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DEPARTMENT OF EMPLOYMENT, TRAINING & REHABILITATION
A.B. 356 TESTIMONY

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Prepared

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 Assembly Committee on Commerce and Labor
 Room 4100

The Department of Employment, Training and Rehabilitation is neutral on this bill. However, we have a number of concerns about our ability to implement the measure to ensure legislative intent is met without additional language that clarifies the intent.

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 recommend the bill should include specific definitions that provide guidance for self-sufficiency standards.

Section 3, Subsection 1 beginning on page 3 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 the 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 family of two adults (unless it was intentionally omitted).

In addition, Section 3.1 requires DETR to calculate budgets but 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."

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 all of Subsection 2 be moved to Section 5 beginning on page 4, since the data required to carry out the provisions of this subsection is collected and maintained by the Commission.

Section 3.3 provides livings expenses that must be considered in the calculation of budgets. We recommend 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, we estimate that we would need .25 FTE position to support this requirement. Because it is not feasible to hire a qualified candidate less than full-time, we would propose to utilize the services of an independent contractor for this project on an annual basis (500 hours x \$50 per hour = \$25,000).

This concludes my formal testimony on AB 356. I would be happy to answer any questions from the Committee.