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DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION  
**DIRECTOR'S OFFICE**

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April 3, 2003

Assemblywoman Chris Giunchigliani  
Nevada Legislature  
Legislative Building, Room 3121  
Carson City, Nevada 89701

**Re: Assembly Bill 356**

Dear Assemblywoman Giunchigliani:

The following information is provided in response to your request for a review of the language and specific sections of AB 356 that affect the Nevada Department of Employment, Training and Rehabilitation (DETR).

Although Section 5 of the bill provides the department with the flexibility to adopt regulations that set forth the assumptions and methodology for the calculations and determinations required to implement this legislation, we believe the bill should include specific definitions to ensure legislative intent is met.

**Section 3.1** requires DETR to calculate family budgets based on a number of family units defined in the bill as households. These definitions are inconsistent with industry standards used by various governmental entities including the U.S. Census Bureau, and the Departments of Labor, Health and Human Services and Housing and Urban Development. The word household generally refers to an established residence with a physical address. As a result, measures of economic viability are traditionally measured in terms of family. For example, you could have more than one family living in a household. We recommend replacing the word household with family unit in paragraphs (a) through (e), and adding a definition for a two-person family that consists of two adults (unless it was intentionally omitted).

**In addition, Section 3.1** does not provide the standard for a budget. If the intent of the proposed legislation is to reflect budgets that show a level of self-sufficiency of family units exclusive of public assistance, then we recommend that this language be inserted after the word budgets on line 5, for example budgets "based upon acceptable self-sufficiency standards." If the intent is something else, then it should be specified in this Section.

ASSEMBLY COMMERCE & LABOR 1003  
DATE: 4/09/03 ROOM: 4100 EXHIBIT G  
SUBMITTED BY: C. Giunchigliani L 194

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**Section 3.2** requires DETR to identify and calculate various characteristics of businesses relevant to tax and other incentives administered by the Commission on Economic Development. Therefore, we recommend that this subsection be moved to **Section 5**, since the data required to carry out the provisions of Subsection 2 is collected and maintained by the Commission.

**Section 3.3** provides living expenses that must be considered in the calculation of budgets. DETR recommends excluding (g) savings and investment because we are not aware of any acceptable standards that include savings and investments in calculating a self-sufficiency budget.

**Section 3.4(a)** directs DETR to estimate a livable wage based on each of the types of family units for which budgets were built. This leaves wide latitude for determining specific wage levels. Factors include the number of adults and children working and geographic locations (i.e. the cost of living in Reno vs. Las Vegas). Therefore, we recommend that the bill include a definition for livable wage such as "a wage sufficient to support each type of family unit without public assistance based upon an acceptable self-sufficiency standard."

**Section 3.4(b)** directs DETR to calculate a percentage of jobs within the state that pay the estimated livable wage determined pursuant to paragraph (a). If the definition of livable wage is provided as noted above, DETR will be able to provide the percentages pursuant to paragraph (b). The bill, as introduced, does not contemplate breaking out these wages by geographic area. Therefore, we do not believe there would be a fiscal impact on the department based on a statewide calculation.

However, a recent study based on a self-sufficiency standard included livable wage calculations by metropolitan statistical area (MSA) and county. If it is the intent of the Legislature to provide calculations for all counties and MSAs in Nevada on an annual basis, there may be an impact on the department's Research and Analysis Bureau. We are in the process of obtaining an estimate from individuals involved in the study prepared for the Progressive Leadership Alliance of Nevada. We hope to have the information on the potential fiscal impact by April 7, 2003, and will forward it to you as soon as it becomes available.

Please feel free to contact me at (775) 684-3911, or Birgit Baker at (775) 684-3909, to discuss the department's recommendations.

Sincerely,



Myla C. Florence

Director

Cc: Linda Law, Legislative Liaison  
Office of the Governor  
Birgit Baker, ESD Administrator  
Bob Murdock, Chief of R&A

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