

**STATE OF NEVADA
DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION
EMPLOYMENT SECURITY DIVISION AND THE
EMPLOYMENT SECURITY COUNCIL**

This meeting, conducted by the Administrator of the Employment Security Division (ESD) and the Employment Security Council (ESC), is a meeting to provide information to Council members regarding the Employment Security Division responsibilities as well as an overview of the 78th (2015) Nevada Legislative Session.

Tuesday, July 14, 2015 - 10:00 A.M.

Live Meeting:

The Legislative Building
401 S. Carson Street, Room 3137
Carson City, Nevada 89701

Video Conference to:

The Grant Sawyer Building
555 E. Washington Ave, Room 4406
Las Vegas, Nevada 89101

Council Members Present

Paul R. Havas, Chairman, Representing Employers
Paul R. Barton, Representing Public
Margaret Wittenberg, Representing Employers
Fred R. Suwe, Representing Public
Charles Billings, Representing Employers/Labor
Kathleen Y. Johnson, Representing Public
Shawn Kinsey, Representing Employees/Labor - LV

Council Members Absent

Daniel J. Costella, Representing Employees/Labor
Michelle S. Carranza, Representing Employees (LV)

Department of Employment, Training and Rehabilitation (DETR) Staff

Present in Carson City

Renee Olson, Employment Security Division Administrator, ESD/DETR
Jeff Frischmann, Deputy Administrator, Unemployment Insurance (UI), ESD/DETR
Dave Schmidt, Bureau of Research & Analysis, DETR
Alessandro Capello, Bureau of Research & Analysis, DETR
Scott Kennedy, Chief of UISS, ESD/DETR
Neil Rombardo, Senior Attorney, ESD/DETR
Christina Guzman, ESD/DETR
Joyce Golden, Administrative Office, ESD/DETR
Mikki Reed, ESD/DETR
Lynn King, Administrative Office, ESD/DETR
John Parel, Business Services Manager, Northern Region, ESD/DETR

Department of Employment, Training and Rehabilitation (DETR) Staff

Present in Las Vegas

Ron Fletcher, Chief of Field Services, ESD/DETR
Deborah Smith, Workforce Svc Rep 3, ESD/DETR
Ben Daseler, Business Services Manager, Southern Region ESD/DETR

Members of the Public, Media and Other Agencies

Present in Carson City

Geoff Dornan, Nevada Appeal, Carson City/NV

Cy Ryan, Las Vegas Sun

Tray Abney, Chamber

Ray Bacon, Nevada Manufacturers

Members of the Public, Media and Other Agencies

Present in Las Vegas

Paul Moradkhan, Las Vegas Metro Chamber of Commerce

Justin Harrison, Las Vegas Metro Chamber of Commerce

Exhibits

Exhibit A - Attendance Record

Exhibit B - Agenda for the Meeting/Workshop

Exhibit C - Business Benefits of Nevada JobConnect

Exhibit D - Unemployment Insurance Overview

Exhibit E - Employment Security Council Legislative Update

I. CALL TO ORDER AND WELCOME

Paul Havas, Chair of the Employment Security Council, called the meeting to order at 10:00 a.m. on July 14, 2015. He announced that at this juncture call upon confirmation of posting and then we'll have a roll call of the Council Members.

II. PUBLIC COMMENT

Chair asked if there was any public comment, hearing none, he moved on to the next item.

III. CONFIRMATION OF POSTING

Chair asked Ms. Golden confirmation of posting. Ms. Golden replied by introducing herself:

Joyce Golden, Administrative Assistant to the Division Administrator. Everything has been posted according to our statutes.

V. REVIEW WRITTEN COMMENTS

Mr. Havas asked if there were any written comments received. None were received.

IV. ROLL CALL OF COUNCIL MEMBERS (Taken out of order this time)

Mr. Havas asked for the members to introduce themselves and who they represent.

Charles Billings, representing Employers/Labor
Margaret Wittenberg, representing Employers
Fred Suwe, representing the Public
Katie Johnson, representing the DETR Board of Review, as Chair
Paul Havas, Chairman, Employment Security Council, representing the Employers
Paul Barton, representing the Public
Shawn Kinsey, representing Labor

VI. APPROVAL OF MINUTES

A. Public Comments

There were no public comments at this time.

B. Approval of Minutes by Council

Chairman Havas asked for a motion to approve the minutes from May 27, 2014 and approve the

minutes as read. Council member Katie Johnson made a motion that the council approve the minutes as read. The Council signified by saying aye and Mr. Havas said that the motion carried and the minutes were approved. At this point Mr. Havas asked for a motion to approve the minutes of October 8, 2014 as read. Mr. Havas noted that Ms. Johnson had made a motion and that a second was needed. One of the Council members seconded the motion. There was no discussion and the members signified by saying aye to the minutes to be approved. Mr. Havas indicated that both sets of minutes have now been approved.

Here Chairman asked for the Administrator to present an update.

VII. EMPLOYMENT SECURITY DIVISION UPDATES

Renee L. Olson, Division Administrator, Employment Security Division

Thank you. Renee Olson for the record, Administrator of the Employment Security Division. I just wanted to introduce some folks to everyone really quick. We're going to have a couple of presentations under this Agenda Item.

Part of what I'm going to present at the end is some changes that were made by the Sunset Subcommittee to duties of the Employment Security Council. And, one of the reasons we thought we would have this meeting—one of the things the Employment Security Council does every year is, meet to consider and recommend the tax rate for the upcoming year. But, there are other duties of the Employment Security Council. This meeting is really more of an informational meeting, but it's a chance to think about what the Employment Security Council might want to do in meetings other than setting the tax rates.

So, we'll go over some of those duties and I just wanted to bring that up that, although we've relied mostly on the Employment Security Council for that purpose, there are some other things that the Employment Security Council can do and so we can start talking about and thinking about what those things are.

So, first of all, I'd like to introduce John Parel. He's going to let you know, give you some information about what the Job Connects do for businesses in the community and how/what they do with businesses, then impact the labor market and how we help folks get back to work as well. So, this is something we thought would be important for the Council to hear about and understand as we're thinking about the frame of mind that I just brought up, about what other issues the Employment Security Council can consider.

I'd like to introduce Neil Rombardo, he's the Attorney for the Employment Security Division. He started with us in January and he came to work for us after Tom Susich retired after a very long career in Unemployment Insurance Law. And so, we'd like to welcome him and he's going to help us make sure that we are staying on the straight and narrow with the Open Meeting Law, right? And, any questions you might have, I'm sure he'd be happy to answer those questions.

John Parel is one of our Business Service Managers in the Northern Region. He works very closely with the folks like EDON, with Economic Development, employers across Northern

Nevada and in conjunction with JobConnect offices, so he's going to tell you what he does.

A. Business Benefits of Nevada JobConnect (Exhibit A)

John Parel, Business Services Manager, ESD.

Good morning ladies and gentlemen, my name is John Parel. As Renee mentioned, I am the Northern Nevada JobConnect Business Services Manager. I'm here to discuss the business benefits of Nevada JobConnect.

Nevada JobConnect is the State's workforce delivery system, as you know, we connect businesses and employees. We're part of the American Job Center Network which is nearly 3,000 Centers across the United States. We have 10 JobConnect Career Centers and two business services offices in the State. We're in the business to work with business. This slide gives you an overview of the business services we provide, which I'll go over in more detail later.

Employers that list their jobs with us benefit from the following business services at no charge. The Business Services Office located in Northern and Southern Nevada has 30 dedicated staff. We work with the business community to fulfill ESD's mission that is, that we exist to empower a vibrant labor market in Nevada by creating business and worker connection with high quality demand driven services.

This slide gives you an overview again, of the services that we do and again, I'll go over these in a little more detail later.

We conduct a comprehensive search of the State's largest database of job seekers. We provide talent pre-screening. We offer skills assessment testing and certifications. Not only do we plan and facilitate company hiring events and job fairs, but we can also provide them with the space to do so. We offer hiring financial incentives with the Silver State Works Program. And, we provide workforce intelligence and labor market data.

We can help businesses with their local, state or even national recruitments through our affiliations with the American Job Center Network.

We assist businesses with the formation of job descriptions and requirements. We provide information on current local hiring trends. We plan, coordinate and set-up hiring events at job fairs tailored to the business' needs. And, we offer free advanced advertising through our partners on TV, radio, social media and our national website, NEVADA.US.JOBS.

One of the biggest benefits to business is our ability to search for talent through various sources, such as our own Nevada Job Bank. Nevada's Job Bank is the State's job exchange system. It's used by thousands of employers to post their jobs and has over 151,000 records of active job seekers. When an employer posts a position, our staff will perform applicant pre-screenings by referring only qualified applicants, saving the businesses time and money by alleviating the overwhelming process of reviewing hundreds of resumes.

In addition to our large database, our staff reach out to attract talent through our partners, colleges, universities and various media, again saving businesses time and money.

Our job posting process has been streamlined to maximize our turnaround times. Job postings can be self-service or full service assistance from Business Services Staff. Businesses have the option in how involved they want us to be in their recruitment process.

Another benefit that businesses get from JobConnect is skills testing. Businesses can have Job Connect test their applicants as part of the prescreening process. JobConnect offices are equipped with computer training labs or Resource Centers that customers can use. Business Services staff are able to facilitate or proctor employers own tests and assessments or use one of our tests such as the Prove-It System of tests, which includes over a thousand tests such as typing, Microsoft Office and hundreds of skills tests.

Job Fairs and Hiring Events have been our bread and butter these past few years. They've been very successful in moving large amounts of unemployed individuals to employment. Last year alone, we conducted 435 employer events and served over 10,215 job seekers.

This past May, we conducted our first sector specific job fair. The manufacturing sector benefited from this and there were over 30 manufacturing businesses that benefited with from over 700 job seekers who attended the event. Businesses were thrilled by the attendance but were more excited about the quality of the job seekers, as most had manufacturing experience, since it was targeted. We plan on scheduling other sector specific job fairs based on specific sectors hiring needs in the near future.

Our Rapid Response is a JobConnect program that assists businesses when they have to lay-off employees or shut down. We would customize a plan with the employer that best suits their needs. Part of that plan can include a Lay-Off Aversion Job Fair where we conduct a job fair either at the business site or our facility and invite companies in the same industry to interview the affected employees. This process not only allows other businesses access to qualified applicants, it saves unemployment insurance fund money by circumventing the whole unemployment process.

JobConnect not only finds qualified candidates, but when necessary, incentivizes businesses to hire candidates who may be less skilled than required. Employers can use the incentive to train the employee to acquire those missing skills. The Silver State Works Program often makes a difference in hiring candidates that the employer may have had some reluctance in hiring. The Program helps minimize that risk for the business.

Economic development - JobConnect is proud of its partnerships with the State's various economic development agencies such as the Governor's Office of Economic Development, EDawn, NNDA and the LGVA to name a few. JobConnect's role in assisting economic development agencies with growing existing businesses and attracting new companies into our State cannot be diminished. JobConnect provided new and expanding companies with labor market information and workforce intelligence they needed to make critical decisions to relocate

or expand into our State. Labor is one of, if not the largest expense a company can have. Incentives are great, but a company wants to know that they have a sustainable workforce. One of these new companies - when these new companies commit to moving to or expanding to our State, JobConnects assist them in their initial and future recruitments.

Last year, we met with over 300 companies that our economic development partners were working with and here's a small sample of those companies and we continue to work with these companies as we speak.

Our dedicated staff truly embrace the meaning of customer service. The businesses we work with are appreciative of the excellent service we provide. Here are some testimonials from employers we've been working with and are now working with. [goes through slides] Again, here are a few more of the employers we're working with now. And these companies are some of our biggest supports and even go as far as help market our services to other employers.

That concludes my presentation. Thank you for giving me the opportunity to discuss how we benefit the employers here in Nevada. Do you have any questions?

Chairman Havas indicated that he thought it was a fine presentation. At this time there were no questions for Mr. Parel.

Administrator Olson said that she attended a hiring event in Reno. The pictures you saw there were Reno Town Mall and we basically filled that whole space with employers. When I went to visit the hiring event, I really stopped and talked to every employer that was there and got really great comments about how happy they were with the qualified candidates that we were able to attract to the event. It was pretty exciting, kind of a neat event, but you see how many they hold of hiring events, 435 in the last year. So, we just wanted to let you know how we actively work with the employer community and businesses and by focusing on businesses, we're really creating a demand driven system so that we're helping employers find the employees they need and that's how the labor market works best. We just wanted to highlight that for you and see if you have any questions. We invite you to come visit the JobConnect offices any time. It's kind of neat to see how those offices work. So, thank you John.

Next we're going to give you some information about Unemployment Insurance and really what we wanted to highlight a little bit for you was, what businesses are going to see when we roll out our new Contribution system coming up soon here in the next few months. Scott Kennedy is going to talk to you a little bit about that and he's going to give you some other information. Hopefully it will just start you thinking about the process coming up in October. We're going to have our meeting in October to start thinking about the tax rate for the upcoming next year. And so, it's a lot to take in at that meeting. We'll start thinking about information we're going to be receiving at that point. But, anyway, I'd like to introduce Scott Kennedy and he's going to talk to you a little bit about what UI has been up to.

B. Unemployment Insurance Program Update (Exhibit D)

Scott Kennedy, Chief of Unemployment Insurance Support Services, ESD

My name is Scott Kennedy. I'm the Chief of UISS, which is Unemployment Insurance Support Services, we're the policy arm of the Unemployment Department in Nevada.

I'm going to start off by going over some labor market information and please feel free to interrupt me. I'm going to be throwing a lot of statistics and everything at you. If you have any questions on the labor market information, Dave Schmidt from our Research and Analysis Bureau is here and he would certainly be able to assist in answering any of those questions.

For Unemployment, the Nevada Unemployment Rate as of May 2015 was 7%. The Las Vegas Metro Area was 6.6%, Reno/Sparks 6.1% and Carson City 6.9%. For jobs in May 2015, seasonally adjusted, the Statewide employment increased by 8,000. The Las Vegas Metro area increased by 1,400. Reno/Sparks by 1,100 and Carson City increased by 400.

For Tax, the regular Unemployment Insurance Rate is, 0.25% to 5.4%. The CEP Rate currently is 0.05%, except for those 5.4% employers, because they don't pay CEP. The average employer rate for 2015 is 2%. And, the new employer rate is 2.95%.

As you know we had to use a bond to pay back our debt to the Federal Government from borrowing for unemployment due to the Great Recession. Right now, our average bond rate is 0.56%. Of that, 0.48% is for the bond principal and 0.08% is for bond interest. The bond rate range is 0.14% and that's for the time 10% of wages from employers with the most positive reserve ratios. The rate is 0.26% for new employers. 0.60% for the majority of positive rated employers. And, 0.80% of negative rated employers. The bond rates are computed annually and we anticipate that our bond repayment date will be December 1, 2017.

You can see why Dave had to be here, because I would not be able to answer questions about this stuff.

Our taxable wage base in 2015 was \$27,800. As of January 1, 2016, that will be going up to \$28,200.

Our current Trust Fund balance is \$341.3M. Our 12-month benefits outgoing, as of March 2015 is \$370M. And, for the same period of time our 12-month contributions incoming is \$513.3M. The amount needed for one year of benefits in reserve is \$963M to \$1.2B. We expect a solvency level sometime in 2018 or 2019.

Now for the weekly benefit amount as of July 1, 2015 for claimants went up to \$417 per week. That's the maximum of their weekly benefit amount. For the week ending June 20, 2015, the number of claimants receiving UI was 26,606. Regular UI benefits paid for that week were \$6,616,271, so you can see, we're still paying quite a few claims.

For 2014 totals and this was the calendar year, the average number of claimants receiving UI per week was 29,964. The total regular UI benefits paid for that calendar year were \$367,865,829. As you can see, we have come down several thousand from 2014.

The 2015 totals so far this calendar year show the average number of claimants receiving UI per week is 27,781 and that continues to go down, slowly. The total regular UI benefits paid so far this year has been \$176,784,934.

I wanted to talk a little bit about the UI Integrity Program. Mostly wanted to show here how we've advanced our cash recovery and overpayment recovery methods. Back in 2006 we had 41.9% overall overpayment recovery rate. Total cash recoveries were \$1.12M and the fraud cash recovered was \$406,269. Skip to 2014, we had a 59% overall overpayment recovery rate. Our total cash recoveries were \$7.662M and our fraud cash recovered was \$3.202M. So you can see we took quite a jump.

There were several reasons for that. We basically had a federal income tax offset that we were allowed to start collecting. Back in 2009, the State was allowed to use offsets and we put into law that frauds must be paid - fraud overpayments must be paid in full, in cash before anyone could receive any further benefits. In 2013, we instituted wage garnishments. We're starting to get from employers, that we can garnish wages to get back the overpayments on claims.

In 2015 so far, the cash recovered as of June 1st has been \$5.518M. Our wage garnishment cash recoveries has been \$627K. The IRS intercepts have been \$3.184M. So, as you can see, these have been very productive programs in getting money back that we've overpaid on some of our claims.

Mr. Havas asked if Scott was able to give examples of fraud.

Mr. Kennedy responded. Someone has returned to work and doesn't notify us and continues to file weekly claims for unemployment benefits. That's the most, you know, obvious example. We've had very limited number of claimants who have been deceased or been incarcerated, whose family members then continue to file weekly claims for the unemployment benefit checks and everything, so it runs the gamut. You know, and we actually do publish out on the website our—what does Steve call it, the fraud - they're actual pictures, they're mugshots and everything, as published on the website so people can see that we're really, really serious about prosecuting people for their fraud overpayments.

Mr. Havas thanked Scott. Ms. Olson added that the Division put in place certain cross matches and comparisons for detecting when someone is filing a claim and they are currently incarcerated. So, we've put steps in place there to mitigate that as well as a cross match with, I think social security to detect fraud identity. Identity fraud and as well as measures put in place to make sure that we're not paying for deceased individuals. I think there were maybe one or two that came up that we found. So, I just didn't want to leave it with anybody thinking that we hadn't put measures in place to mitigate those issues. And, I just wanted to say that, this is an important factor to consider. When we were in a position of borrowing money from the Federal Government to fund benefits and now we're trying to pay those bonds off and we're trying to reestablish the Trust Fund, this is as an important of an activity that we can do to try to replenish cash into the Trust Fund that may have been paid under fraudulent situations. So, we do take measures to protect the integrity of the program, the Trust Fund, as well as just collecting taxes.

Scott Kennedy continued: And, also let me add, we also do the National Data New Hire Cross Match, where basically an employer fills out a W-4 Form and submits it to the Federal Government for hiring a new employee. We get that and we hit it against our system to see if they're filing for unemployment at the same time and we're able to identify certain people through that method as well and hopefully stop their benefits before they file more than a week or two.

Now, into our new computer system. Basically, Nevada implemented a new state-of-the-art, web based computer system for Unemployment that we called UINV. We were utilizing the old guide system, which was 35+ years old. It had become very antiquated. It was very difficult to make any changes with it at the end. So, we've implemented this new system. It is gone very well. We've had our hiccups, there's no doubt about it, but I think right now we have a really nice state-of-the-art system that we can use.

The release dates for this new system, Benefits went live in September of 2013, Appeals went live in July 2014. Contributions or tax, we are shooting for going live this Fall, 2015.

The UI Program was able to successfully implement this new computer system while dealing with the Great Recession. Nevada had the highest unemployment rate in the nation at 14.4%, at peak in 2010. At that same time, our staff was also working through design sessions, testing new system and everything, so we had to dedicate staff towards doing that as well as, dealing with the highest unemployment rate in the nation.

When we went live with benefits in September of 2013, our unemployment rate was 9.3%. At the peak of the unemployment in Nevada we were paying approximately 140,000 claimants per week. That included regular UI, the extended benefits and State extended benefits that we were paying at that time. When we went live with UINV in September of 2013, we were paying approximately 50,000 (49,932) claims a week.

Some of the benefits of the new system, there's an increased system capacity, for example, the sequestration. If you remember the Federal Government implemented sequestration, where we had to reduce weekly benefit amounts for extended benefit claimants by a certain percentage. With the new system, we were able to do that fairly easily and if something like that would come back in the future, we could implement it fairly quickly and easily. Under the old Guide system, it really would've taken a long time, taken a lot of programming and I'm not sure we could've actually done it on another Guide system, so we really had to have this new system to be able to do that.

We anticipate that the Federal Government comes through with new things all the time for unemployment and we anticipate this new system will allow us to enact those things fairly quickly going forward.

One of the biggest benefits has been the online claim filing system. We call it Customer Self-Service, or CSS. What this basically does is, a customer, a claimant that registers for CSS, it gives them a snapshot of their claim. They can see what claims, what weeks they've filed for and have been paid for, what weeks they have upcoming, what their weekly benefit amount

would be and what their maximum benefit amount would be. It gives them, if there are any issues on their claim, they can see what those issues are. It gives them fact finding, if there's an issue that they can complete. And, it basically, saves them having to contact us for this information like they used to have to in the past, they can see it all right there on their computer on their Customer Self-Service page. Currently, 65.2% of claims are being filed by the Internet, as of May 2015.

One of the other benefits I mentioned was fact finding. We have a dynamic fact finding that we built into this system and basically, this allows the claimants to complete their fact finding at the time of their filing. If they say they've quit or they were discharged from their job or they had some vacation pay, the fact finding is made available to them. And, what I mean by 'dynamic fact finding', it follows a logical progression. So, if they answer a question a certain way, it's going to take them to the next logical question. If they answer it a different way, it will take them to a different question. So, it's dynamic fact finding in that it reads their answers and then takes them to where we think the next logical question should be. Hopefully, as we go forward, it will continue, get the claimants using it. They complete the fact finding upfront, so we don't have to wait until the adjudicator gets their issue, and has to call them to get the fact finding. At that point, the adjudicator should have the fact finding and they can just call to basically clarify some of the information with them. It makes for quicker calls, hopefully quicker decisions and better decisions.

The system is more efficient. We're able to handle a lot of claims utilizing fewer staff hours. We did take a little hiccup in some of our statistics once we went live with Benefits, but currently our Adjudication Timeliness is back over 90% and our First Payments Within 21 days is 87%.

As we've said sometime this fall, we're hoping to go live with our new tax system contributions. We're in the stage of user acceptance testing right now for the new tax system. Some of the benefits of this are going to be that the employers will be able to register electronically with the State of Nevada and maintain their registration pages electronically with us. They won't necessarily have to call the contributions office to do any of that and provide that information. They will have an employer self-service page, similar to the claimant self-service, where they'll be able to view their tax rate. They'll be able to pay their taxes electronically. I mean, we're setting up credit cards and e-pay systems for them to be able to pay their tax rates with us as opposed to mailing in checks.

They'll be able to view their pending UI claims. If they've got people filing UI claims against their account, they'll be able to see that on their employer self-service page and they will also have dynamic fact finding that they can complete upfront. Once they see, this claimant says you discharged him and then there will be discharge questions, the same type of thing. It will be dynamic, depending on their answer, it will take them to the next logical question.

I also wanted to mention briefly, the SIDES Program, the State Information Data Exchange System. This is a Federal Program currently being mandated by the Federal Government, but all States implement SIDES with their systems. It's an electronic data exchange for UI claims.

Currently, you can provide separation information or earnings verifications from employers through SIDES. It's a nationwide standard data format. So, basically, the same questions are available in Arizona, California that are available in Nevada for employers.

The biggest benefit to the system has been the timeliness of responses, it's been over 99% employers have responded timely to, you know, information on SIDES. There are two separate areas of SIDES. Basically there's a broker exchange where basically we send the information directly to a broker, that broker sends the information directly to, mostly its third party administrators that are utilizing the broker because it does require programming on their part and there are costs associated with that. Small employers aren't necessarily going to want to use the broker exchange.

For small employers we have E-Response, which is a secure website. We upload information to the website that they have something out there for UI. We send them an email verification that something was uploaded to the website for them to go out and get. They then have to log into the website, retrieve their information, they respond to us back to the website and we pull that information back into our system.

Nevada went live with SIDES in January of 2014. Currently we have three third party administrators and 73 employers signed up for the SIDES Program. We're taking baby steps.

Mr. Kennedy announced that this was the end of his presentation and asked if there were any questions. Mr. Havas thanked Scott for his presentations.

C. Overview of 78th (2015) Nevada Legislative Session (Exhibit E)
Renee Olson, Division Administrator, ESD/DETR

Ms. Olson also thanked Scott. Next we are going to move in to what kind of occurred over session that impacted the Division directly.

I was worried that my presentation was going to be boring and I really liked these pictures, so I thought this might be interesting to see. You know, the programs that ESD operates have a very rich and long history. They first started back in 1933 when the Employment Service was put into law. And, you can see in the picture, President Roosevelt and you can see behind him Frances Perkins and she was the first female Secretary of Labor. On the side are either Wagner and Peysner, but I don't know which one is Wagner, and I don't know which one is Peysner, but they're the two gentlemen standing on the sides. So, I liked to share these pictures.

This is a picture of the first federal employment office in the State of Nevada, located down in Las Vegas in 1932. They were helping to hire folks for the Hoover Dam project at the time, so. I just thought that was kind of interesting and I like to share it.

Part of what occurred during session was the result of an interim commission or Sunset Subcommittee that was established. This was a subcommittee of Legislators and Individuals that came together to look at every Commission, Board, Council that the State had and as such, the Employment Security Council was part of that review.

What they did was, they looked at what those Councils and Commissions did. They looked for duplication with Councils and they looked to see whether some should be dissolved or combined into other Commissions. And so, the result of that, when they reviewed the Employment Security Council, was really, they took two duties away and I thought I would put the whole section of statute up here that explains the duties of the Council, because of what I wanted us to think about today is, how we can expand what the Council maybe does beyond the tax setting process. We've done a few of those things over the course of the last year. We had a meeting to talk about the Career Enhancement Program, Senior and Vets Loan Program if you remember. So, really what the duties of the Council are, is to act as an Advisory Council to the Administrator. I'll go ahead and read these.

What you see in the blue sections are the sections that we're removed through **AB154**. So, the Council has the duty to try to reduce and prevent unemployment, encourage and assist in the adoption of practical methods for vocation training, retraining and vocational guidance.

"C" was an item that I think they discovered had been in the statute since the 1930s. It's—new deal written all over it. And, I think it was part of, just looking back at some of the history, what I could glean is, it was part of what they called the Civil Works Administration that gave localities money for Public Works. And, I don't think that that's been disbanded and I don't think that occurs anymore and the Subcommittee felt that that could be a duty that was eliminated from statute.

"D" promote the reemployment of unemployed workers throughout the State, in every other way that may be feasible and then, "E" was also removed, to carry on and publish the results of investigation and research studies. Then, as we know, whenever the Employment Security Council believes that a change in contribution or benefit rates will become necessary to protect the solvency of the unemployment compensation fund, it shall promptly so inform the Administration and make recommendations with respect there to. So, that is the October meeting that I've been referring to where we consider the tax rate and then you make a recommendation to me in regard to what the average rate should be for the upcoming year.

One of the other things that we discussed in the Subcommittee meeting is the fact that Board of Review is also comprised of Members of the Employment Security Council and so that and the setting of the rate were key components that we talked about during that Subcommittee.

If you have any questions on how that changed or you know, as we go forward with additional meetings, you know, I think if you have any questions there, I'd be happy to talk about those things and go from there.

One of the other bills that was changed for Employment Security Division, this is another change from the Legislative Subcommittee. **AB132**, addressed changes that they suggested for the Board of Education and Counseling of Displaced Homemakers. What was kind of funny is we always refer to it as the Displaced Homemaker Board and so when they said the full title of the Council we all went, what? [laughs] So, it's funny how you call something, you colloquialize it for so long that you don't know what the actual title is.

Anyway, during that Committee Hearing, they added a couple of things. They added to include individuals impacted due to the termination of a domestic partnership. Those folks could become clients of the program. And, they really surprised us when they suggested we increase our fees from \$20 per divorce or termination to \$30 and they haven't been changed since—I'm trying to remember, 1980 or some far away date, and we just did a study on what the consumer price index would've been to bring that into today's terms and fees and they increased it up to \$30, which surprised us. But, it was a good surprise because the program was really underfunded and so, we think there will be some good results from that. We'll be able to serve more people. I failed to mention that the Employment Security Division serves as staff to that Board, so that's our role with that Board.

And then, they also changed, that the statute said that one of the representatives had to be a Displaced Homemaker. Well, as soon as that person goes back to work, they're no longer a displaced homemaker and they were getting basically removed from that board. And so, we felt that they still had valuable input for that board, even though they had become employed. So, we changed it to include, or former displaced homemakers, so that we wouldn't keep having that disruption and they could serve out their term.

So, **SB24** was a bill that was made at ESD's request. It was a Bill Draft that we submitted to the Governor's Office. Some changes occurred to the bill along the way. One of the things that we discovered last year with it, there were individuals, members of the National Guard, the Army and the Air National Guard in Nevada that were qualified for their federal unemployment benefits, they had become full time employees at the Guard and the statutes prevented us from addressing those folks and getting their federal unemployment benefits. And so, when we realized that it was a change really in how those folks were employed by the National Guard.

They were put on full time active duty and in previous years, I don't think it really had been an issue because of how those folks had been operating. So, we changed the statute to allow those members to obtain their unemployment insurance benefits. I think at the time, we had—I don't know if I have the numbers right, 21 or so individuals that we knew had been released from full time employment and not all of those folks filed for benefits. But, we just didn't want there to be anything that would prevent folks from tapping into their benefits if they needed them. So, that was one of the amendments to our bill that we proposed.

We also enabled the SLDS, The Statewide Longitudinal Data System. If you know what that is, that's really a project, the P-20 Council. A few years ago, a few sessions ago, there was authority put into the statute for—and the requirement for Higher Ed to report on the employment outcomes of folks going through their programs. And so, we had to adjust our statutes so that the confidentiality rules allowed that data to be used to show the results of their education efforts there, so we did that.

Reporting of this, a couple of sessions ago, we had an issue come up where we needed to compare the claims for workers comp to claims for unemployment insurance and we discovered we weren't able to do that, the information hadn't really been gathered in the Division of Industrial Relations. They needed a new system by which to collect some data.

The industry was saying, you know, we're already reporting certain information to that Division, why don't we just continue to also report our claim information there and then they can provide that information to ESD. So, this session we were able to accomplish that linkage. And so we're working right now with the Division of Industrial Relations to gather that information. But they are actually right now in the process of putting their request for their new system together, so it might be some time before we get there but we're working on it.

We also had a change that was driven by a Supreme Court decision that we offered as an option to either reaffirm the statutory guideline that said the initial period of disability would be used for the election of a base period. The opinion from the Supreme Court said that any period, the claimant should be able to use any period of disability from the initial period of disability to any. So, that statutory change was made.

Finally, we extended the recovery period for UI fraud overpayments to 10 years. And, Scott had mentioned that we started collecting overpayments from the IRS for people's tax returns. We can tap into their offset system to recover funds. This really just aligned us with the Federal Overpayment Recovery System that we can align the 10 years with their system.

And then, finally, one of the other things that we did in working with workers compensation benefits and comparing those claims is that we made it an act of UI fraud to file for workers compensation benefits while also receiving UI benefits. And so, those were the statutory changes that we requested that were made.

I'll just keep talking until somebody has a question.

Real quickly, some external bills, it's not always just making request to change statute, to 612, it's also some external changes that are requested as well. One of the changes that we agreed to and we worked with the Controller's Office was that, they are trying to garnish wages of individuals that might owe the State money. So, other Departments within the State where an individual might owe money. For example, the DMV or elsewhere, they went to Session and asked for the right to garnish wages and in order to be able to do that, they need information about where the individuals might be working. And so, we agreed to provide that strictly for this purpose. That had already been allowed for local governments and we just added the State Controller's Office to that.

SB59 amended our confidentiality section in our statute to allow us to provide the information necessary to operate the State Business Portal. This is a Secretary of State program that allows businesses to go to basically a One-Stop-Shop to be able to go in and get all their business licenses, pay any fees or anything like that and it would also give them a link to make sure they're registered for Unemployment Insurance and that they're coming to ESD also to make sure that they're paying their taxes. So, we agreed to make some changes within our confidentiality laws that allows the Business Portal to operate with our information, and that it protects the confidentiality within that system.

AB389, this is a bill that came up that the first way it was drafted was to allow employee leasing companies to be able to select whether they wanted to pay and report under the leasing company rate or by the individual businesses that were their clients. We took the position that it would be detrimental to the system and probably a SUTA violation, State Unemployment Tax Avoidance Law violation, to be able to let them pick and choose which rate they wanted to pay. And so, — where it ended up was, those companies will be reporting and paying according to their client businesses and their experience within the system.

So, another bill that had a lot of activity during this session about assisting veterans and the Governor's Office of Veteran's Services had a lot of work that they were proposing through bills. The **AB62** does a lot and I won't go into that. I don't know if I could go into everything that that bill does, but what we focused on is the impact to Employment Security Division. Really what they asked us to do is report yearly to the Interagency Council on Veteran's Affairs. You can see here that they wanted to know the average number of veterans served by our veterans' employment specialists in our JobConnect offices, they wanted to know the average number of initial and continuing claims for UI benefits. Average amount of weekly UI benefits received by veterans, that's the dollar amount of weekly benefits. Then the average duration, how long veterans were having to file for unemployment insurance. So, we'll be reporting on that yearly, to that Council.

Then, **AB89, amended 612**, to require the Administrator to report quarterly to that same Council. The aggregate unemployment data concerning veterans including the UI benefits paid. And so, we're glad to provide that information in support of, you know, the Council is concerned with looking at programs and things that they can do to help veterans, so we're happy to provide that information.

I just thought I'd bring up **AB489** because of course, our mission is to help create and help support a vibrant labor market in Nevada but we, as employers, are also part of the labor market. We always are concerned with having qualified staff working for the Division. Some of the things that impacted State employees, they were granted a 1% cost of living increase for State Fiscal Year '16. And, a 2% cost of living increase for 2017. Furloughs were discontinued. So, there will be no more furloughs. I think furloughs went on for about six years, for State employees. And the merit pay system was restored last year and that continues to operate into the next biennium.

AB436 did eliminate longevity payments for State employees. And then, other changes that will affect the staff. The retirement contributions did increase by 1.25%. Benefit premiums also increased and the deductibles increased. So, we have to appreciate that employees are being provided a cost of living increase this time. But that they do also have other obligations that they meet as they go along through the year.

One of the things that we think about is attracting and retaining a qualified workforce for the Division as well, it's really important with the programs that we operate. They're very highly technical programs. Federal programs that we operate, probably over 20 Federal programs that the Division operates right now. So, especially with the Unemployment Insurance Program, they're highly technical, law driven programs, so it's important to keep those folks in mind as we

go forward. And, you know, with the Unemployment Insurance Program, one of the things that our federal funding, this isn't in my presentation but one of the things, happens to our federal funding during times of good economic times is that, federal funding contracts because our workload contracts as well. So, during session, during our budget hearings we were also working to try to facilitate that contraction in funding and so, what we did see was a loss of permanent positions there, in our Unemployment Insurance Program and we start this year with implementing those changes. It's kind of a bittersweet thing. It's yay, the economy is heated up again and we're going good and now we're contracting in our funding. So, that's expected and that's a normal course of business.

We're looking forward to the next biennium and going forward and looking at what we can do. We're already going to start looking at the next biennium in the next session for what we can accomplish and looking at our budget already for the next few years.

So, if anybody has any questions, I'd be happy to answer any questions.

Mr. Havas noted that there were not questions and so he would like to go to the final item on the Agenda and that is, comments, questions from the public? Please introduce yourself.

VIII. CLOSING PUBLIC COMMENTS

Mr. Ray Bacon stepped forward and introduced himself.

Thank you Mr. Chair, I am Ray Bacon, Nevada Manufacturers Association. These last few years has been a real trying time for the Division and quite frankly, I think Renee and prior to her, Cindy, deserve great credit for the way they've pulled through this operation. And, as a general rule, I would say that the vast majority of the employers in the State understand what they've done, I'm not sure the rest of State government really understands the anguish that they've been through.

There are a couple of things that have happened that I think may wind up being things that you may want to take a look at in the future. 1) DETR has engaged a software program which is called Burning Glass. Which is kind of an interesting operation, and this Council at least should be aware of this program. It goes out and takes a look at every employment database that's out there. Whether it's electronic, whether it's print or whatever and it works for the entire country. It goes out there and scans them all and does a reasonable job at eliminating duplicates. What that does is it gives Renee and her people and JobConnect and their people, it gives them a real live look at what jobs are out there, what fields are out there so that you can see employment trends in the past and moving into the future. Because employment trends, we know are going to change. Where the jobs 10 years from now are not going to be what the jobs are today. It's changing faster and faster as we see. Even inside your organization, you've seen productivity changes that you've had to make because you went through and did the software change.

That's the same thing that's happening in the private sector. But that gives us a tool that I think probably each one of the people that sit on this Council should, number one, be aware of and number two, at some point in time, whether it's in the October meeting or whatever, by that stage

of the game, it should be fairly well in place. You may want to get a 10-15 minute pitch on that as to what it does and what's there. But, beyond that, what I've seen, it's pretty dynamic data, it's pretty interesting data and it also directly connects with part of your mission, which is part of the CTE Programs in the high school which is also part of the community college mission.

At this stage in the game, we're starting to finally address that we have CTE Programs, Career Technical Programs at the high schools that are becoming obsolete. One of the ones which is very popular with students is still graphic design. Graphic design sounds like a wonderful program. At one point in time, it was a career, now it's a skill. Graphic design is now an integrated piece with probably 20-30 different other professions. Same is true with photography. We would still have a three year photography program out there and that does a wonderful job of creating kids that have a lot of fun and have no skills that are employable in most cases, or very, very few.

So, those trends that are out there happening are something that I think this Council needs to be aware of. The other thing that I know you're aware of but what we haven't done, we haven't bridged, if you will, the gap is when Governor Sandoval came into office, we went through and did the SRI Brookings Study to take a look at where our future jobs were going to be and they came up and identified, I think it's now seven sectors where future jobs are going to be. It's manufacturing, it's mining, it's ag, it's gaming and hospitality. That misses two of the major, actually three of the major employment sectors in the State. It misses construction, which, when the thing was put in place, we didn't have any construction, so it didn't matter. And, it also misses retail, because retail was also fairly flat at that point in time. Those are secondary jobs and not primary jobs in most cases, so that's why they're missed. It also misses a large section of the service economy.

From an employment standpoint, those are still a major portion of where your jobs are placed. But, when you take a look at where the future is going in this state, we're, we believe, where those Sector Councils are created. Somehow this body probably should get to take a look at the Sector Council Annual Report so you can kind of see what they're doing and where they're going because I think it also integrates with what you're doing and where you're going.

We have done a great job as a State of having silos of information and what we're now starting to do through the Sector Councils is that we're starting to take those silos and overlap them to the point where we're starting to do things. The Sector Councils are now focused on what GOED thinks is where the future is going to be is, where the training programs are going to be is, where the jobs are going to come from and start to close that loop.

Hopefully we do a much better job in the future of training our students, whether at the community college level or the high school level, with the skills that they need to get the jobs of the future. And, more important to that, since we know the jobs are going to change is to get not only the jobs of the future but the skills and the talents that they're going to need to continually educate themselves for those jobs, because those jobs will evolve, absolutely guarantee it.

So, that's a thought process that I think is one of those things that you need to kind of put in the back of your mind to broaden the scope because you're taking a look at the employment and

unemployment situation and that's all integrated. So, it's an area that's different than what you've done in the past. I think still it's vital for the long term future of the State, for everybody taking a look.

Mr. Havas said to Mr. Bacon, that he kind of inspired something in his thinking. Do you feel that the creation and development of curriculum on the community college level or technical school level, that the creation and development of curriculum is being done in a conducive environment, that something that works, or can it be improved significantly?

Mr. Bacon responded to Mr. Havas that he is going to give him a convoluted answer and he is to tell him right upfront it's a convoluted answer. The answer is yes and no. The answer goes like this. Where the community colleges, either through the Sector Councils or through interface directly with a particular industry or particular company have done a pretty good job. The quality of the programs that we have at the community colleges, in general, there are exceptions, but in general, we're producing a pretty high quality product. The Tesla operation, Panasonic operation is going to prove to us that what we don't have is the capacity that we need. So, we do a fine job with the number that we produce, but as this thing comes on line; Jim New who is the Administrator for TMCC, him and I have already had conversations because of just pure lab space issues alone, they're going to have a period of time when they're probably running 24/7 for a period of time getting people up to speed for Panasonic and Tesla. You talk about a university or a community college even talking about 24/7 operations, that's a whole new territory they've never had to deal with before. And that's likely to happen. And it's going to wind up to our benefit because, those people are going to come in and they're going to get employed and they're going to get employed with pretty reasonable jobs.

The secondary thing and this discussion is starting to happen, because one of the things that came out of the session is, the Governor's Budget had requested \$3.5M for CTE Programs. Somehow magically that number became \$10.5M for this year and \$12M for next year because the industry recognized and some of us did a lot of work to convince the legislators that it makes sense.

We spent a lot of money on education this session and some of those programs are going to have an ROI that the private sector folks fully understand and sometimes government doesn't. They're going to have an ROI of 10-15 years. Early childhood education is a great idea, but before you see the payback on that investment, if you're talking preschool education, that's 15 years out, before you see whether it did a lot of good or not. CTE Programs in this State, and let me give you the numbers, and I'll pick on one school in particular because it's probably the best in the State.

Southwest CTA in Las Vegas, which is kind of south of where IGT's new building is in Vegas, outside the beltway. They have positions for 380 students every year. So, they can take in 380 freshmen. Their graduation rate for the last two years has been an excess of 99%. In this State 99% is, where did they come from, because all of a sudden they're doing something right.

The second number, which is almost as impressive - remember, these are kids who are focused on careers and skills and things like that that they need. The percentage of the kids that are going

on to some sort of post-secondary program is in the range of about 85%, closer to 90% get accepted into some programs, but some of them for financial reasons or they decide to go into the military or whatever, they don't actually achieve the 90%. They wind up with something less than that, but it runs in the 84-85% range.

Now, here's the bad news part of the thing. I don't know what the number is for this year but last fall they had 3,300 applications for those 380 seats. So, we know what works and we're not executing. The ROI on a CTE Program, it's about two and a half years. Well, let me see, I can invest my money and get my payback in two and a half years or I can invest my money and get my payback in 15 years. Which one are you going to pick? And that's what the legislators picked.

So, it's kind of a long and convoluted answer but I think we're on the right track. We have a lot of balancing to do. The secondary thing, and we had a meeting with the CTE, the Sector Councils Chairs and the CTE Administrator from the State, a couple of weeks ago. Part of that discussion was, number one, the programs that are obsolete have got to go away. Number two, industry is starting to look more and more for nationally accepted certifications and certificates. Something that comes in that's not strictly coming from the State of Nevada but something that has brought in somebody from a third party that has verified that these are the skills that are needed. That keeps them current, that keeps them updated, so that those skills are portable. The kid leaves the State, that's fine, it's accepted someplace else. That's what we're doing a lot in the manufacturing sector with the National Career Readiness Certificate. It's an ACT Program, but it's recognized every place.

So, when you start to bring in all these pieces, the important piece is that the skills are going to ratchet all the way down, so the CTE kids that were almost forbidden from taking certification tests a few years ago are now going to be encouraged. There is no reason a kid can't graduate from high school as an ACE Certified Diesel Mechanic and wind up working on the lines for \$50K a year. That's not a bad deal for straight out of high school.

Ms. Olson commented that what Ray brought to mind was, that Burning Glass is something that we're working right now to implement. And, it brought to mind that, as we move into the next meeting in October, things like that, any kind of things that needs to be added to the Agenda, for example, if you will send us your suggestions, we'll be happy to go over those with the Chairman and we can look at putting some of those on the Agenda. For sure, we can give you an update on Burning Glass.

And, also, I wanted to mention that the Sectors are organized under the Workforce, it will be called the Workforce Development Board, Governor's Workforce Development Board. They're organized under there and we would be happy to provide you any information on how you might get involved in those Sector Councils and how you can get information on those Sector Councils and they're really driven to provide the intelligence that is needed to translate what skills are needed, what programs do the schools need to design to provide the qualified individuals for these jobs. So, those Sector Councils, I believe there are nine Sector Councils. And so, we'd be happy to provide anybody that information on how to get connected with those Councils.

With that, I just want to mention that any information that we can bring forward to the next meeting, we will. It will be a very busy meeting. It will be really geared toward all the facts and figures we throw at you for the Unemployment Insurance Rate, but just let us know, thank you.

Mr. Bacon continued. The other thing that I will just say in closing is that the skills gap that we talk about routinely in this country is very, very real. The new jobs that are being created are dumped, many of the people of this State do not have the skills that we need for the new jobs that are being created. So, we're going to be as a State, we're going to be very challenged for a long period of time. If they don't have the skills right now, remember, I look at the education system as, it's the production line that happens to be 12 years long. In most cases, our production lines, most everything we build is a little bit less than 12 years. So, it's a long production line and in some cases, if they don't get those skills early on, that's part of the reason we drove the stake in the ground so hard on Read by 3, because if kids don't learn to read, they don't learn the math. If you can't understand the problem, the odds are you won't get the math right.

So, there were programs like that, that are going to have some payback, some of those paybacks are pretty quick. Some of those paybacks are long term, but it's an area that we've been lacking in for a long period of time. So, I think we have taken the steps to make Nevada's education system competitive. It's not going to happen anywhere near as fast as any of us would like it to happen, but we're in the right direction and we're finally doing real live coordination between the employment sector, the economic development sector and the employers, new employers and existing employers and at this stage of the game, most of the directions, none of what we're doing is perfect, but I think we're headed in the right direction for the first time in a long, long time. Thank you.

Chairman Havas thanked Mr. Bacon and thought it has been very enlightening. Actually very stimulating, thank you, very much. Who's next? Anybody? Anybody out there? I guess, no. Council members, anybody?

IX. ADJOURNMENT

Mr. Havas asked for a motion for adjournment. Ms. Olson made the motion, someone on the Council seconded, all said aye and the motion has been moved. There was no opposition and the meeting was adjourned.

NOTE: The minutes have not been approved yet. Approval with changes or no changes will be voted on at the next meeting – October 1, 2015.

STATE OF NEVADA

Brian Sandoval
Governor



Don Soderberg
Director

Renee Olson
Administrator

Department of Employment, Training and Rehabilitation
EMPLOYMENT SECURITY DIVISION
500 E. Third Street
Carson City, Nevada 89713-0001

MEETING NOTICE AND AGENDA

*****REVISED*** (Please see the below changes in red)**

Notice of Employment Security Council (ESC) Meeting

This meeting, conducted by the Administrator of the Employment Security Division (ESD) and the Employment Security Council (ESC), is a meeting to provide information to Council members regarding the Employment Security Division responsibilities as well as an overview of the 78th (2015) Nevada Legislative Session.

Name of Organization: Nevada Employment Security Council; NRS 612.305

Date and Time of Meeting: Tuesday, July 14, 2015; 10:00 A.M.

Place of Meeting: Live Meeting:

Legislative Building
401 S. Carson Street, Room 3137
Carson City, Nevada 89701

Video Conference To:

Grant Sawyer Building
555 E. Washington Ave., Room 4406
Las Vegas, Nevada 89101

Note: This meeting will also be broadcast on the Internet at www.leg.state.nv.us

AGENDA

- I. Call to Order and Welcome – Paul Havas, Chair, ESC
- II. Public Comment – *Chair may limit public comment to 5 minutes per speaker, but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period, unless the matter itself has been specifically included on this agenda as an action item.*
- III. Confirmation of Posting – Paul Havas, Chair, ESC
- IV. Roll Call of Council Members – Paul Havas, Chair, ESC
- V. Review Written Comments – Paul Havas, Chair, ESC

Exhibit B - Agenda for the Meeting/
Workshop

- VI. * For possible action;** Discussion and Action regarding Approval of Minutes from May 27, 2014 and October 8, 2014 – Employment Security Council Meetings – Paul Havas, Chair, ESC
- A. Public Comment – *Chair may limit public comment to 5 minutes per speaker, but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period, unless the matter itself has been specifically included on this agenda as an action item.*
 - B. Approval of minutes.
- VII. Employment Security Division Update – Renee Olson, Administrator, ESD**
- ~~A. Nevada JobConnect Overview – Ron Fletcher, Chief of Field Services, ESD~~
 - A. Business Benefits of Nevada JobConnect – John Parel, Business Services Manager, ESD
 - ~~B. Workforce Services Program Overview – Grant Nielson, Chief of Workforce Investment Support Services, ESD~~
 - ~~C. B. Unemployment Insurance Program Update – Scott Kennedy, Chief of Unemployment Insurance Support Services, ESD~~
 - ~~D. C. Overview of 78th (2015) Nevada Legislative Session – Renee Olson, Administrator, ESD~~
- VIII. Closing Public Comment -** *Chair may limit public comment to 5 minutes per speaker, but may not restrict comment based upon viewpoint. No action may be taken upon a matter raised under the public comment period, unless the matter itself has been specifically included on this agenda as an action item.*
- IX. Adjournment**

Agenda items may be taken out of order. Two or more agenda items may be combined for consideration. An item may be removed or discussion on an item may be delayed at any time.

A copy of the meeting Notice and Agenda can be requested either in person or by written request to the Department of Employment, Training, and Rehabilitation; Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713, or telephone Joyce Golden at (775) 684-3909, or fax request to (775) 684-3910. Copies of pertinent documents will also be made available on the DETR website at: <http://nvdetr.org>.

NOTE: Written comments must be received by the Employment Security Division on or before July 7, 2015, at the following address:

Department of Employment, Training and Rehabilitation
Employment Security Division
500 E. Third Street, Carson City, NV 89713
Attn: Joyce Golden

NOTE: Persons with disabilities who require reasonable accommodations or assistance at the meeting should notify the Employment Security Division in writing at 500 East Third Street, Carson City, Nevada 89713, or call Joyce Golden at (775) 684-3909 (*for individuals who are deaf or have hearing disabilities, dial 711 for Relay Nevada*), or send a fax to (775) 684-3910, within 72 hours of meeting date and time. Supporting materials as provided for in NRS 241.020(5) may be obtained by contacting Joyce Golden at the above-noted contact information.

Notice of this meeting was posted at the following locations on or before 9 a.m. on the 15th day prior to the scheduled meeting date.

Nevada State Library & Archives, 100 North Stewart Street, Carson City, NV 89701
Legislative Building, 401 South Carson Street, Carson City, NV 89701
Grant Sawyer State Building, 555 E. Washington Ave., Las Vegas, NV 89101
Legislative Counsel Bureau Web Site
Department of Employment, Training and Rehabilitation Web Site
All County Libraries in Nevada
Employment Security Division, State Administrative Office, 500 East Third Street, Carson City, NV 89713
Employment Security Division Southern Administrative Office, 2800 E. St. Louis Ave., Las Vegas, NV 89104
Unemployment Insurance Contributions, 1320 South Curry Street, Carson City, NV 89703
Las Vegas Field Audit Office, 2800 E. St. Louis Ave., Las Vegas, NV 89104
Reno Appeals Office, 1325 Corporate Blvd., Suite C, Reno, NV 89502
Las Vegas Appeals Office, 2800 E. St. Louis Ave., Las Vegas, NV 89104
Reno Day Labor Office, 420 Galletti Way, Sparks, NV 89431
Las Vegas Day Labor Office, 1001 North A Street, Las Vegas, NV 89106
Nevada JobConnect-Carson City, 1929 North Carson Street, Carson City, NV 89701
Nevada JobConnect-Elko, 172 Sixth Street, Elko, NV 89801
Nevada JobConnect-Ely, 1500 Avenue F, Suite 1, Ely, NV 89301
Nevada JobConnect-Fallon, 121 Industrial Way, Fallon, NV 89406
Nevada JobConnect-Henderson, 4500 E. Sunset Road, Suite 40, Henderson, NV 89014
Nevada JobConnect-Las Vegas, 3405 South Maryland Parkway, Las Vegas, NV 89169
Nevada JobConnect-North Las Vegas, 2827 Las Vegas Boulevard North, Las Vegas, NV 89030
Nevada JobConnect-Reno Town Mall, 4001 South Virginia Street, Suite H, Reno, NV 89502
Nevada JobConnect-Sparks, 2281 Pyramid Way, Sparks, NV 89431
Nevada JobConnect-Winnemucca, 475 Haskell St., Suite 1, Winnemucca, NV 89445

Notice of this meeting was posted on the Internet on the following websites: DETR's Public Notices website at: http://nvdetr.org/public_notices.htm, the State of Nevada's Public Notices website at: <https://notice.nv.gov/>, and the Administrative Regulation Notices website at: <http://www.leg.state.nv.us/App/Notice/A/>.

Business Benefits of Nevada JobConnect

John Parel

Business Services Manager, North Region

775-284-9634

jsparel@nvdetr.org



Nevada JobConnect

- **State's Workforce Delivery System**
- **Member of the American Job Center Network**
 - **10 Career Centers**
 - **2 Business Services Offices**



We are in the business to work with businesses

- The Business Services Offices located in Northern and Southern Nevada have 30 dedicated staff
- We work with the business community to fulfill ESD's mission:

We exist to empower a vibrant labor market in Nevada by creating business and worker connections with high-quality demand-driven services



We are in the business to work with businesses

- **Employers listing with JobConnect benefit from the following services at no charge:**
 - ✓ Assistance with Local, State, National Recruitments
 - ✓ Provide comprehensive search of the state's largest database of job seekers
 - ✓ Talent Pre-screening
 - ✓ Applicant Skills Assessment Testing and Certifications
 - ✓ Hiring Event and Job Fair Assistance
 - ✓ Provide Interview and Job Fair Space
 - ✓ Hiring Financial Incentives
 - ✓ Workforce Intelligence and Labor Market Data



Local, State, and National Recruitments

- Assistance with job description/requirements language
- Provide current trends information
- Set-up hiring events/job fairs (their site or ours)
- Free advanced advertising through our partners on TV, Radio, Social Media and our national web site www.nevada.us.jobs



Search of the State's Largest Talent Database

- Nevada's Job Bank has over 151,000 records of active job seekers
- Applicant pre-screening by referring only qualified applicants and matching talent to job qualifications
- Reach out to attract talent to job listings
- Quick response to hiring needs



Skills Testing

- **Customer Access to Computer Training Lab or Resource Center**
- **Prove-it Testing**
 - **Typing Speed, 10-Key**
 - **Software Testing – MS Office, etc.**
 - **Skill testing – Math, Reading Prints**



Job Fairs and Hiring Events

- 435 Employer Events with 10,215 Attending in FY2015



Job Fairs and Hiring Events

- Sector Specific Job Fairs

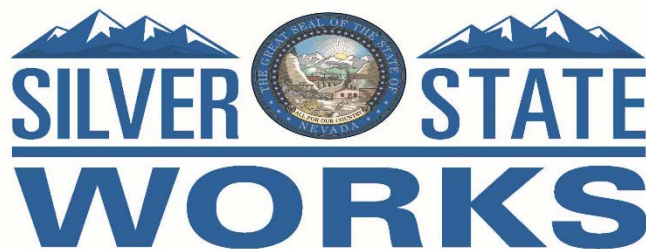


Job Fairs and Hiring Events

- **Layoff Aversion Job Fairs**



Financial Hiring Incentives



Offers employers substantial financial incentives for hiring and retaining full time, qualified candidates.



Economic Development

- **Work with partner agencies for new and expanding businesses**
 - **Labor Market information**
 - **Job Listings, Referrals and Application**
 - **Resume assistance**
 - **Job Matching and Referrals**
 - **Hiring Events matching employers to the Area Talent**



Economic Development



The Nevada Department of Employment, Training and Rehabilitation is a proactive workforce & rehabilitation agency

What employers say about JobConnect Business Services



GROCERY OUTLET
bargain market

Nevada Job
Connect has been
a great partner
for us since we
have opened.

They have helped
us find and recruit quality candidates to staff our brand new
store. They allowed us to use their conference rooms for
interviews, a job fair and a new hire orientation. In starting a
new business, all of these resources helped take some of the
stress away in starting our new venture."

*Dean & Sara Biggs
Owner/Operators
Lemmon Valley Grocery Outlet*



JobConnect Partners



The Nevada Department of Employment, Training and Rehabilitation is a proactive workforce & rehabilitation agency

Questions?

THANK YOU

John Parel

**Business Services Manager,
North Region**

775-284-9634

jsparel@nvdetr.org



Unemployment Insurance Overview

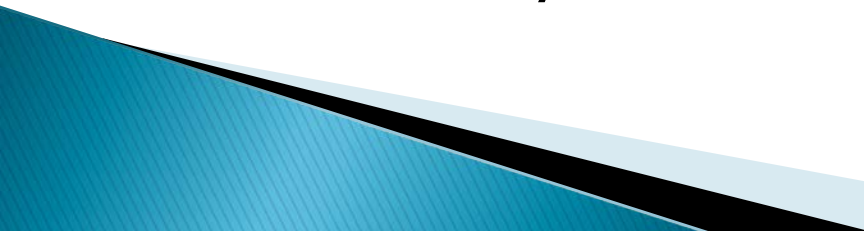
Employment Security Council
July 14, 2015

Unemployment Insurance

Unemployment

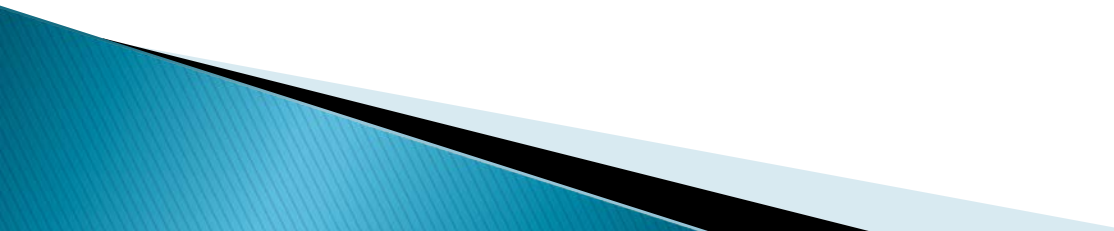
- ▶ Nevada Unemployment Rate (May 2015): 7%
- ▶ Las Vegas Metro Area: 6.6%
- ▶ Reno/Sparks: 6.1%
- ▶ Carson City: 6.9%

Jobs (May 2015, Seasonally Adjusted)

- ▶ Statewide Employment Increased by 8,000
 - ▶ Las Vegas Metro Area Increase by 1,400
 - ▶ Reno/Sparks Increased by 1,100
 - ▶ Carson City Increased by 400
- 

Unemployment Insurance

TAX

- ▶ Regular Unemployment Insurance Rates: 0.25% – 5.4%
 - ▶ CEP Rate: 0.05% (except for 5.4% employers, they do not pay CEP)
 - ▶ Average Employer Rate (2015): 2.00%
 - ▶ New Employer Rate: 2.95%
- 

Unemployment Insurance

TAX

- ▶ Average Bond Rate: 0.56% (0.48% for bond principal, 0.08% for bond interest)
- ▶ Bond Rate Range: 0.14% (top 10% of wages from employers with the most positive reserve ratios), 0.26% (new employers), 0.60% (majority of positive-rated employers), 0.80% (negative-rated employers)
- ▶ Bond Rates are Computed Annually
- ▶ Anticipated Bond Repayment Date: 12/01/2017


Unemployment Insurance

TAX

- ▶ 2015 Taxable Wage Base: \$27,800
 - ▶ 2016 Taxable Wage Base: \$28,200
- 

Unemployment Insurance

TRUST FUND

- ▶ Current Trust Fund Balance: \$341.3 Million
 - ▶ 12–Month Benefits Outgoing (March 2015): \$370 Million
 - ▶ 12–Month Contributions Incoming (March 2015): \$513.3 Million
 - ▶ Amount Needed for 1 Year Benefits in Reserve: \$963 Million – \$1.2 Billion (Federal/State Measures)
 - ▶ Solvency Level: 2018 –2019
- 

Unemployment Insurance

UI

- ▶ Weekly Benefit Amount: \$417 as of July 2015
- ▶ WEEK ENDING 06/20/2015
 - ▶ Number of Claimants Receiving UI: 26,606
 - ▶ Regular UI Benefits Paid: \$6,616,271
- ▶ 2014 Totals (Calendar Year)
 - ▶ Average Number of Claimants Receiving UI Per Week: 29,964
 - ▶ Total Regular UI Benefits Paid: \$376,865,829
- ▶ 2015 Totals (Calendar Year)
 - ▶ Average Number of Claimants Receiving UI Per Week: 27,781
 - ▶ Total Regular UI Benefits Paid: \$176,784,934

Unemployment Insurance

UI Integrity

2006

- ▶ 41.9% Overall Overpayment Recovery Rate
- ▶ Total Cash Recoveries – \$1.12 Million
- ▶ Fraud Cash Recovered – \$406,269

2014

- ▶ 59% Overall Overpayment Recovery Rate
- ▶ Total Cash Recoveries \$7.662 Million
- ▶ Fraud Cash Recovered \$3.202 Million

2015

- ▶ Cash Recovered as of 6/1/2015 \$5.518 Million
- ▶ Wage Garnishment Cash Recoveries – \$627K
- ▶ IRS Intercepts – \$3.184 Million

Unemployment Insurance

UInv

- ▶ Nevada Implemented a New, State-of-the-Art, Web-Based Computer System for UI named UInv
- ▶ Release Dates: Benefits, September 2013
Appeals, July 2014
Contributions (Tax), Fall 2015

Unemployment Insurance

UInv

- ▶ UI Program was able to successfully implement new computer system while dealing with “Great Recession”
- ▶ Nevada had Highest Unemployment Rate in Nation: 14.4% Peak Rate in 2010
9.3% Rate at Benefits Go-Live in 2013
140,000 Weekly Claims Paid at Peak
49,932 at Benefits Go-Live

○

Unemployment Insurance

UInv

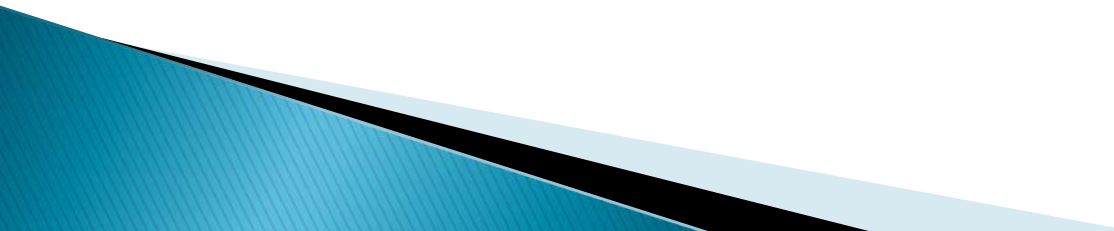
Benefits of New System

- ▶ Increased System Capacity: Ex; Sequestration Implemented
- ▶ On-Line Claim Filing: Customer Self-Service (CSS)
- ▶ Currently 65.2% Claims Filed Via Internet (May 2015)
- ▶ Dynamic Fact Finding: Claimants Complete DFF at Time of Filing
- ▶ System is More Efficient Utilizing Fewer Staff Hours
- ▶ Adjudication Timeliness: >90%
- ▶ First Payments Within 21 Days: 87%

Unemployment Insurance

UInv

Benefits of New Tax System

- ▶ Electronic Employer Registration & Maintenance
 - ▶ Employer Self-Service (ESS)
 - ▶ Pay Taxes Electronically
 - ▶ View Pending UI Claims
 - ▶ Complete Dynamic Fact Finding
- 

Unemployment Insurance

State Information Data Exchange System (SIDES)

- ▶ Federally Mandated Program
- ▶ Electronic Data Exchange for UI Claims: Separation Information, Earnings Verification
- ▶ Nationwide Standard Data Format
- ▶ Timely Responses
- ▶ Broker Exchange: Third Party Administrators
- ▶ E-Response: Individual Employers
- ▶ Nevada Went Live with SIDES in January 2014
- ▶ Currently: 3TPA's on Broker, 73 Employers on E-Response

Unemployment Insurance

- ▶ Questions?
- ▶ Scott Kennedy, Chief UISS
 - ▶ 775-684-0316
 - ▶ sakennedy@nvdetr.org

Employment Security Council Legislative Update

July 2015

Renee Olson, ESD Administrator

Exhibit E - Employment Security
Council Legislative Update
Agenda: VII -Item C

Where UI and Employment Service Started

June 6th marked the Employment Service's 82nd Birthday. On June 6th, 1933, President Roosevelt signed the Wagner Peyser Act while Rep. Theodore Peyser, Labor Secretary Frances Perkins and Sen. Robert Wagner look on. A few years later, on August 14, 1935, he signed the Social Security Act into law, thus creating the Unemployment Insurance Program.

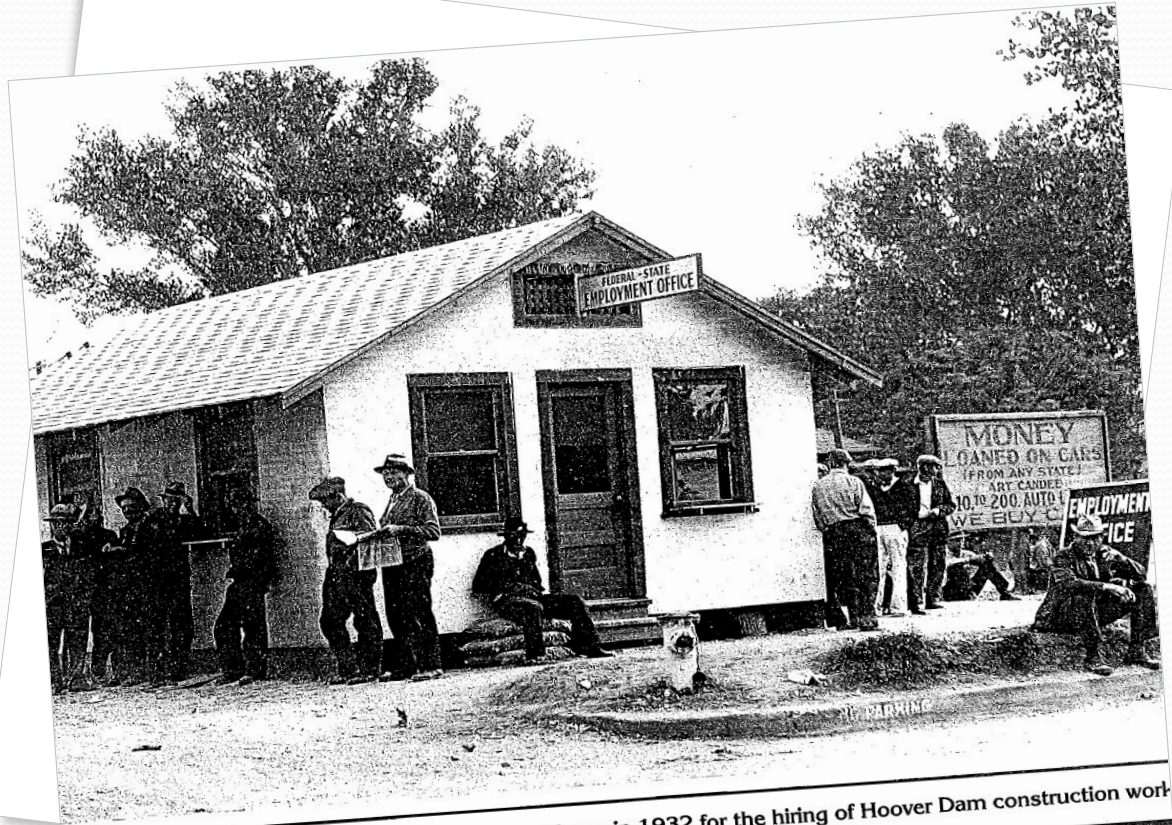


In the Beginning

Federal / State Employment
Office

Las Vegas, Nevada

1932



Federal-State Employment Office opened in Las Vegas in 1932 for the hiring of Hoover Dam construction work

Legislative Update – Legislative Sunset Subcommittee Changes

AB 154 – Amends NRS 612.310 to *remove* two duties of the Employment Security Council

NRS 612.310 Employment Security Council: Duties

1. The Employment Security Council shall act as an advisory council to the Administrator to:
 - (a) Reduce and prevent unemployment.
 - (b) Encourage and assist in the adoption of practical methods of vocational training, retraining and vocational guidance.
 - (c) *Investigate, recommend, advise and assist in the establishment and operation by municipalities, counties, school districts and the State of reserves for public works to be used in times of business depression and unemployment.*
 - (d) Promote the reemployment of unemployed workers throughout the State in every other way that may be feasible.
 - (e) *Carry on and publish the results of investigations and research studies.*
2. Whenever the Employment Security Council believes that a change in contribution or benefit rates will become necessary to protect the solvency of the Unemployment Compensation Fund, it shall promptly so inform the Administrator and make recommendations with respect thereto.

Legislative Update – Legislative Sunset Subcommittee Changes

- AB 132 – Changes NRS 19 governing the Board for Education and Counseling of Displaced Homemakers to:
 - include individuals impacted due to the termination of a domestic partnership,
 - increases the fees paid to the county clerk from \$20 to \$30 per divorce/termination, and
 - provides for the member of the board who represents the displaced homemakers to be a current or former displaced homemaker.

Legislative Update, ESD's Request

- SB 24 – ESD's Bill
 - **Active Duty Nevada Army and Air National Guard Members now entitled to UI Benefits**
 - **Employment and Wage Data will be provided to SLDS**
 - **Reporting of disability claims (workers comp) activity to ESD is now the responsibility of Division of Industrial Relations rather than all the individual private carriers**
 - **Changes the election of a base period that occurred prior to a period of disability from the initial period of disability to any period of disability.**
 - **Extends the recovery period for UI fraud overpayments to 10 years**
 - **Makes it an act of UI fraud to file for or receive workers compensation benefits while receiving UI benefits .**

Legislative Update, External Bills

- SB 26 – Amends NRS 612.265 to allow ESD to provide employer information to the Controller’s Office to give them the ability to garnish wages of individuals that owe the state money
- SB 59 – Amends NRS 612.265 to allow ESD to provide information necessary for the technical integrity and functionality of the State Business Portal (Silver Flume)
- AB 389 – Changes NRS 616B to deem the client company of an employee leasing company to be the employer of record for the purpose of UI.

Legislative Update, External Bills

- AB 62– Requires ESD to report yearly to the Interagency Council on Veterans Affairs:
 - Average number of veterans served by a veteran employment specialist per week
 - Average number of initial and continuing claims for UI benefits
 - Average amount of weekly UI benefit received by veterans
 - Average duration of UI claims received by veterans
- AB 89– Amends NRS 612 to require the Administrator to report quarterly to the Interagency Council on Veterans Affairs, aggregate unemployment data concerning veterans, including UI benefits paid.

Legislative Update, Staff Impacts

- AB 489 – Compensation of State Employees
 - 1% COLA in SFY 2016
 - 2% COLA in SFY 2017
- Furloughs Discontinued
- Merit Pay System Continued
- AB 436 – Eliminate Longevity payments for State employees
- Other changes affecting staff pay:
 - Retirement Contribution increased by 1.25%
 - Benefits Premiums increased
 - Deductibles increased