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DEPARTMENT OF EMPLOYMENT, TRAINING & REHABILITATION
S.B. 423 TESTIMONY

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Senate Bill 423 was requested by the Employment Security Division to enhance Nevada's unemployment insurance program, and offer training funds to Nevada employers to upgrade the skills of their workforce.

The bill proposes various changes to Chapter 612 of the Nevada Revised Statutes that address electronic methods of unemployment claim filing and employer notification, enhance the division's ability to collect fraudulent benefit overpayments (as recommended by the Legislative Auditor in 2001), and expand the utilization of the Career Enhancement Program (CEP) for training of incumbent workers.

On page 2, Section 1, Subsection 3, beginning with line 11, we are proposing to amend NRS 612.365 to provide the division with flexibility to collect overpaid unemployment insurance benefits for up to five years, and authorize wage garnishment and asset attachment as additional collection tools. Currently the statute allows for collection of overpayments for up to three years after notice of the overpayment and limits the collection methods to payment agreements, offsets and judgements. These proposed changes would implement the 2001 Legislative Audit recommendations.

Moving to Section 2, Subsection 1, Lines 34-35, the division is proposing to amend Chapter 612.475 "Notice to employers" so that the last and next to last employing unit will be notified of a "new or additional" claim. On Page 3, Subsection 6, is being added to provide definitions for new and additional claims to be consistent with NAC 612.100.

Currently there is no definition for the different types of claims, which requires the division to send a notice of claim filing to the last and next to last employers regardless of the duration of unemployment should a separation occur. In the case of on-call employees, such as banquet workers, under current law the division can send an employer as many as 52 notices per employee per year. These workers have no definite return to work date, therefore, each week they work is considered a separation from employment. This is burdensome on claims staff, employers and claimants. Revising this provision would allow claimants to file by telephone or Internet instead of U.S. mail, which is the current method for on call workers. This would relieve the employer from receiving excessive paperwork and free claims examiners to provide other essential functions.

SB 423 Testimony continued

Also on Page 3, in Section 3, lines 21 and 22, the division is proposing to revise NRS 612.530 to clarify where a request for judicial review may be filed. The current law requires claimants to file appeals of decisions of the Board of Review in the district court of the county where the appealed claim was filed. The implementation of telephone and Internet claim filing has left the statute open to interpretation, since claims may be filed from anywhere in the United States. Nevada unemployment claim centers are located in Carson City and Las Vegas. To preserve their right to judicial review, Nevada claimants should be allowed to file appeals from their county of residence, rather than be required to travel to Carson City or Clark County. The language in the statute would be changed to read *any district court of this state*.

Page 4, Section 4, beginning on line 20, we are proposing to amend NRS 612.606 (the Career Enhancement Program) to allow the department to work with the Commission on Economic Development, Local Workforce Investment Boards and other partners under the Workforce Investment Act (WIA) to combine and leverage funds to provide incumbent worker training to support job growth and economic diversification in the State. If approved, the division will be able to provide matching funds to qualifying employers to provide training to incumbent workers that will enhance the skills of those employees and help maintain the edge that Nevada business needs to remain competitive in the national and international economy. Currently, the program is limited to serving unemployed job seekers.

The skill deficit in today's workforce is particularly acute among small employers who face unique capacity and resource barriers to providing training to their current workers. Underscoring the importance of addressing the training needs of these businesses is the fact that these firms often provide the first work experience for two of every three new workers. Training on the job is key to the retention and career advancement of these workers.

Funding for the expansion of CEP is included on page DETR-28, Enhancement Decision Unit 450, in the Executive Budget for the 2003-2005 biennium. This proposal has no impact on the State General Fund. E-450 includes \$5.3 million from Reserves recommended for additional training opportunities during the 2003-2005 biennium. Approximately \$2.3 million of that amount will be dedicated to serving unemployed Nevadans. The remaining \$3 million is requested to provide opportunities for Nevada's employers to upgrade the skills and earnings of their workforce by expanding CEP to fund training opportunities for incumbent workers.

Of the \$3 million proposed for incumbent worker training, up to \$500,000 each year will be made available to the Nevada Commission on Economic Development in support of their Train Employees Now (TEN) program pursuant to NRS 231.148, and up to \$1 million per year will be set aside for incumbent worker proposals to be submitted through the State Workforce Investment Board for consideration and approval.

This concludes my formal presentation on SB 423. I am happy to answer any questions the Committee may have.