State of Nevada
Employment Security Division (ESD) and The Employment Security Council (ESC)
Meeting Minutes

EMPLOYMENT SECURITY COUNCIL (ESC) MEETING

October 6, 2025; 1:00 P.M.

Place of Meeting: **Live Meeting:** **https://nvdetr-org.zoom.us/j/83692642041**
Telephone: 1 253 205 0468
Webinar/Meeting ID: 836 9264 2041

Broadcast from:
ESD SAO Auditorium
500 E 3rd St.
Carson City, NV 89713

ESD St. Louis Auditorium
2800 St. Louis Avenue
Las Vegas, NV 89104

Department of Employment, Training, and Rehabilitation (DETR) Staff Present in Carson City:

Jennifer Carroll, Contributions, ESD.
Karen Davis, Contributions, ESD.
Erin Fitzgerald, Contributions, ESD.
Yen “Kai” Liao, Contributions, ESD.
Tim Wilcox, R&A, DETR.
Andrew Stencel, R&A, DETR.
David Schmidt, R&A, DETR.
Melissa Potter, ESD, DETR.
Maria Garcia, ESD, DETR.
Casey Frasca, ESD, DETR.
Kristine Nelson, ESD Administrator, DETR.
Lindsay Thompson, ESD, DETR.
Patricia Allander, Deputy Administrator, UI, DETR

Department of Employment, Training, and Rehabilitation (DETR) Staff Present in Las Vegas:

Jamey Tatum, Operations Management, DETR.
Tony Tish, ITD, DETR

Members of the Public, Media, and Other Agencies:

None

Members of The Employment Security Council (ESC):

Mark Costa, ESC Council Member- General Public
Jim "Tom" Susich, ESC Council Member-General Public (Zoom)
Peter Guzman, ESC Council Member- Employer
Charles Billings, ESC Council Member- Labor
Daniel Costella, ESC Council Member- Labor
Jeffrey Frischmann, ESC Council Chair

I. CALL TO ORDER AND WELCOME

Chairman Frischmann identified himself as the chairman for the ESC, thanked the members of the Council, the public and DETR staff for the participation and called the meeting to order.

II. PUBLIC COMMENT

Chairman Frischmann stated, at this time, I would like to start by opining the meeting to public comment. Please state your name, title and who you represent for the record."

No comments in Las Vegas, Carson City, or callers on the line.

III. CONFIRMATION OF POSTING

Chairman Frischmann, inquired with Casey Frasca if proper notice was provided for this meeting, pursuant to Nevada's Open Meeting Law, NRS 241.020? Mr. Frasca confirmed, yes, proper notice was provided for this meeting, pursuant to NRS 241.020 and confirmation of postings have been received. Chair Frischmann thanked Mr. Frasca.

IV. ROLL CALL OF COUNCIL MEMBERS

Chairman Frischmann completed Roll Call of Council Members and thanked them for their service:

Mark Costa, ESC Council Member- General Public
Jim "Tom" Susich, ESC Council Member (Zoom)-General Public
Peter Guzman, ESC Council Member- Employer
Charles Billings, ESC Council Member- Labor
Daniel Costella, ESC Council Member- Labor
Jeffrey Frischmann, ESC Council Chair

V. REVIEW OF WRITTEN COMMENTS

Mr. Frasca confirmed no written comments were received by the department for this meeting. Chairman Frischmann thanked Mr. Frasca.

VI. APPROVAL OF MINUTES FROM PREVIOUS MEETING

Chairman Frischmann asked if there were any discussion about the minutes from the October 4, 2023, meeting minutes and if there were a motion to approve or if there is any discussion regarding the meeting minutes. Mr. Costa and Mr. Guzman, motioned to accept and approve the meeting minutes with no Council opposition and unanimous decision.

VII. ECONOMIC OUTLOOK & UNEMPLOYMENT INSURANCE UPDATE, 2026 UI RATE PROJECTIONS AND TAX RATE SCENARIOS

Chairman Frischmann advised the Council, David Schmidt, Chief Economist from the Bureau of Research & Analysis (R&A), DETR would present updates regarding the Unemployment Insurance Trust Fund.

I. Presentation provided by David Schmidt, Chief Economist from R&A along with Tim Wilcox, Supervising Economist as well as Andrew Stencil, Staff Economist.
   a. Chairman Frischmann asked does that mean most of the increase that they showed is from earlier in the year, since this chart is showing basically flat?
   b. Mr. Schmidt responded: Yes, the previous slide was a 3-year period, so it was showing 2022 through 2025 and most of the growth we've seen was in 2022-2023 and the growth trend was booming coming out of COVID.
   c. Chairman Frischmann asked: if the numbers are seasonal patterns, and they hadn't seen expectations is probably. Mr. Schmidt responded less jobs, in which Chairman Frischmann asked a decreased way its trending.

Mr. Schmidt. Confirmed and advised that there are several factors and one is which two industries that economists would call a statistically significant decrease in employment over a month from July to August but resulted in over 4,000 jobs from July to August over the last 3 years. There is a sign of weakness but not necessarily that things are starting to get into more layoffs. Chairman Frischmann stated so, considered, we're prepared. Today with a Government shutdown. How has that been pointed out in the past, have you factored anything in that? Mr. Schmidt advised historically that most federal government shutdowns haven't had a very large impact on overall employment because they tend to be on a scale that's too fast for R&A to notice. A shutdown of a week or two weeks or even 4-6 weeks might show up as a blip unless it had longer lasting changes.

d. Chairman Frischmann stated we are hearing about mass layoffs from federal works and Mr. Schmidt stated they are hearing about them, but it hasn't really been factored in, people are very unsure what is going to happen with the administration.
e. Chairman Frischmann asked how productive the hiring and separation activity is that's taking place? Is it a changing number or running faster on the hamster wheel to end up at the same place? Mr. Schmidt responded that Nevada is in the middle of the country, 26th overall and the reason he calculated at this rate to that he can compare how Nevada's activity is to others. Some states have very high hiring and very high separation rates, which helps keep the labor market functioning, but also a lot of effort that employers and job seekers are going through to end up at the same place.
f. Chairman Frischmann expressed concern that the participation rate seems low at 50%. Mr. Schmidt advised the percentage is only for people interested in working. Chairman Frischmann stated it seems frighteningly low to have that participation rate. Mr. Schmidt stated the biggest factor is the baseline population is your total civilian, non-institutionalized population 16 and older. So, if you are a 105-year-old grandfather and you have wanted to work in 40 years, you would be counted as not participating. Mr. Schmidt confirmed it's anyone who is not working or actively looking for work. Mr. Schmidt provided additional scenarios for people who may say they want a job, looked for a year, but have not in the last 4 weeks searched for work.
g. Chairman Frischmann stated folks on Medicare are indexed, not looking at the book. Mr. Schmidt stated probably, yes.

II. Tim Wilcox, Supervising Economist (R&A) presented the trends in the Unemployment Insurance Program.

a. No questions were asked.

III. Andrew Stencel, Staff Economist (R&A) presented the Unemployment Insurance Trust Fund.

   a. Chairman Frischmann asked if we would have enough for a recession compared to the 2009 recession? Mr. Stencel responded yes.
   b. Chairman Frischmann questioned the solvency level changes significantly, could you go over that more. $220 million less than what their target for a 1% average high cost would be. So, if we raise the tax, we're taking more money and getting closer to the target level, so it's less a negative number, were closer to the target? Mr. Stencel responded everything would be great if we had a gigantic recession in terms of being able to pay out benefits to everyone. We are closer to the target if we take more in, in terms of contributions.
   c. Chairman Frischmann asked if the members of the council had any questions? No questions were provided by council members.

Chairman Frischmann called a 5-minute recess and advised the group, Jennifer Carroll, Chief of Contributions would be presenting on the 2026 Tax Rate Schedules that she provided to Administrator Nelson.

Mrs. Carroll provided 3 scenarios with an increase, reduction and if the rate remained the same.

At the conclusion of the presentation, the floor was opened for questions.

   a. Chairman Frischmann inquired the rate is currently at 1.65% and there was a slide that referenced 1.85% what would the increase look like that that rate? Mrs. Carroll sought further details in which Chairman Frischmann deferred to Mr. Schmidt. Mr. Schmidt stated that when you compare a decrease of 1.45% to the current 1.65% the difference between that would be the shift. If you take it to 1.85% you will see slightly more employers at the higher rates, slightly fewer employers at the low tax rates. The total number of employees would be the same. The revenue impact would be about the same impact that you see going from 1.45% to 1.65% because at the end of the day, the average rate on all total wages equals a pretty fixed change in revenue. You would see a few more employers at the top, a few fewer employers at the bottom.
   b. Chairman Frischmann inquired about solvency. We are not solvent, is that correct? The changes in the state law make us solvent, but we are not solvent in the federal ties? Mr. Schmidt responded by stating that the change on the state side makes us, although what the state side did was remove the calculation because of the state measure. If we had included it, it would say we need about $8 billion, in the trust fund as opposed to about the $2.5 billion that we paid out during COVID.

That's why the formula was changed and the justification for that formula from statute.

c. Chairman Frischmann asked how much weight do you give the likelihood of something like COVID happening again? Do you think we should be prepared for 30% unemployment, then you would probably want to lean more toward the full average high-cost multiple. We'll give it a 1 in 3 chance. Mr. Schmidt advised economically driven recessions are much more common, much more likely. We should use a measure to those points and lean toward the non-COVID average high-cost calculation.
d. Chairman Frischmann asked under the previous administration, there was a large amount of money that come over during to replenish the unemployment insurance and that money was used there instead of to help benefit and enhance the lives of Nevadans in other areas. Does this change your projections because it was such a big amount of money, has that been considered? Mr. Schmidt responded saying no. R&A does not look at the impact of those lump sums. It was approximately $340 million that was allocated to the state. The legislature, he believes, essentially repaid those loans that were taken because they had about $2 billion in February 2020 and they did have sufficient funds at the time. To be prepared for the 6 months of COVID but then benefits continued to get paid. We dipped about half as deep into borrowing as we did in the Great Recession because we were more prepared in advance. In addition, there were all the federal programs, FPUC, PUC, and PUA and those weren't included in either the solvency calculation or projected benefit levels. Projected benefits provided are just for the benefits and contributions for the UI Trust Fund for Nevada.
e. Tom Susich asked if we would need about $8 billion in the trust fund to be solvent, am I understanding this correction? Mr. Schmidt responded that is by the old calculation. That calculation was removed in the 2025 session so that the measure is no longer in place or presented for consideration. Mr. Susich asked what number would the trust fund need to be solvent? Mr. Schmidt responded to $2.7 billion for 2026, it increases every year based on the average level of employment and wages in the state, so were about $500 million short of being solvent.

VIII. ESC APPROVAL OR RECOMMENDED UI TAX RATE FOR YEAR 2026

Chairman Frischmann opened the floor asking the Council if they had any other follow-up questions and the Council did not. Mr. Frischmann then stated that the amount on one hand doesn't sound very imaginative, but if it was continued at the 1.65% rate, the solvency level could be met within a couple of years and has hesitation with a recession. There has been a lot of progress in the last 4 or 5 years in building up the UI Trust Fund. Tom Susich motioned to keep the rate at 1.65% and Chairman Frischmann, said he personally would like to see a rate increase, but second motioned to take a vote. Mr. Guzman, Mr. Costella, Mr. Billings, voted with an Aye and Chairman Frischmann and Mr. Costa opposed with a Nay. The motion passes 4-2 to keep the rate at 1.65% for calendar year 2026.

IX. CLOSING PUBLIC COMMENT

Chairman Frischmann asked Jamey Tatum in Las Vegas if there were public comments in Las Vegas (none) Mr. Frasca confirmed no public comments in Carson City or on the telephone line. Chairman Frischmann thanked Mr. Frasca. Kristine Nelson, ESD Administrator, DETR, thanked the Council, Chairman Frischmann, and Council Member for their time of providing thorough consideration of the information provided by Mr. Schmidt and Mrs. Carroll and their teams; Contributions, R&A, and MASS for the support to the meeting.

X. ADJOURNMENT

Chairman Frischmann opened the floor by asking for a motion to adjourn and received a motion from Danny Costella, a motion to adjourn the meeting with a second by Mark Cost and Charles Billings. Chairman Frischmann asked if there were any further discussion, then called for a vote, all those in favor of the motion to end the meeting, say Aye. All Council Members said Aye and the meeting was adjourned.