.67. Next I'll take a look at wild cards and key points. How the UI system will fare in any future scenario, be it one or ten years out is far from certain. This slide presents some potential wild cards to account for in planning the future of the trust fund. The housing industry which has enjoyed five years of booming sales and construction activity has been losing steam this year under the impact of higher mortgage rates and higher home prices. A cooling housing market will affect the employment in the coming year. To what extent is still uncertain and will be determined by the severity of the downturn and the ripple effect it will have on other industries such as manufacturing, real estate, mortgage and investing related industries. Growth in the commercial construction industry may be adequate enough to absorb some of the drop related to residential construction. But at this point, we don't know exactly how far down the housing industry is going to go. Another significant

variable remains the possibility of a terrorist attack affecting the Nevada economy. From previous slides in the presentation, we can see the effects one large event had on employment and benefits paid out of the trust fund. Although such events are beyond our ability to predict, there is need to account for the possibility while planning for the future. Next I would like to discuss our neighbor, California. What happens in California impacts the nation because of the size of the state, and can affect Nevada more so because of its proximity. Nevada has benefited from companies that decide to relocate to our comparatively business friendly state and from tourists visiting from the west. Each has contributed to our record growth and increase in economic diversification. As you can see from our earlier economic overview, Nevada's economy is growing. And we'll need to continue to monitor the effect this may pose in the years to come. Lastly, I'd like to review overall growth in Nevada. With a population that the U.S. Census expects to triple between 2000 and 2030, Nevada is growing very fast. This brings significant advantages but also requires higher levels of maintenance, both physically and fiscally. The unemployment insurance trust fund must grow in order to keep pace with the potential demand on the system represented by these new employers and covered workers. Failure to maintain adequate reserves in light of this growth would put the fund at a heightened risk of insolvency. In conclusion, the Nevada economy has performed above expectations, resulting in a faster than anticipated recovery and is on track to reach a pre-recession level sometime in the next year. In light of current trust fund balances and expectations for the future, the Department recommends keeping the average tax rate at 1.38%. At this level, the fund will continue to grow commiserate with employment and wages, without placing undue burdens on employers. At this rate, the fund should reach an average high cost multiple of 1.13% in 2007, which is consistent with the level obtained prior to the most recent recession. That is all I have and I'll be happy to answer any questions that you may have.

Chair: Thank you, Jered. Any questions or comments? Hearing none, we will now have the tax schedule explanation by Joan Richards, Management Analyst for ESD and DETR.

Richards: Good morning Mr. Chairman and members of the Council. My name is Joan Richards and I am the Management Analyst for the Unemployment Insurance Program Contributions. The purpose of this meeting and workshop is to recommend the unemployment tax rate schedule for calendar year 2007. State law requires that the Administrator set the tax rates each year by adopting a regulation. Jered McDonald talked to you about economic conditions, the condition of the trust fund and the forecast for next year. I am now going to provide an overview of how the unemployment insurance tax system works and how the annual average tax rate is developed. In the rate booklets that were passed out to you, we have provided four tax schedules for the Council to consider and give us a recommendation. And, of course, to receive any comments from the public. A public hearing will also be held prior to the adoption of the regulation. That hearing has been scheduled for Thursday, November 16th at

10:00 a.m., to be held at the Employment Security Division Auditorium at 500 East Third Street in Carson City, Nevada. The hearing will also be video-conferenced to our Southern Nevada headquarters in Las Vegas at 2800 East St. Louis Street, in Conference Room C. Before we review the schedules contained in your booklets, I would first like to give you a brief review of how the unemployment compensation tax system works. The unemployment insurance program is a joint federal/state partnership. The way this partnership works is the Federal Unemployment Tax Act imposes a payroll tax on all employers at a rate of 6.2% of each employee's wages up to \$7,000. This equates to a payroll tax of \$434 per employee per year. However, if the State maintains an unemployment insurance system approved by the Secretary of Labor, employers are allowed to offset 5.4% of the Federal Unemployment Tax Act, so they actually pay a rate of .8 of 1%, thereby reducing the cost of the federal tax to \$56.00 per employee per year. The .8 of 1% employers pay to the federal government is passed back to the states to cover their administrative costs for the state unemployment insurance programs. The state unemployment tax that we are considering here today is deposited into a trust fund, which can only be used to pay benefits to unemployed workers. It cannot be used for any other purpose. The tax is paid entirely by employers. There is no deduction from an employee's paycheck. The tax rates will vary based on the employer's previous experience with unemployment and under federal law; these funds must be deposited with the U.S. Treasury and cannot be used for any other manner. The fund does earn interest. In Nevada, the rate for all new employers is 2.95% of taxable wages. In 2007, the taxable wage base, or taxable limit will be \$24,600. Employers will pay at the new employer rate of 2.95% for approximately three and a half to four years until they are eligible for an experience rating. Once eligible for an experience rating, an employer's rate can range from a quarter of one percent to 5.4%, depending upon their previous experience with unemployment. There are 18 different tax rates. The annual tax rate scheduled adopted applies only to experience rated employers. It has no impact on new employers. Out of approximately 57,000 employers, more than half, or 53% of all employers are eligible for an experience rating while the balance pay at the standard rate of 2.9% of taxable wages. The standard rate established by federal law is 5.4%. Rates lower than 5.4% can be assigned only under an experience rating system approved by the Secretary of Labor. The intent of any experience rating system is to assign individual tax rates based on an employer's potential risk to the trust fund. Basically those employers with high employee turnover and a greater cost to the fund pay higher rates than those with low employee turnover. In Nevada, along with a majority of the states, we use a reserve ratio experience rating system. Under the reserve ratio system, the Employment Security Division keeps separate records for each employer to calculate the reserve ratio each year. In the formula displayed here, we add all contributions paid by the employer and subtract the benefits charged. The result is then divided by the average taxable payroll to establish the employer's reserve ratio. Contributions are the quarterly taxes paid by the employer and the benefits charged are the employer's portion of the unemployment benefits paid for former employees. The purpose of this method is to put both large and small employers

on an equal footing without regard for industry type. In the example on this slide, the employer has paid \$6,000 in contributions, had \$2,000 in benefit charges and an average taxable payroll of \$40,000, which gives him a reserve ratio a positive 10%. The higher the ratio, the lower his tax rate will be. If an employer has received more benefit charges than he has paid in taxes, his reserve ratio will be negative and he will generally have a higher tax rate. Now to the chart noted on page 3 in your booklets. It shows the result of an estimated average unemployment insurance tax rate of 1.38%. This is the UI tax rate currently in effect for calendar year 2006. In the setting of the schedule, the 18 different tax rates do not change. These rate classes are fixed by statute. Rather, the law requires that the Administrator designate the ranges of reserve ratios to be assigned to each tax rate. By doing so, the number of employers in each of the tax rates is changed, which increases or decreases the average rate and the total estimated revenues. In other words, if you want to increase taxes, you'll adopt a reserve ratio that puts more employers into the higher tax rates. And to lower tax rates, you would select one that would put more employers in the lower tax rates. The law also requires that the ranges between the reserve ratios must be uniform. In this particular schedule, the ranges are from positive 7.3% to negative 15.1%, with increments of 1.4 between each of the reserve ratios. If an employer's reserve ratio is a positive 7.3 or better, he gets the lowest rate of one quarter of one percent. So in our previous example, where the employer had a reserve ratio of 10%, he would get the lowest rate. An employer with a reserve ratio of less than negative 15.1 would get the highest rate of 5.4%. The rest will fall somewhere in between. In this particular chart, approximately 42% of eligible employers are in the lowest rate of one quarter of one percent. There are 30,153 eligible employers, which we estimate will generate \$273.27 million in revenue to the unemployment insurance trust fund. To that, we add the estimate for the employers that are not eligible for an experience rating of 94.4 million, for a total revenue of \$367.67 million, and an average rate of 1.38% for the unemployment tax. As a note, you will notice that there is an additional .05% tax for the career enhancement program, which is a separate state training tax set by statute. This is being provided for your informational purposes only and is not included in the projected revenue amounts. The four schedules in your booklets range from an average rate of 1.28% to 1.44%. Each schedule shows the reserve ratio increments between tax rates, the ratios assigned to each rate, the estimated number and percentages of employers, the estimated taxable wages with percentages, and projected total revenue. Within this system, we can produce an infinite number of charts. Therefore, we generally will present several different schedules to give you an adequate number of choices. In the front of your booklets, we have also provided a summary, a page, which makes it easier to do comparisons. The summary shows the range of the reserve ratios, the increments, the average unemployment insurance tax rate, the estimated revenue and the distribution of the employers within each rate class. And on the final page of your booklets, we've provided a few definitions and explanations of the items shown on the tax rate schedules and the summary page. Also included is a reserve ratio formula. Are there any questions on what I've presented?

Chair: Any questions for Joan? Thank you very much, Joan. We appreciate it. Joan Richards, Management Analyst. We will now invite Council discussion. I'd like to call upon Cynthia Jones to commence, trigger discussion.

Jones: Thank you, Mr. Chairman. As you head from Jered McDonald, the Research and Analysis Bureau is suggesting we keep the tax rate the same, stay the course. You may recall two years ago when we raised the average tax rate, we did so with the intention of having a rate that would be stable for hopefully the next ten years. While this particular year, our trust fund solvency ended up higher than we projected, there will be years during that period of time where the trust fund solvency will not perform up to the levels that we would expect. The average tax rate was set for what we expect the average performance to be over a ten-year period. This year just happened to be above average. But that's the recommendation that they have made for the Council to consider.

Chair: Thank you, Cynthia. Appreciate it.

Foster: Mr. Chair?

Chair: Yes, George. Please.

Foster: Mr. Chairman, I think the 1.38 tax rate has been working well and I don't see any reason why we shouldn't continue having that rate.

Chair: Would you like to make that in form of a motion, George?

Foster: Yeah, I move that we recommend the 1.38 tax rate for 2007.

11:22:38 I'll second that, Mr. Chairman.

Chair: It's been moved and seconded that we adopt a tax rate of 1.38. I would like to invite discussion and certainly from the public at this time.

Jones: Mr. Simonton, is there anybody in Southern Nevada who would like to make comment?

Simonton: No. Just Connie Sartain and myself are the only two here.

Jones: Ms. Golden? Have we received any written public comment to the Division on the proposed rate?

Golden: No, we have not.

Chair: Oh, Rick, certainly.

Wilkening: Just, it's kind of interesting. I am going to be retiring next year as a business representative of the Carpenter's and my wife and I are opening up a business. So it's going to be kind of like a change for me. So I don't mind lowering it a little bit more but I just wanted to . . . The 1.38 has been doing very well.

Jones: Mr. Wilkening, as you will be a new employer, you will be subject to the new employer rate of 2.95% for the first three years of operation.

Wilkening: I'll keep that in mind. Thank you so much, Cynthia.

Chair: Any other discussion, comments, by members of the Council? Hearing none, all those in favor of the motion to adopt the average tax rate of 1.38 signify by saying Aye.

Board: Aye.

Chair: Those opposed? Hearing none. It's been passed unanimously.

Jones: Well, thank you, Council. I appreciate your participating and your recommendation, which I will take under consideration for the adoption of the regulation during the November 16th hearing. I'd also like to make one other public announcement. On Wednesday at 9:00 a.m., we are having the grand opening dedication of our new Southern Nevada Headquarters on St. Louis Street in Las Vegas. The building will be dedicated to a previous Employment Security Division Executive Director, Stanley P. Jones. And if you happen to be in Southern Nevada on that day, I would encourage you to attend. Thank you.

Agenda Item XI - Adjournment

Chair: Now I invite a motion for adjournment.

11:25:02 So moved.

11:25:03 Second

Chair: Moved and seconded that we adjourn. Any opposition. None. We are adjourned. Thank you very much.