



DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION
EMPLOYMENT SECURITY DIVISION
500 E. THIRD STREET
CARSON CITY, NEVADA 89713-0001

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing to adopt the amended Regulations related to the Veterans & Senior Citizens
Small Business Loan Program
Post Date: 2/11/2020

The purpose of the hearing is to receive comments from all interested persons regarding the proposed amendment to the Regulation pertaining to Nevada Administrative Code (NAC) 612. These amendments will do the following:

- *Increase the limit for reimbursement of administrative costs incurred as a result of administering a loan under the program from ten to twenty percent of the total amount of all grants awarded to the nonprofit private entity for the purposes of making loans under the program.*
- *Add a requirement that financial institutions entering into a contract to disburse a grant of money to a qualifying non-profit entity through the program distribute that money no later than 15 months after the grant is approved.*

Name of Organization: Nevada Employment Security Division (ESD)

Date and Time of Meeting: Friday, March 13, 2020; 10:00 A.M.

Place of Meeting: **Live Meeting:**
DETR – SAO Auditorium
500 E. Third Street
Carson City, Nevada 89713

Video Conference To:
DETR – Stan Jones Building
Conference Room C
2800 E. St. Louis Ave.
Las Vegas, Nevada 89104

AGENDA

- I. Call to order and welcome – ESD
- II. Public Comment – *Administrator 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 – ESD
- IV. Review of Written Comments – ESD
- V. Review of amended regulation to NAC 612.685, increasing reimbursable administrative costs – ESD
- VI. Review of amended regulation to NAC 612.673, requiring grant funds be distributed within 15 months – ESD

- VII.** Closing Public Comment - *Administrator 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.*
- VIII.** * **For possible action:** 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.

NOTICE AND EXPLANATION

The purpose of the hearing is to receive comments from all interested persons regarding the amendment of a Regulation that pertains to Chapter 612 of the NAC.

The following information is provided pursuant to the requirements of NRS 233B.0603:

1. Statement of the need for and purpose of the proposed regulation or amendment

- **NAC 612.685**
 - This regulation will increase the allowable percentage for reimbursement of administrative costs pursuant to NRS 612.607 from 10% to 20%. This regulation is needed to increase industry interest in partnership for administering this program.
- **NAC 612.673**
 - This regulation will add a requirement to the Veterans and Senior Citizens Small Business Loan Program stating that financial institutions entering into a contract to disburse a grant of money pursuant to the program shall distribute the funds within 15 months of the date on which the application for the grant submitted by the nonprofit private entity is approved. This regulation is needed due to standard bank lending practices making it untenable for the awarded party to implement any program or report on any program activity under previous timelines.

2. Description of the proposed regulation

- **NAC 612.685**
 - This regulation will increase the allowable percentage for reimbursement of administrative costs pursuant to NRS 612.607 from 10% to 20%.
- **NAC 612.673**
 - This regulation will add a requirement to the Veterans and Senior Citizens Small Business Loan Program stating that financial institutions entering into a contract to disburse a grant of money pursuant to the program shall distribute the funds within 15 months of the date on which the application for the grant submitted by the nonprofit private entity is approved.

3. Estimated Economic Impact

- **NAC 612.685**
 - There is estimated to be no economic impact from this regulation change.
- **NAC 612.673**
 - There is estimated to be no economic impact from this regulation change

Adverse Impacts

- **NAC 612.685**
 - There is estimated to be no adverse impact from this regulation change.
- **NAC 612.673**
 - There is estimated to be no adverse impact from this regulation change

Beneficial Impacts

- **NAC 612.685**
 - This regulation change will expand the number of non-profit lenders interested in applying to run loan programs pursuant to subsection 2 of NAC 612.683.
- **NAC 612.673**
 - This regulation change will allow for more reliable distribution of grant funds and reporting on program outcome measures.

Immediate Impacts

- **NAC 612.685**
 - The immediate impact of this regulation will be the increase in the reimbursable rate of administrative costs for non-profit lenders running loan programs pursuant to subsection 2 of NAC 612.683 from 10% to 20%.
- **NAC 612.673**
 - The immediate impact of this regulation will be an addition of a requirement for grant funds to be issued pursuant to the Veterans and Senior Citizens Small Business Loan program within 15 months after the approval of the grant.

Long - Term Impacts

- **NAC 612.685**
 - By increasing the rate of reimbursement for administrative costs incurred by lenders administering loans pursuant to subsection 2 of NAC 612.683, more non-profit lenders will be attracted to applying to run loans pursuant to subsection 2 of NAC 612.683.
- **NAC 612.673**
 - By requiring that funds for the Veterans and Small Business Loan program be distributed within 15 months of the date the award was approved, the awarded party will be better able to implement programs and report on program activity, which was untenable due to standard bank lending practices prior to the passing of this regulation.

4. Methods used in determining the impact on a small business

- **NAC 612.685**
 - Analysis of this regulation was performed by the Research & Analysis Bureau of the Department of Employment, Training and Rehabilitation.
- **NAC 612.673**
 - Analysis of this regulation was performed by the Research & Analysis Bureau of the Department of Employment, Training and Rehabilitation.

5. Estimated Cost of Enforcement

- **NAC 612.685**
 - This regulation will not require enforcement, and therefore there is estimated to be no cost related to enforcement.
- **NAC 612.673**
 - This regulation will not require enforcement, and therefore there is estimated to be no cost related to enforcement.

6. Overlap or duplication of regulations

- **NAC 612.685**
 - This regulation does not overlap or duplicate any other regulation of federal, state, or local governments.
- **NAC 612.673**
 - This regulation does not overlap or duplicate any other regulation of federal, state, or local governments.

7. Requirement pursuant to federal law

- **NAC 612.685**
 - The proposed regulation is not required by federal law.
- **NAC 612.673**
 - The proposed regulation is not required by federal law.

8. More stringent than federal regulations

- **NAC 612.685**
 - The proposed regulation does not provide a more stringent standard than any other regulation of federal, state, or local governments.
- **NAC 612.673**
 - The proposed regulation does not provide a more stringent standard than any other regulation of federal, state, or local governments.

9. New or increased fee

- **NAC 612.685**
 - This regulation does not impose any new or increased fees.
- **NAC 612.673**
 - This regulation does not impose any new or increased fees.

10. Public Comments

Persons wishing to comment upon the proposed action of the Department of Employment, Training and Rehabilitation (DETR), ESD, may appear at the scheduled public hearing or address their comments, data, views or arguments in writing to the ESD, 500 E. Third Street, Carson City, Nevada 89713 – Attention Joyce Golden. The ESD must receive all written submissions on or before March 3rd, 2020. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the ESD may proceed immediately to action upon any written submissions.

11. Locations where the text of the rule may be inspected and copied

A copy of this Notice and the Regulation to be amended will be on file at the Nevada State Library and Archives, 100 N. Stewart Street, Carson City, Nevada 89701, for inspection by members of the public during business hours. Additional copies of the Notice and the Regulation to be amended will be available at the Department of Employment, Training and Rehabilitation, Employment Security Division, 500 E. Third Street, Carson City, Nevada 89713; and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This Notice and the text of the proposed Regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at <http://www.leg.state.nv.us>. Copies of this Notice and the proposed Regulation will also be mailed to members of the public upon request. To obtain a copy of the proposed Regulation and Small Business Impact Statement, write 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. Copies of pertinent documents will also be made available on the DETR web site at: <http://detr.nv.gov>. A reasonable fee may be charged for copies if it is deemed necessary. This does not apply to a public body subject to the Open Meeting Law.

This proposed Regulation has been publicly noticed in accordance with Nevada's Open Meeting Law, public comment has been solicited and the Regulation has been submitted to the Legislative Counsel Bureau for review, as outlined in NRS 233B.064 cited below.

12. Subsection 2 of NRS 233B.064

“Permanent regulation: Prohibition against adoption until text approved or revised by Legislative Counsel; agency to provide written notification to Legislative Counsel of date of adoption; agency to issue statement of reasons for adoption upon request.

1. An agency shall not adopt, amend or repeal a permanent regulation until it has received from the Legislative Counsel the approved or revised text of the regulation in the form to be adopted. The agency shall immediately notify the Legislative Counsel in writing of the date of adoption of each regulation adopted.

2. Upon adoption of any regulation, the agency, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption, and incorporate therein its reason for overruling the consideration urged against its adoption.”

NOTE: Persons with disabilities who require reasonable accommodations or assistance at the meeting should notify the Employment Security Division in writing at 500 E. Third Street, Carson City, Nevada 89713, or call Joyce Golden at (775) 684-3909 (*for individuals who are deaf or have hearing disabilities, dial TTY (800) 326-6868 or 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 thirtieth (30th) working 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
Appeals Office, 2800 E. St. Louis Ave., Las Vegas, NV 89104
Reno Day Labor Office, 420 Galletti Way, Sparks, NV 89431
American Job Center of Nevada, 4001 South Virginia Street, Reno, NV 89502
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-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: https://detr.nv.gov/Page/PUBLIC_NOTICES, 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/>.

**PROPOSED REGULATION OF
THE EMPLOYMENT SECURITY DIVISION OF
THE DEPARTMENT OF EMPLOYMENT, TRAINING AND
REHABILITATION**

LCB File No. R039-19

August 8, 2019

EXPLANATION – Matter in *italics* is new; matter in brackets [~~omitted material~~] is material to be omitted.

AUTHORITY: §1, NRS 612.607.

A REGULATION relating to unemployment compensation; increasing the maximum amount which the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation may reimburse to a nonprofit private entity for the costs of administering loans to assist certain start-up businesses; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation to expend money in the Unemployment Compensation Administration Fund to establish a program to provide grants of money to a nonprofit private entity to be used to make loans of money to veterans and senior citizens to start small businesses. (NRS 612.607)

Existing regulations provide that, under certain circumstances, a nonprofit private entity may be entitled to reimbursement for costs of administering a loan under the program. (NAC 612.685) This regulation increases the maximum allowable amount of such reimbursement.

Section 1. NAC 612.685 is hereby amended to read as follows:

612.685 1. If the amount of interest collected by a nonprofit private entity is insufficient for the purpose of administering loans pursuant to subsection 2 of NAC 612.683, the nonprofit

private entity may be entitled to reimbursement for administrative costs incurred as a result of administering a loan under the program, but any such reimbursement must not exceed ~~10~~ 20 percent of the total amount of all grants awarded to the nonprofit private entity for the purposes of making loans under the program.

2. A claim for reimbursement pursuant to subsection 1 must be made:
 - (a) In accordance with generally accepted accounting principles; and
 - (b) On a form prescribed by the Administrator.

**PROPOSED REGULATION OF THE ADMINISTRATOR OF THE
EMPLOYMENT SECURITY DIVISION OF THE DEPARTMENT
OF EMPLOYMENT, TRAINING AND REHABILITATION**

LCB File No. R109-19

February 4, 2019

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: §1, NRS 612.607.

A REGULATION relating to economic development; prescribing the time by which certain grants must be disbursed; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires each employer to make payments at certain rates into the Unemployment Compensation Administration Fund for the program for the employment and training of unemployed persons and persons employed in this State. (NRS 612.606, 612.607) Existing law authorizes the Administrator of the Employment Security Division of the Department of Employment, Training and Rehabilitation to use that money paid into the Fund to establish a program to provide grants of money to a nonprofit private entity to make loans to veterans and senior citizens to start small businesses. (NRS 612.607) Existing regulations set forth requirements for the program, including the application for, and awarding of, grants to nonprofit private entities for the purpose of making loans for certain start-up businesses of veterans and senior citizens. (NAC 612.673-612.685) This regulation requires any financial institution that enters into a contract to disburse grants of money to a nonprofit private entity through the program to disburse the grant to the nonprofit private entity not later than 15 months after the date on which the application for a grant submitted by the nonprofit private entity is approved by the Administrator.

Section 1. NAC 612.673 is hereby amended to read as follows:

612.673 *1.* The Administrator shall establish a program to disburse grants of money to nonprofit private entities organized under the provisions of chapter 81 or 82 of NRS to be used

exclusively to assist start-up businesses which are at least majority owned and controlled by one or more veterans or one or more senior citizens.

2. Any financial institution that enters into a contract to disburse a grant of money to a nonprofit private entity through the program shall disburse the grant to the nonprofit private entity not later than 15 months after the date on which the application for the grant submitted by the nonprofit private entity pursuant to NAC 612.677 is approved by the Administrator.