Jeffrey Frischmann:

I now call this meeting to order. Good morning. My name's Jeffrey Frischmann, and I am the chairman for Nevada's Employment Security Council.
Thank you, members of the Council, the public and staff, for your participation in today's Employment Security Council meeting.
During today's meeting under agenda, item number 7, we will hear the following presentations, economic overview, and expectations for the 2024 and a trust Fund Review and 2024 rate projections.
As you know, the Council is required by statute to make a recommendation to the Employment Security Division Administrator regarding the average tax rate for the upcoming calendar year 2024.
A great recommendation test before the Council today is an important one, and I appreciate your service on behalf of Nevada's workforce and employer community.
I'd like to start by opening the meeting up for public comment. Those of you who wish to make any comments please state your name, title, and who you represent for the record.
We will start in Las Vegas. Are there any comments in Las Vegas?
Assuming they will come up on the screen if there's anybody there.

Waylon Kaai-English:
There's no one here currently.

Jeffrey Frischmann:
Okay, thank you.
We'll move on to Carson City. Are there any comments here in Carson City?
Seeing none, we'll move to the phone lines. Are there any callers waiting to make public comment?

Joseph Choat:
My name is Joe Choat, for the record. No, there are no callers with questions currently.

Jeffrey Frischmann:
Thank you.
Moving on to item number 3, confirmation of posting, Lindsay Thompson was proper notice provided for this meeting, pursuant to Nevada's open meeting law and NRS 241.020

Lindsay Thompson:
This is Lindsay Thompson for the record I hereby attest and affirm. That proper notice was given for this. October 4, 2023 Nevada Employment Security Council meeting pursuant to Nevada. Open meeting laws, NRS 241.020.

Jeffrey Frischmann:
Thank you. Lindsay.
Agenda. Item number 4 roll call of council members. Jeffrey Frischmann here.
Mark Costa.
Mark, are you present?

Well, we will Mark mark as absent.
Lindsay Thompson:
This is Lindsay Thompson, for the record, Mark is present, but he is muted.

Jeffrey Frischmann:
Okay. Can he unmute? Does he have the ability to?

Mark Costa:
Hi, I'm sorry. This is Mark Costa. I was finally able to unmute myself, it wasn't letting me do that. But I'm here.

Jeffrey Frischmann:
Okay, thank you. Mark. Good morning.
Thomas Susich. Tom Susich, are you present?

Tom Susich:
I'm present.

Jeffrey Frischmann:
Okay, thank you, Mr. Susich. Charles Billings. Mr. Billings, are you present? Okay, I'll mark Mr. Billing is not present. Daniel Costella, Mr. Costello. Laura Bonal Gonzalez, Miss Gonzalez?

Daniel Costella:
This is Danny Costella. I'm here.

Jeffrey Frischmann:
Who is that?

Charles Billings:
Hello! Yes, this is Charles Billings. I'm here.

Jeffrey Frischmann:
Okay, thank you.

Daniel Costella:
And Daniel Costella is here.

Jeffrey Frischmann:
Okay. Thank you. And Laura Binal Gonzalez?
Finally, Peter Guzman.

Peter Guzman:
Present

Jeffrey Frischmann:

Okay, to recap, I have myself Jeffrey Frischmann, Mark Costa, Thomas Susich, Charles Billing, Daniel Costella, and Peter Guzman.
I hereby confirm that the council meeting has reached a quorum.
Moving on to Agenda Item number 5, Review of written comments. Lindsay Thompson. Were any written comments received?

Lindsay Thompson:
This is Lindsay Thompson for the record. No written comments were received.

Jeffrey Frischmann:
Okay, thank you.
We will move on to Agenda Item number 6, which is the approval of minutes for the October 7th, 2022 Employment Security Council meeting.
I will accept a motion for approval of the October 7th, 2022 meeting minutes. Does anybody like to make a motion to approve?

Mark Costa:
Jeff, this is Mark Costa. I had a question regarding the meeting minutes.
On some of the items that I had. Is there a way? I can go ahead and clarify some of the writing? As to what was attributed to me at the last meeting.

Jeffrey Frischmann:
Yes, please do, Mark, we can open it up for discussion. Yes, please. What would you like to clarify?

Mark Costa:
I had several things, on page 8 of that, under what I had said. I think it's the fourth or third person down after Dave Schmidt - Mark Costa, I wanted to go ahead and just clarify the last sentence that was attributed to me. I just wanted to put, simplify it, basically saying “Why is there a significant difference” end of sentence. Question.

Jeffrey Frischmann:
Okay? I don't think I understand. Are you suggesting to change something there, Mark?

Mark Costa:
Yeah, on the it says under Mark Costa. It begins with, it's on page 8, and it begins with “nay”, I wanted to, the last sentence of that paragraph make it more clear, what I was asking for.

Jeffrey Frischmann:
Okay, what would you like it to change to, Mark?

Mark Costa:
The last sentence should read “Why is there a significant difference? Question mark.

Mark Costa:
Yeah. The last sentence of what I said.

Jeffrey Frischmann:
Okay, Lindsay. Is someone in your group able to make that change?

Lindsay Thompson:
We are

Jeffrey Frischmann:
Then we are okay. Is there any objection to the change suggested by Mark.
Okay, hearing no objections to it. Do I need to take a vote on it to make that change?

Peter Guzman:
You would move to approve the amended or corrected minutes.

Jeffrey Frischmann:
Okay? We will move that down to later to see if there are any other changes.

Peter Guzman:
Yes, you would move that down to see if there are any other changes.

Jeffrey Frischmann:
Okay, did you have any other changes, Mark?

Mark Costa:
Yes, I do. On page 14, on the top of the page, just above Jeff Frischmann. I just want to go ahead and end it with, “So I think, with whatever rate we discuss we need to keep that in mind”. I know it doesn't make sense the way I just said it, but it does, if you add it on to the rest of what I said before.

Jeffrey Frischmann:
Okay, would you please repeat again, then, Mark, what you'd like to change to whatever rate, I think is what you said.
Please repeat if that's okay.

Mark Costa:
“So, I think, whatever rate we discuss needs to keep it in mind”.

Jeffrey Frischmann:
Okay, so page 14, your statement, and it's the final sentence says, I think whatever rate we discuss, we need to keep it in mind. Correct?

Mark Costa:
Correct.
Okay. And all the rest. I said before that, just stay the same.

Jeffrey Frischmann:

Okay.

Mark Costa:
And then I have one last one, and that is on page 15, near the bottom of what I was saying. It says here, the third from the bottom. “If the situation terms”, it should be TURNS, T-U-R-N-S.

Jeffrey Frischmann:
Okay, so it's changing that word terms.

Mark Costa:
Yes, and that's all for now that I'll go ahead and submit for changes. I appreciate everybody's patience with this.

Jeffrey Frischmann:
No problem, thank you, Mark. Thank you for reading over it so closely. Appreciate that.
Any other members have any changes, anything else to discuss.
Okay, including the suggested changes as put forth by Mark. I'd like to entertain and see if anybody would entertain a motion to accept the meeting minutes with those suggested changes.

Mark Costa:
I hereby move.
It's Mark.

Jeffrey Frischmann:
Okay, Mark has moved. Do I hear a second?

Peter Guzman:
Second, here, Peter Guzman

Jeffrey Frischmann:
A second by Peter Guzman.
For the record the motion was moved by Mark Costa to accept the minutes as amended and seconded by Peter Guzman. Any further discussion?
Okay, I'd like to take a vote on accepting the minutes from the meeting about October 7, 2022, with the changes all in favor say aye.

Peter Guzman/Dennis Costello/Mark Costa/Tom Susich/Charles Billing:
aye, aye

Jeffrey Frischmann:
any opposed, say nay.

silence

Jeffrey Frischmann:
any abstentions.

silence
With that the motion passes to accept the minutes from 10/07/2022 with as amended.
We will now move on to Item Agenda Number 7A and B.
And we'd like to ask Dave Schmidt to start off. He's the leader's chief economist and provide us with an economic outlook and
Unemployment Insurance Trust Fund update.

David Schmidt:
Thank you, Mr. Chairman, for the record. My name is David Schmidt. I'm the Chief Economist for the Research and Analysis Bureau for DETR. And I get to explain what's going on with our economy today, as we sit here on our expectations for the next year, and the impact that that will have on the Unemployment Trust Fund.
As you can see on Slide 2 of this presentation the Nevada's employment, fully recovered from the COVID-19. Pandemic and recession in January of 2022, Nevada passed its pre-recession employment levels, and is now a little over 100,000 jobs higher than it was prior to the start of the recession.
What's interesting to me about this chart is it shows the job loss from the Peak employment in each of the last 3 recessions in Nevada, first in 2001, and recession in Nevada was pretty short. It lasted about a year and a half.
Obviously, the great recession took much longer. It didn't bottom out until roughly 3 years into the recession and took about 10 years almost to fully recover. The COVID-19 recession was unique in that we lost nearly twice as many jobs as we did in the great Recession but recovered in almost the same amount of time as the 2001 recession. One of the highlights for me is that all recessions are different. Part of how we think about how much money the trust fund might need is to look back at some of the recessions that we've experienced in the past to try to help us.

Mark Costa:
Where are you getting this information? I do not see where you are getting this from

David Schmidt:
Yes, from what you're reading.
Do, do you just see the title screen or the

Mark Costa:
I did before the meeting started. But I don't see anything here now.

David Schmidt:
Does anyone else make any changes?

Joseph Choat:
Can everyone else see the graph the employee’s employment has fully recovered graph to slide.

Jeffrey Frischmann:
Can all the other members see it?

Peter Guzman:

No

Jeffrey Frischmann:
Then I think we'll take a couple of minutes here to try to resolve our technical challenges.
It wouldn't be a day at DETR without a couple of them. So, thanks for speaking up. Mark

Pause to fix technical issues with presentation showing up on Zoom

Jeffrey Frischmann:
Okay, now can everyone see it?
Yup, is anybody else having the problem seeing it at this point? Can we continue.
Okay, let's assume everybody can see it. Thank you very much. Thanks for pointing that out, Mark. Dave, why don't you jump right back in, on where you were.

David Schmidt:
Thank you, Mr. Chairman. Dave Schmidt from DETR again for the record.

So, as I was saying, on this chart, you can see recessions in Nevada can be very different, and that's really the main takeaway here, as you think about how much money we might need to prepare for the future.

Obviously the covid recession was very deep. It was unusually deep because of the reason for the lost jobs. We had a policy that closed roughly a third of Nevada's businesses, and that resulted in a lot of job loss and a lot of unemployment payments very quickly in other recessions. Often that job loss unfolds more slowly, even though the recovery can also be slower.

One of the other things to note in this is that ever since Nevada passed its pre pandemic peak of employment we haven’t slowed down the pace of job gains that we've been seeing. In fact, as you can see from the note at the bottom, our employment growth has averaged 4.2 ever since we passed that pre pandemic employment peak. So, Nevada has been adding jobs very quickly.

If we turn to slide 3, you can see Nevada's currently adding jobs at the fastest pace in the nation. This this number, these numbers are from August and Nevada, grew at 3.9 over the year from August 22 to August 23.

Texas was the second fastest growing state at just a little bit below 3. So, Nevada is adding jobs currently very quickly on the next slide. You can see that this is a widespread growth in employment.

Every major industrial sector in Nevada has at some point since the pandemic passed its pre-recession peak. Currently other personal services, which are a wide range of industries ranging from cosmetology to auto mechanics to pet groomers is currently a little bit down compared to its precession job level, just because it's been moving kind of sideways over time. It hasn't been seeing a lot of growth, but you can see 4 industries here highlighted with those orange arrows that are more than 10,000 jobs above where they were before the recession.

Professional business services, healthcare and social assistance, transportation, warehousing utilities, and construction. We also have seen the leisure and hospitality industry, which was hit hard by the pandemic as that pre pandemic employment level as of July of last year.

You look at the next slide. You see the same information in a little bit different way here. The sizes of these boxes represent the size of these individual employment sectors, the greener they are, the more recovered they are. Compared to the pandemic. You can see the accommodation industry is still at only 88% of where it was before the pandemic.

But what I think is interesting about this chart is you can see the growth that we're seeing, particularly in industries that pay above average wages. 41% of state employment is in industries that are both 10% above where they were before the pandemic, and that pay above the State average weekly wage of a little under $1,200 a week.

So, Nevada is diversifying as we recover from the pandemic we are not just seeing the leisure and industry boom, but rather as the leisure industry has been growing more slowly, we see more growth in other industries in the State which helps our diversification, and should help to prepare us for the future in terms of where the jobs that we're adding are located.

If you turn to the next slide. The other thing that Nevada stands out in is, we don't only have the fastest employment growth in the country, we also have the highest unemployment rate in the country. This has been the case for most of the recovery. We've been sitting at about a 5 and a half percent unemployment rate for about the last year and a half. We currently sit in August at 5.4. That's moved up and down a little bit.

It's been largely unchanged. Most States are well below this. The US sits at about 3.6 - 3.7 unemployment but while the unemployment rate is flat. The next slide shows that while the unemployment rate hasn't changed very much, those who are unemployed have been changing significantly.

This chart has a red line and a blue line. The blue line shows people who are unemployed for reasons other than having lost their job. People can be unemployed for any number of reasons. We count you as unemployed. If you say I'm looking for work, and I've looked in the last 4 weeks. And I'm currently able, unavailable to work. It's a survey-based measure. But basically, if you're looking for work, you're unemployed.

The red line here shows people who are unemployed because they are or have been, people who have been unemployed for 14 weeks or less. So, these are short-term unemployed people, roughly 3 months or less that they report that they've been looking for work. A year ago, we had significantly more people who were unemployed because they had lost their job, and people who had been unemployed for more than 3 months.

As we've gone through the last year, we've seen increases in short-term unemployment and increases in. You might think of it as voluntary unemployment. The big buckets here are those people who are coming back into the workforce. So maybe you weren't working, you weren't looking for work, you were not in the labor force, but you decide, I think there's a job out there for me. I'm going to start looking for work. When you start looking for work you become unemployed. But it's not a bad kind of unemployment. It's more of a good kind because you're re engaging with the workforce. And so, you're on the road to employment because you're looking for work. Similarly, if you're unemployed for a short amount of time. This is not someone who's been unemployed since the pandemic. This is someone who has recently become unemployed and probably recently become unemployed for a reason other than losing your job. I highlight at the end of the chart here that we're seeing. Both types of unemployment increased at the same time, that really tells us that our unemployment rate is higher because of these people coming back into the workforce, people who quit their job because they think they can find something better. People who are entering the workforce for the first time, or people who had left the workforce and are coming back in that. That's what's really driving our unemployment rate up. And if we were like most states in the country which are not seeing increases in these numbers, our unemployment rate would be about a percentage point lower. But I think it's important from an economic perspective, I think it's better to have higher unemployment with people re-engaging with the workforce than it would be to have lower unemployment with people staying on the side.

The next slide sort of emphasizes the same point where Nevada stands out is not that we have incredibly high, long-term unemployment. We're in the same boat with several other states. We're higher but not highest in terms of long-term unemployment, which is on the horizontal axis. Here, where Nevada stands out, is that we have the largest number of short-term unemployed people 14 weeks or less. In the country, and that's where we really kind of stand out. We have more people recently unemployed than any other state in the country as of June of 2023.

The next slide shows again, Nevada has the highest unemployment rate in the country, and we're considerably above the average. You can see here that there's a few states with unemployment rates of less than 2%, but while it's kind of small on this chart. If you look at the left-hand side, there are several states that I put a red circle by, and I think it's important, though these are all states that have very low unemployment. They're less than what the national average is. But if you look at the next chart, we can see the impact this has on wage growth.

Here you can see the average hourly wage in Nevada on the left, as it compares to all States, and the rate of growth in that average hourly wage on the right and the red the States with red circles from the last chart that have very low unemployment. Those are the States that have the top 10 fastest paces of hourly wage increases in the country, as you have less and less unemployment, you have tighter and tighter labor markets, and you must pay more and more at a faster and faster pace to try to attract people back into the workforce. For Nevada, on the one hand, we have somewhat higher unemployment for the good reason of people engaging with the workforce, and that's helped to keep the labor markets from being as tight as they are in some of those States that have incredibly low unemployment. I think that overall makes for an actual healthier economy for Nevada.

It's not fun to have to say every month that we have the highest unemployment rate in the country, but I think if you can distinguish between the bad unemployment of people being pushed out of work and into unemployment versus people looking for work and coming back in. I think we're in a more positive place than the underlying numbers would suggest.

From here we can go to the next slide, and I'd like to shift a little bit from our employment and unemployment data to what's the economic outlook? Here I have 3 charts that show similar things. We're all looking at delinquency rates. Delinquency rates are when you fall behind in paying loans, and we're looking at some different types of loans. Here we are seeing some increases in the delinquency rate for consumer loans. But that's as we're coming out of a lot of the pandemic stimulus programs that either delayed the repayment of some loans or provided extra income to people that they use often to pay down their loans and manage that debt. And the increases that we're seeing are comparable to where we were before the pandemic. We're not shooting up into unobserved areas.

We have overall still low levels of delinquency in terms of consumers, which I think is a positive sign, for where the average consumer is. On the next slide, you can see the impact on mortgages and real estate where we have very, very low levels of delinquency. As we went into the great recession with the housing bubble and the crisis that came there, you can see, even before the recession started. There was this increasing pace of delinquency in terms of mortgages and real estate, even though interest rates are the highest they've been in a pretty long time in the country. We are not seeing that sort of impact, in part, because a lot of the mortgages that people have in the country are fixed rate loans with very low interest rates that are much lower than the rates you have on the market these days. As so where in the great recession we had a lot of people with adjustable-rate mortgages and balloon payments and creative financing that allowed them to purchase very expensive homes because of the low interest we've had for a long time. A lot of the mortgages out there are not subject to the risk that comes with the increasing interest rates we see. So the fear that softening housing prices might lead to something like the great Recession I would not put a lot of stock in, because what really caused the problem then was, you had a lot of people who had to sell because their mortgage was about to become very unaffordable, and that's simply not the structure of mortgage payments in the country that we see today.

The next slide looks at not consumer loans, but business loans. Again, the level of delinquency here has been basically flat from a few years before the pandemic. During the pandemic there was a small bump, but overall, the delinquency rate for businesses is also about the lowest that it's been, and it's not seeing any sign of a rapid increase. Right now. I think all these point to an ongoing, relatively robust economy in the country.

The next slide looks at sort of a measure of sentiment, and it's specifically looking at searches on Google. People search for the term recession. How frequently are they doing that! And you can see a lot of spikes here. You can see it right around the Covid pandemic. You can see it in the middle of last year, when a lot of people were asking if we were going to be going into recession right around the time that US GDP was negative for 2 quarters in a row. Some people would say that's the definition of a recession.

The National Bureau of Economic Research doesn't actually agree with that. They have a more complex like is overall economic activity in the country going down or not. And they did not declare a recession at that time, but there was a lot of searching and a lot of curiosity about that term, as the economy is in kind of a tense spot. You can see that there is an elevated level of searching for recessions. But right now, I think the positive sign is that the overall trend is relatively low and declining. And I think that points to an improving sentiment in terms of where we are. 1 point of curiosity, the spike at the far left of this chart, is kind of interesting, because I couldn't figure out what it was until I realized it was in that month, June of 2019 that we passed the 10-year mark in the economic expansion coming out of the great recession. And that was when we had gone the longest time in our nation's history without a recession.

This isn't a perfect measure because it's kind of a positive mark. A lot of people were searching for the term because we had hit a new high. But overall, I think, as a sentiment, this shows that there's fewer people that are worried and tense, that we're going to be in a recession. And this really matters because one of the causes of a recession is a collective action issue. If everybody is pulling back and becoming more defensive, and spending less money and saving and getting ready for the recession that they expect that collective withdrawal is one of the things that leads to a recession, that people become more defensive and that, as we all get more defensive, we're spending less money, and the economy goes down. The more confident we are, the more engaged we are, the more we act as though there's not a recession, the less likely a recession is. I think sentiment is a pretty positive sign here.

These are some reasons I don't personally think that we necessarily have a recession coming. The Federal Reserve has been raising interest rates.
I personally remain optimistic that we might achieve the soft landing, of slowing down the overheated economic activity without necessarily causing a recession for the country.

Turning from overall economic activity to unemployment insurance data, this slide shows the level of weekly initial claims that we have in the State per 1,000 jobs. It's a very boring chart, because it looks like a flat, squiggly line until you get to the Covid recession. It really highlights just how many claims came into the State right as the Covid recession happened! It was unlike anything at any point we had ever seen in terms of the rapid volume at 1 point in time.

The next chart adjusts that trend a little bit. I do a couple of things here first, I'm taking this to a 6 month average instead of an individual weekly number, and that smooths out that peak a little bit and I also changed the axis on the left, that every line, instead of being another 1,000 or another certain number of initial claims per 1,000 jobs, and said, this, in is each line, doubles the number, and so we go from one to 2 to 4 to 8 to 16, and so that spike is still really huge here. It's kind of necessary to adjust it to show right now the overall level of claims is really low.

If you look at the 1990's. The average level of weekly claims per 1,000 jobs in the State was steady at about 3. When you get to a recession it would be higher. When you get into a boom it would be lower. Currently, we sit at closer to one and a half. The level of initial claims that we have for the overall size of our economy is basically as small as it's ever been. It does move up and down with the 6-month average a little bit on a seasonal basis. But we're well within that trend of precession levels of claims, while the total number of claims is a bit higher, it's more because we have a larger state and more people and more workers than it is a sign of any increasing stress on the economy moving from claims to benefits.

If you look at the sort of rolling 12-month total to get an annual number on the scale here. You can see where we are in terms of total benefits. That number is up a little bit, because benefits are more expensive, as wages have increased in the State, so have the benefits being paid out, but the overall level is still very much comparable to where we were before the recession.

The level of benefits that we're paying out is rising a little bit, and so I think we should expect that trend to continue up. But that dashed line shows where we are and that we're comparable with a healthy economy in terms of total benefits.

The next slide looks at the trend in contributions, and this is the part that's most affected by the unemployment tax rates that are adopted. And there I highlighted in some different colors on this for a few different ways that you can think of what was happening with tax rates over the last couple of decades in white. On the left you have the pre-great recession and great recession area, and here unemployment taxes were averaging about 1.3 to 1.4. They were pretty steady, and they were pretty steady as we went into that housing boom, and through the first years of the great recession you can see, contributions went up as we were seeing a booming economy, and more wages being paid and they dropped when we hit the recession as people were laid off, and we started to lose those jobs in revenue, even though the tax rate was pretty steady through that period. It did not change very significantly at all in blue. Then we get to the "what do we do as we come through the great recession" and here taxes increased from about 1.3 to as high as about 2.3. There's a pretty significant increase in this period, and you can see that was reflected in the total contributions that came in. Rates went up and then leveled out as the Council through a few years, and the Employment Security Division got rates up to about that 2 and a quarter.

In green you get to the period where we issued bonds as a State to repay some of those loans that we had taken from the Federal Government to pay benefits in the great recession. Part of that plan was to hold rates steady. So, the unemployment tax rate dropped to about 1.95 and moved up and down a little bit based on what happened with the bond rate to keep the overall rate that employers were paying flat. The bond rates are not included here, so we dropped the tax rate. But you can actually see over those several years the level of contributions went up because the total number of employers, the total amount of wages being paid was rising, and so total contributions were rising, even though the tax rate was flat and then in red, we get to a period where we started to cut rates from 1.95 down to the current level of 1.65 in a couple of increments, as well as the impact of the covid recession.

And so, even though we've been cutting rates, the total volume of contributions has still been rising because Nevada has been adding jobs, especially coming out of the recession at a pretty fast pace, and we see the impact of inflation and the rising wages that are being paid on the total dollars that are being collected from employers in terms of contributions. And so, for me, the big takeaway here is that the rate itself is not the only thing that affects contributions. The overall level of employment and level of wages in the State has a really big increase in the total dollars that are coming into the system.

The next slide has a few key statistics and gives you an idea of currently where the contributions that we're collecting are going right now. Contributions that are being collected go roughly, one third to pay for benefits, and about 2 thirds to pay for savings into the trust fund.

Rough numbers there, not perfect. But you can see the actual dollar amounts there. So, we are saving a considerable amount of money a little bit over 500 million dollars a year, while also paying for the current cost of benefits from current cash flows over the last year. The trust fund balance has grown from 800 million to 1.4 billion dollars.

The average annual wage in the State, the average wage that people are being paid, has risen from 58,500 to 60,900. The taxable wage base that employers pay UI contributions on increased from $40,100 to $40,600, and the maximum weekly benefit, which is also tied to average wages, also increased from 562 to 585 on the next slide. Talking about inflation, I want to highlight how the system already and automatically will respond. If you had very rapid gains in a single year. There's a cap on how much that can impact things. There's a cap on the wages that employers pay contributions on. And so, in a single year, if you suddenly had to double the wage that you were paying, you would still have that cap of $40,000, but over time.

Both the maximum benefit that can be paid to claimants and the maximum wages that are taxed under the UI system are both tied to average wages in the State, and both rise over time. This means that in Nevada we don't have the problem of a lot of states where we must keep increasing the tax rate to keep up with the costs of rising benefits, because the tax base and benefits both rise based on the same number.

This lets us keep the tax rate steady over time, more adjusting it due to the policy needs that are associated with it than the sort of maintenance needs of keeping up with the costs of benefits.

Looking ahead the next slide shows the 2 main things that drive the forecast. That is employment. What's the total base of people that we might be paying benefits to, or collecting from, and wages? What is the cost per person of employing somebody. The forecasts that we're using here come from a time series based on our employment and wage trends. The blue columns here showed the inputs that went into the forecast which showed employment growth of about one and a half percent wage growth of a little over 5. Currently, our employment growth is higher. Our wage growth is lower, but I think between the two it will balance out to about the same pace that we see today.

If you were to dig into the numbers that you would see that employment growth expected to be a little bit lower, but still positive wage growth, sort of catching up with some of the trends that we've seen in terms of rising wages in the State.

The next 2 slides we can kind of go through quickly, but they will show you what the projected benefits look like from where we are right now. It is a bit of an increase. But it's not very significant, and it's really being driven by it. Employment growth and wage growth. And similarly, if we look at the next slide, we have projected benefit contributions rather, but show that ongoing trend from what we're seeing right now. Not a dramatic change either way. This is under the assumption of keeping the current rate constant. So, it's not in this chart showing what a change in that rate would look like.

The next slide shows the lovely table of where we've been over the last 7 years, including the preliminary numbers for 2023. There's lots of things happening on this chart. The blue section at the top shows a calculation that exists in statute in NRS 612.550. I would say this calculation doesn't have anything tied to it. It just says that on September 30th, the administrator needs to do this calculation, and you look at 4 factors:

1. What the total amount of employment in the State is
2. The risk that people who are unemployed will become unemployed.
3. The potential weeks that they might be paid, and
4. The weekly benefit that they might be paid.

You multiply all these together, and it gives you an idea of what amount of money you might need. If the worst thing you saw in the last 10 years happened again, adjusted for today. It's not a great calculation and you can see why here.

If you go from 2017 to 2023, you can see that the number goes from 1.5 billion to 6.5 billion dollars. According to this calculation, a potential target for money in the trust fund would be 6.5 billion dollars. We are at 1.4 billion dollars today. We are far from that mark. The problem with this measure, in my mind, is that it's the worst thing in the last 10 years, and it takes it from different points in time. And so that 43% risk of becoming unemployed. You can see how far off that is.

From what we saw in 2017 - 2018, which looked at the great Recession. It's 3 times that amount, because of the covid recession, because everything happened and so concentrated away, that number spiked very, very fast. Similarly, the average duration got very, very high, right in the middle of Covid. We don't necessarily expect that to happen for a full year. But that's exactly what this formula does. It takes a focus thing and spreads it out far too long. We only paid out 2 billion dollars in a year during the Covid recession, not 6.5 billion. We have not grown to 3 times what we were, but the formula is there, the calculation is there, and so we do it.

Next in the gray. You see the rough.
(interruption as slide was changed/moved too quickly)
Keep it on the same slide, for now, no problem.

David Schmidt:
And so here we have the cash flows through the system. You can see our beginning fund balance. You can see the contributions coming in. You can see the benefit payments going out. Other items is largely interest as well as some other sources of cash that have occasionally popped up, such as collections of other funds or overpayments that are coming back in. These things can kind of balance out overall, but generally it tends to be a pretty small number, and this is also where money from the legislature, when money was appropriated to repay the loans that we had taken from the Feds in the pandemic to pay for benefits that shows up in 2022 is about 330 million dollars, significantly increasing that number.

You can see the overall cash flow where we are, where we were. You can see in 2020, the level of benefit payments going out was 2.2 billion dollars. You can see where we were heading into the recession at about 1.9 billion dollars. We did touch the 2-billion-dollar mark in February of 2020. As that quarterly cash flow came in. And so that's really, we had about 2 billion dollars in the bank, right as the Covid pandemic started. You can see at the bottom the solvency level which shows how far we are from that solvency target in the blue section, 5 billion dollars short of that. And you can see 2 multiples. The solvency multiple
at 0.22, that shows the percentage that our trust fund is of that 6.5-billion-dollar target. It also shows the average high-cost multiple, which is a solvency measure that's recommended by the Department of Labor which doesn't focus on just 1 point. It spreads out what you might need to be the average of your 3 worst years, as opposed to months over either the last 20 years or a period that includes at least 3 recessions.

So, it doesn't overemphasize a single moment nearly as much as the state measure does. It doesn't provide as aggressive a target. It's still a lot higher, because one of those 3 worst years is 2020, but it also then looks back to 2009 and 2010 and averages the 2 worst years of the great Recession and the covid recession into one number. That's down at the bottom. You can see that is labeled, down at the bottom, as AHCM target in millions of dollars at about 2.4 billion dollars. You would consider the impact of the covid recession and think that is what we need to plan for. Then that that would probably be the most reasonable target to look at about 2.4 billion dollars. Nevada is somewhat unique in having the Employment Security Council able to look at the facts and make a recommendation.

If you discount the need to prepare for the covid recession, and instead want to prepare for the great recession, you can look back to 2020, and before, when the target was about 1.3 billion dollars. It would be higher today because we have more people paying being paid higher wages but somewhere between that 1.5 billion dollars is about where that would be without the impact of Covid. And 2.4 billion dollars, if you average Covid in, would be roughly what the Federal target would suggest if it wasn't quite as formulaic as it is. As it is, the formula would say, about 2.4 billion dollars.

That's kind of a sense of how those solvency targets work. Essentially, all the solvency targets say, what would a year of benefit payments look like under certain assumptions. What those assumptions are, are kind of a guide, how much money you think we might need in the trust fund. With that in mind, if we look ahead to the last slide, our projected cash flows show 3 potential scenarios on the left. We have an average tax rate of 1.45%, which would be a reduction of 2 tenths of a percent from where we are today. On the far right we have 1.65, which is where we are today. I would highlight that the benefit payment number here is the wrong year. That's 2023, not 2024. Projected benefits for 2024 are about 25 million dollars higher. The total ending balance and change in the trust fund would be about 25 million dollars lower to account for that correction. It's about a 1% change, it's not incredibly large, but I wanted to make sure it’s highlighted and clear.

Next year the Nevada Solvency Target will rise to about 7 billion dollars because of the impact of forecasted employment and wage growth on benefits. The average high-cost multiple targets will rise to a little bit over 2.5 billion dollars but doesn't rise nearly as aggressively. If you were to discount the Covid recession, then a target in probably about the 1.8 to 2 billion dollars number would be appropriate. And so, we will be getting close to that sort of adjusted mark with another year under these different tax scenarios.

The difference in total contributions ranges from about 410 million dollars net, added to the trust fund under the lowest rate to a little over 500 million dollars at the highest rate that's presented here. You can also see the average cost per employee. The taxable wage base is going to increase again, but not as dramatically as it did last year, because we are seeing the pace of wage increases slowing down. And so, we should see those numbers continue to improve as we move forward.

One final note, you also have the estimated tax rate schedules. This is a separate attachment outside of this presentation, but it sorts of ties into this. These numbers are very high level. If given a tax rate and taxable wages, what's the money that falls out. The tax rate schedules show what the implementation of that would look like. What are the reserve ratios across different employer tax rate buckets that would cause these different levels of rates to be adopted. I always think it's interesting to note. The biggest concentration of employers is usually a little bit lower than the average tax rate. And so, while the average across everyone will be 1.65, the biggest buckets of employers tend to range from about a tax rate of 0.85 to about 1.45, and that's generally true. Across all these different schedules. And with all that’s been said, if there's any questions, please feel free to ask.

Jeffrey Frischmann:
Okay, any questions for Dave?
Where did I mark it down, somewhere…
So basically, Dave, I was looking at, I don't see a page number on here but with the trend in new UI claims, with initial claims for 1,000 jobs in Nevada.

David Schmidt:
Okay?

Jeffrey Frischmann:
And I, what the chart seems to indicate is we're at the lowest level of claims per 1,000 jobs. In the last 35 years.

David Schmidt:
David Schmidt, for the record, that that's essentially correct. It was slightly lower as we came out of the pandemic, in part because of all of the Federal programs which are not counted here, but apart from that, yes, it's lowest that we've been

Jeffrey Frischmann:
I, you know, and I think of things like the gig economy. Possibly pulling some of those types of new type jobs, new work type of things. But why, why so low?

David Schmidt:

David Schmidt, again, for the record. There, there's no great data to answer that. And so, all I am left with is some speculation, I think part of it probably is, as employers have become more used to working with the unemployment insurance program. You know that there may be options to separate with employment in ways that you know, either don't naturally fall into UI, or they make sure that it's documented, and for cause, in ways that wouldn't cause benefits to be payable. So it could be that there's a difference in how employers and employees relate to each other. It could also be. If there's a decline in people's willingness to apply for Ui. It might be that the benefits that they would be paid don't seem to be worth the trouble. And so it might be, and that's just one potential reason, but could be claimant-driven, it could be employer-driven. It could be a combination of these factors. I do know that there's some research taking place in other States to try to address that question and try to solve it out. I think Washington is looking for ways to target potential claimants and say, “Did you know you might be eligible for benefits?”, to see if it's a communication issue. But it is a question that exists nationally because this trend has been declining over time. The share of total unemployed people. It's about 85,000 in Nevada and the level of claims we're seeing, which is about 20,000, is shrinking and falling and so the number of people who are unemployed and claiming benefits has been going down over the last several decades. And unfortunately, I don't know if anyone has a really clear answer as to what's driving it.

Jeffrey Frischmann:
Is there any sort of work to see if there's a problem in the claims taking area, where it's discouraging claimants from filing? I mean.

David Schmidt:
David Schmidt, for the record, not in my office. Whether that's being looked at anywhere else. I didn't say.

Jeffrey Frischmann:
But this is a national trend, which I would think then more in terms of the gig-economy, and that sort of being whole folks not being eligible for benefits.

David Schmidt:
David Schmidt, again, for the record. That is a possibility, however, people who aren't covered by employment. This is exclusively looking at people who are covered by UI, and so they are within UI eligible establishments, and the share of claims that we see compared to total employment in those establishments. And so for non-covered employment.
that would be in addition to whatever you see here, but not a part of it.

Jeffrey Frischmann:
Because these 1,000 jobs, then, would be only looking at covered employment.

David Schmidt:
That’s correct

Jeffrey Frischmann:
It wouldn't bring in covered?

I Gotcha.
I thank you.
I just found that very interesting that we're at 35 year lows, as far as numbers of claims being taken. Yes. I guess a good thing.

David Schmidt:
Well, good or bad, probably depends on your perspective.

Jeffrey Frischmann:
Right
okay, any other.
Jennifer, were you going to give a presentation on?

Jennifer Carroll:
No, unless you wanted it. Dave covered a lot of what was in mine, but if you want me to, I will, but if you don’t require it, then I don’t need to

Jeffrey Frischmann:
Okay, no, thank you very much Dave, Great presentation and very informative. Thank you very much.
We'll move on to Item number 8, which would be our council discussion for possible action on the 2024 average UI tax rate recommendation.
So, members, please let me remind you to state your name for the record or any comments that you might bring forward. I'd like to open it up for discussion.
Any thoughts on getting us towards a recommendation.
Any of the members.

Mark Costa:
This is Mark Costa, for the record, I'm still leaning at keeping it towards 1.65 or 1.7, including the CEP assessment. I am very concerned. I understand how certain unforeseen events spiked the unemployment plans we had. We had the pandemic, which was huge, and then the recession before that. And we've had indications that there's currently a war going on. We have plenty of indications going on that our situation will remain uncertain soon. There will be surprises involved with that.
We are far away from the solvency standards that were set. I understand why.
I think maybe we need to go ahead and maybe look at adopting another solvency measure that we can have more faith in to go ahead and help us make this decision. As to whether, you know, whether to keep the rate the same, raise it or, you know, lower it. For that matter, I understand a lot of employers would like to see it lowered, and I can understand that, but we do have to maintain solvency as much as possible. I don't know if the Federal Government will be able to assist us if we do come into a severe recession, or another pandemic, or war, or something that comes, or you know, a combination of all of them.
I think we need to go ahead and continue to grow the fund as much as we can. To do that, maybe also consider what solvency measure should we use to apply that?

We don't have a good metric right now, to go ahead and decide whether we should go ahead and raise the rate or keep it the same, or lower it, you know, based on what we expect, and some of that is just the uncertain times that we're in.
So, while that was kind of long-winded. I just recommend, based on what I've seen, keeping it the same as it is now.
Thank you.

Jeffrey Frischmann:
Okay, thank you for your comments, Mark.

Peter Guzman:
Peter Guzman, for the record.

Jeffrey Frischmann:
Okay. Peter.

Peter Guzman:
I didn't mean to interrupt you. I'm sorry. I'll wait for you to finish.

Jeffrey Frischmann:
No, I think Mark was done. I was going to ask for input from other members. So, thank you for stepping up.

Peter Guzman:
Yeah, no problem. You know, quite frankly, I have no appetite. For seeing rates get raised in any way. I'd like to head the other direction when and if possible, because employers deserve to make sure that you know they're also being taken care of. With that being said, and not going too deep into it. You know I certainly can support leaving things the way they are. If there's not an appetite to go in the other direction, which is lowering rates.
Thank you.
Peter Guzman, for the record Latin Chamber of Commerce, President.

Jeffrey Frischmann:
Thank you for your comments, Mr. Guzman.

Thomas Susich:
This is Tom Susich. Can I ask a question?

Jeffrey Frischmann:
Absolutely.

Thomas Susich:
I'm sorry if I missed this, but I didn't hear it.
Maybe my problem.
Did we borrow money during the pandemic to cover benefits.

Jeffrey Frischmann:
Yes, we did borrow money, and that money was repaid to the Feds.
through
Was is it? I can't remember the name of the funds that it came through

Troy Jordan:
Troy Jordan, Deputy Director, for the record, it was paying back with ARPA there.

Thomas Susich:
Okay, so we don't owe the Feds anything at this point.

Troy Jordan:
Troy Jordan, for the record, again.
That's correct.

Thomas Susich:
Okay, that was my question. Thank you.

Jeffrey Frischmann:
Okay. And, Tom, do you have any thoughts on raising, lowering, or remaining the same as far as the rate you have any thoughts on that.

Thomas Susich:
Well, I think that you know I obviously agree that we should try to keep it as low as possible, but I think we should give it another year. Before we look at decreasing it. My recommendation would be that we just leave it where it is.

Jeffrey Frischmann:
Okay. Thank you.
Any other members have any comments.
Not hearing any more comments. There seems to be a basic thought would be to keep it the same at 1.65, with the point .05 or less at, 1.70
rates of keeping things the way they are.
The one observation I'd like to make, my own observation is that we have.
It always seems that we tend to, when the times get tough, we are inclined to want to lower the rate to help employers during the tough times. Right now, it seems to be a very good time for employers and there's also hesitancy to raise the rate, so I don't know when a good time is to ever raise a rate.
It seems that there never is a good time.
We're down, I think, at 1.65 percent with .05 or 1.7.
With that I'd like to entertain a motion as to a suggestion or motion for how to or what rate to put on for next year?
What recommendation to make?
Can I get a motion from one of the members, please?

Thomas Susich:

This is Tom Susich, I'll move that we leave the rate at 1.65 plus the .05, and or whatever it is that brings it to 1.70.

Jeffrey Frischmann:
okay, thank you, Mr. Susich. Do I hear a second to that motion? To remain to keep the rate the same as it is at 1.7 total.
Is there a second to that motion, please?

Charles Billings:
This is Charles Billings. I'll second that motion that Tom Susich gave.

Jeffrey Frischmann:
Okay, thank you, Mr. Billings.
So for the record, the motion to recommend a Ui tax rate of 1.65 plus the .05 to equal 1.7 was moved by Mr. Susich and seconded by Mr. Billings.
Is there any other further discussion?

Peter Guzman:
And just for clarification, this is Peter Guzman, can it be stated as such as we're leaving the rates as they are, I want the public to clearly see that and know that.

Jeffrey Frischmann:
Okay, is there a better way. I can state that, then that you would suggest Mr. Guzman.

Peter Guzman:
Well, I think you just start the sentence that way.
Okay, right before you clarified that we're leaving it at the rate. But I think right before that. You just say the motion is to keep the rate as it is, and then state what the rate is.

Jeffrey Frischmann:
okay

Peter Guzman:
That way. If any public sees it, they see that we, as a body, decided not raise rates.

Jeffrey Frischmann:
Okay, no problem, without any objection. Then I will go ahead and restate the motion and say for the record.
The growth, the motion to recommend the UI tax rate of 1.70% will remain the same as 2023, as moved by Mr. Susich, and seconded by Mr. Billings.
Does that satisfy your suggestion, Mr. Guzman?

Peter Guzman:
It does, and I appreciate the consideration.

Jeffrey Frischmann:
No problem.
So with that I would like to go if there's no any other further discussion.
Okay, I'd like to now call,

Peter Guzman:
I do see. I do see a hands up. I don't know if he's muted or not.

Jeffrey Frischmann:
Thank you. Your eyesight's better than mine. But thank you.

Joseph Choat:
This is Joe Choat, for the record, there's an individual on the ipad that has their hand raised, and it's unclear if they have the ability to speak.

Jeffrey Frischmann:
Okay, can you tell who's

Joseph Choat:
I can? It’s Mima and Pop's ipad?

Daniel Costella:
Yeah, this is Danny Costella and I resolved the problem now that it came up, that the administrator allowed us to unmute now, but my questions were answered, and everything's in good standing now.
I agree with that motion. Thank you.

Jeffrey Frischmann:
Okay, thank you. Okay. With that, I'd like to call for a vote all in favor. Say, aye.

Mark Costa/Thomas Susich/Peter Guzman/Daniel Costella/Charles Billings:
Aye, Aye, Aye, Aye, Aye, Aye

Jeffrey Frischmann:
Those opposed say nay.

silence

Jeffrey Frischmann:
Any abstentions?

silence

Then, for the record, the motion passes to maintain the same tax rate as 2023, and that motion passed 2, 3, 4, 5, 6 to 0.

We will now move on to Agenda Item, let me get my notes back,
Let the record reflect that it is the consensus of this Council that the 2024 average UI tax rate recommendation is to remain same as last year at 1.7% pursuant to NRS. 612.270, this council makes this recommendation to the Employment Security Division Administrator.
Moving on to Agenda Item Number 11.
We will now hear from the Employment Security Division Administrator, Christine Nelson for Review of proposed Regulation revisions to Nevada. Administrative code NAC.

Mark Costa:
Hey Jeff, this is Mark Costa. I was muted for a long time as administrator, so I couldn't ask this earlier.

Jeffrey Frischmann:
Oh, okay.

Mark Costa:
What was the motion? I couldn't quite hear what the motion was that we passed?

Jeffrey Frischmann:
The motion that passed was to keep the UI, the average UI tax rate,
the same as last year, at 1.65% with the 0.05% addition for CEP program, which is a total of 1.70%.

Mark Costa:
You know. Mr. Guzman had a recommendation that modified, I thought, modified that a little bit.

Jeffrey Frischmann:
I think what Mr. Guzman, and I'll allow Mr. Guzman to speak for himself. However, as I understood it, Mr. Guzman asked that it be re-worded to emphasize the fact that the rate will remain the same as last year.
Is that correct, Mr. Guzman?

Peter Guzman:
That is correct.

Mark Costa:
Okay, that's fine. Thank you.

Jeffrey Frischmann:
Okay, thank you. Mark. Okay, with that. If there's any other any other questions or discussions, then we'll move on to Ms. Nelson.
hearing none. Ms. Nelson, if but you'll go ahead and take over. Please.

Kristine Nelson:
Good morning. Thank you, chairman. Thank you, Members of the Council.

For the Record, I'm Kristine Nelson, I currently serve as the Employment Security Division Administrator for the Nevada Department of Employment, Training, and Rehabilitation.
Just a correction, a technical correction.
This is item number 9 on the agenda.
I just want to say that for a correction.

Jeffrey Frischmann:
Thank you. Thank you.

Kristine Nelson:
Thank you to the Council for indulging me to provide a public presentation of some regulatory revisions.
That I will be conducting a small business workshop bond later this month with the goal of presenting a public hearing in November to act upon those regulations and to the Nevada Legislative Commission in December, at its public hearing.
Just for the record, no action will be taking on these items today.
This is merely a presentation, an introduction in the regulatory rulemaking process for the introduction at this public hearing.

Agenda. Item 9A proposes amendments and clarifications to Nevada Administrative Code regulations 612.120, 612.290, 612.470 and 612.660.

The Employment Security Division recommends amending stated regulations to conform with current statutes. During the 2021 Legislative Session Senate Bill 75 was passed which allows for the electronic transmission of all notices for the Unemployment Insurance program. Therefore, I will be pursuing said regulatory revisions to correspond with current law and to provide for increased efficiencies through mailing and postage cost saving measures.

Agenda Item 9B. I will be pulling that from consideration of revision.
So that item is moot and will not move forward. Currently.

Agenda Item 9C proposes the removal of Nevada Administrative Code regulations 612.590 – 612.625 inclusively.
The Employment Security Division, along with DETR’s Research and Analysis Bureau recommends the removal of those regulations.
These regulations relate to the Unemployment Compensation Bond Fund, which is a relic of the great recession that dealt with bonding to replenish the UI Trust Fund.
The UI Trust Fund is now and has consistently remained solvent as shown in Mr. Schmidt's previous presentation to this Council. If the State of Nevada experiences another significant economic impact event, such as the great Recession or the pandemic. Upon recommendation of DETR's chief economist, David Schmidt, DETR believes that the bonding method prescribed in the stated regulations would be more harmful than helpful in future endeavors based on experience of both those types of events - the recession and the pandemic.

Therefore, I will be pursuing said regulatory revisions, recommending that these stated regulations be removed as presented.

Agenda Item 9D. Proposes the removal of Nevada Administrative Code regulation 612.056

This regulation is in direct conflict with the current statute, Nevada Revised Statute 612.265 as amended by the 2021 legislature, Nevada legislature.
Therefore, I will be pursuing said regulatory revision, recommending that this stated regulation be removed as presented.

Agenda Item 9E. Proposes the removal of Nevada Administrative Code regulations 394.700 – 394.730 inclusively, as they relate to the alcoholic beverage awareness program.
Pursuant to the Commission on Postsecondary Education, the stated regulations were established in 2005 to correspond with Nevada Revised Statute 369, that required the Commission to certify alcohol, alcoholic beverage awareness programs prescribed in NRS 369.600 – 369.635.

This was an unfunded mandate when it was established, and no authority currently exists in Nevada Revised Statute 394 that actually provides the Commission with the authority and or purview to enforce or an enforcement when a certified program violates the prescribed conditions within the stated regulations.
Therefore, I will be pursuing said regulatory revisions, recommending that these stated regulations be removed as presented.

Finally, Agenda Item 9F proposes the removal of Nevada Administrative Code regulation 394.600.

Pursuant to the Commission, the stated regulation is an outdated practice. When the production of print material was prevalent, was the prevalent medium for recruitment.
National advertising is regulated on a Federal level by the Federal Communications Commission and promotional material prohibitions are specified in NAC. 394.590 to provide institutional guidance on acceptable practices.

The Commission reviews institutional advertising at the time of license renewal, change applications, veterans' administration approvals, and when there is a student complaint related to recruitment practices and the Commission believes that this regulation is gruesome to licensed institutions.

Therefore, I will be pursuing said regulatory revisions recommending that stated regulation be removed as presented.

This concludes my presentation of the proposed regulation revisions and removal proposals. And I'm happy to answer any questions that the council may have.

Jeffrey Frischmann:
Thanks. Thank you, Miss Nelson. Any questions for Ms. Nelson.

Mark Costa:

Hello Ms. Nelson, this is Mark Costa. Good to see you again, and congratulations.

Kristine Nelson:
Thank you. Mark.

Mark Costa:
I had a question on Item C and I was wondering if you could explain a little bit why these bond regulations were burdensome or deemed incorrect, because you may have to do this again at some point in time.

Kristine Nelson:
Kris Nelson, for the record. Thank you for the question, Mr. Costa and I will phone a friend at this point in time and ask the Chief Economist, DETR's chief economist, Dave Schmidt, to take this one.

David Schmidt:
Thank you, Ms. Nelson. David Schmidt, again, for the record. And the reason that I put forward these regulations as an opportunity to simplify things is really that the there's 2 pieces of what enabled the bonds that were issued in 2013. There are statutory provisions that allow for bonds to be issued under certain circumstances, and those remain. But these regulations adopted a specific methodology for collecting bonds from employers, and the reason I think it would be burdensome or harmful is that in the event that bonds need to be issued again, I think the better practice would be to evaluate the distribution of employers at that point in time and make sure that any bond collections that were needed in the future were responsive to the needs at the time, and not sort of automatically rolled in with the formula that worked well in 2013, but might not work well in the future, and so the statutory authority is still there. But cleaning up these regulations will prevent a not well targeted approach for collecting those contributions based on any future needs, bond issuances and economic circumstances.

Mark Costa:
Okay. Understood. Thank you.

Jeffrey Frischmann:
Okay. Any other questions.
Seeing none.
I'll offer one final opportunity for public comment.
Remember to state - anybody who wishes to make a comment, please remember to state your name, title, and who you represent.

We'll start in Las Vegas.
Are there any comments in Las Vegas?
Any public comment?

Seeing none.
We'll move to Carson City.
Any public comments in Carson City?

Yes, our boisterous director, Chris Sewell.

Chris Sewell:
For the record. My name is Chris Sewell. I'm the director of DETR.
First, I want to thank all the members of the Employment Security Council for their continued service to the citizens of this State, and
we appreciate all the work that you guys do, especially during this time of year, and also the addition of going over some NAC's that we needed to make some changes to. So again, to all the members of the Council. Thank you very much from DETR and everything that you do.

And then, secondly. I also want to thank everyone in this room that put all this together. It takes a lot of work and DETR has a great team. And it shows whether we have some technical difficulties halfway through the meeting, we have IT here to get it fixed all the way to our presentation by our chief economist, David Schmidt.

I want to thank everyone from DETR that had anything to do with this meeting. So, thank you, Chair. Thank you very much for the time.

Jeffrey Frischmann:
I thank you for your comments, Mr. Sewell, and I echo your appreciation towards the staff at DETR.
They are a hardworking team they just continue to work hard every day. So, thank you very much.

Any other comments from Carson City?
I see none.
And anyone on the phone waiting to make comment.

Joseph Choat:
This is Joe Choat, for the record. And no, there are no raised hands or comments pending.

Jeffrey Frischmann:
Okay, again, thank you to everyone.
Thank you, fellow members, for attending and for your input, I would like to entertain a motion to adjourn this meeting.
Do I hear of the motion to adjourn?

Daniel Costella:
Motion to adjourn, Danny Costella.

Jeffrey Frischmann:
Okay, Mr. Costello. Did I hear a second?

Mark Costa:
Mark Costa, I seconded.

Jeffrey Frischmann:
Costa seconds it for the record. The motion was moved by Mr. Costello to adjourn the meeting and seconded by Mr. Costa.
Is there any final discussion?
Seeing none.
I will call a vote, for all those in favor of adjourning the meeting.
Say, aye.

Mark Costa/Tom Susich/Peter Guzman/Charles Billings/Daniel Costello:
Aye

Jeffrey Frischmann:
Any opposed? Nay.
Sounds unanimous to me.
We'll adjourn the meeting.
Thank you very much.