



# DETR

Nevada Department of Employment,  
Training and Rehabilitation

## UI Committee Meeting

## NV UI Overview

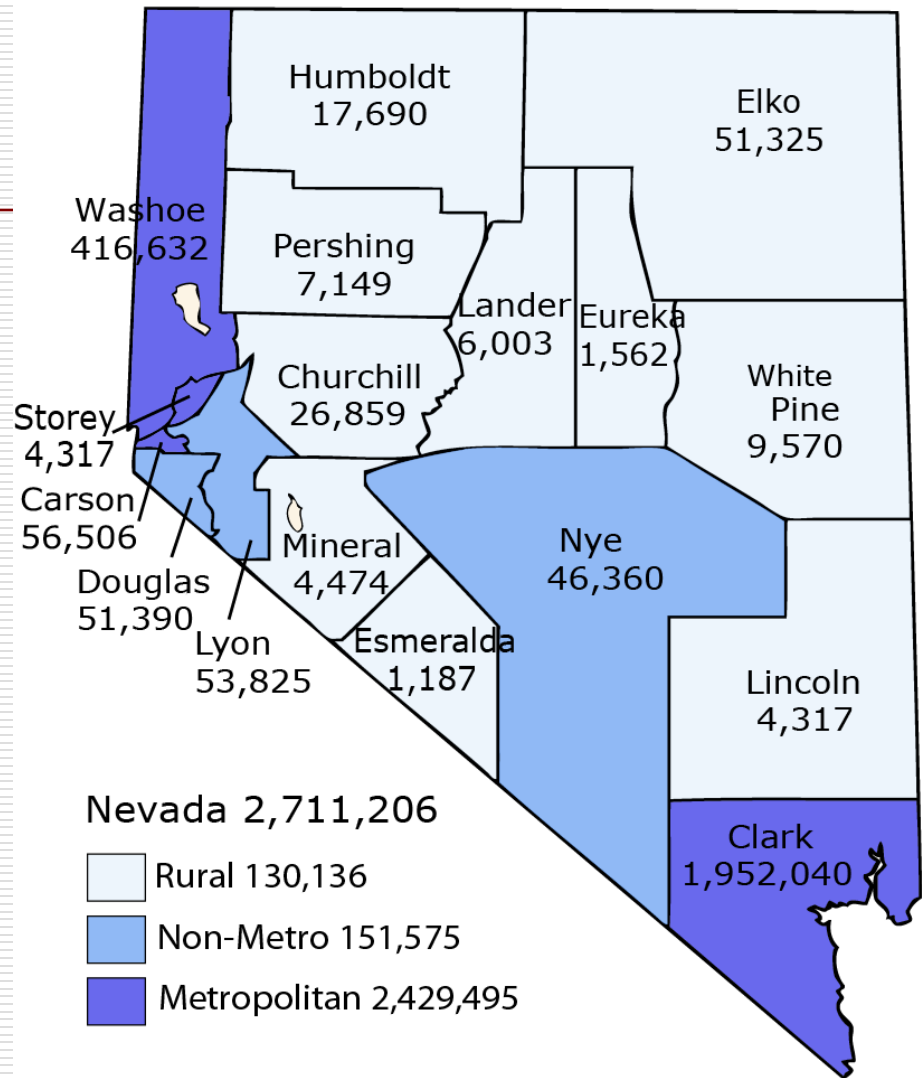
## Cindy Jones, Administrator

July 15, 2010



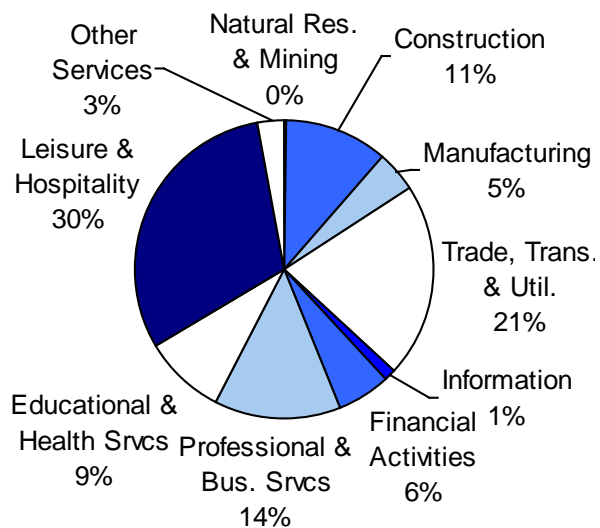
# Population by County, 2009

- 90% of Nevadans live in metro areas, 5% live in both non-metro and rural areas
- Nevada led the nation in population growth until recently

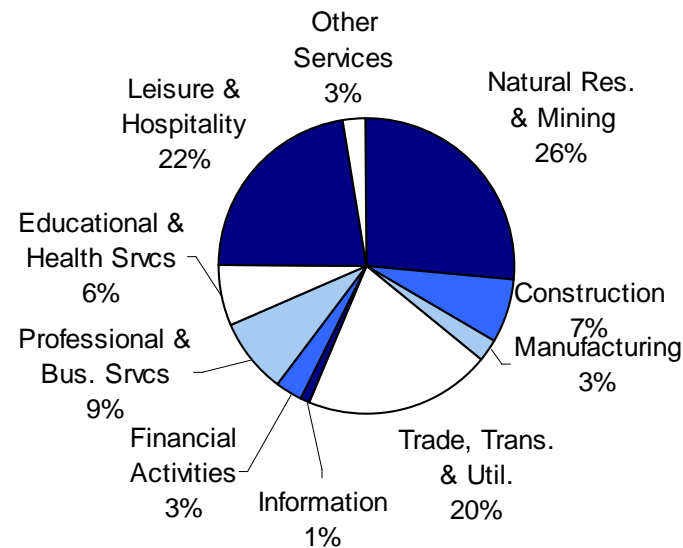


# Industry Base, Private Employers

## Rest of State



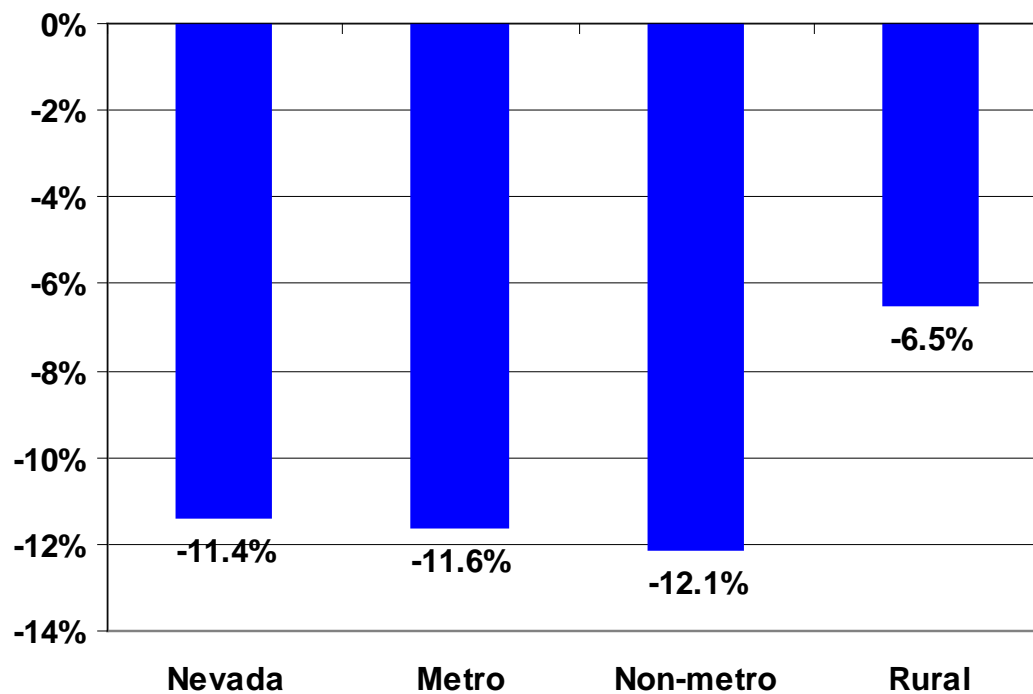
## Rural Nevada



- Over a quarter of all rural jobs are in natural resources and mining.



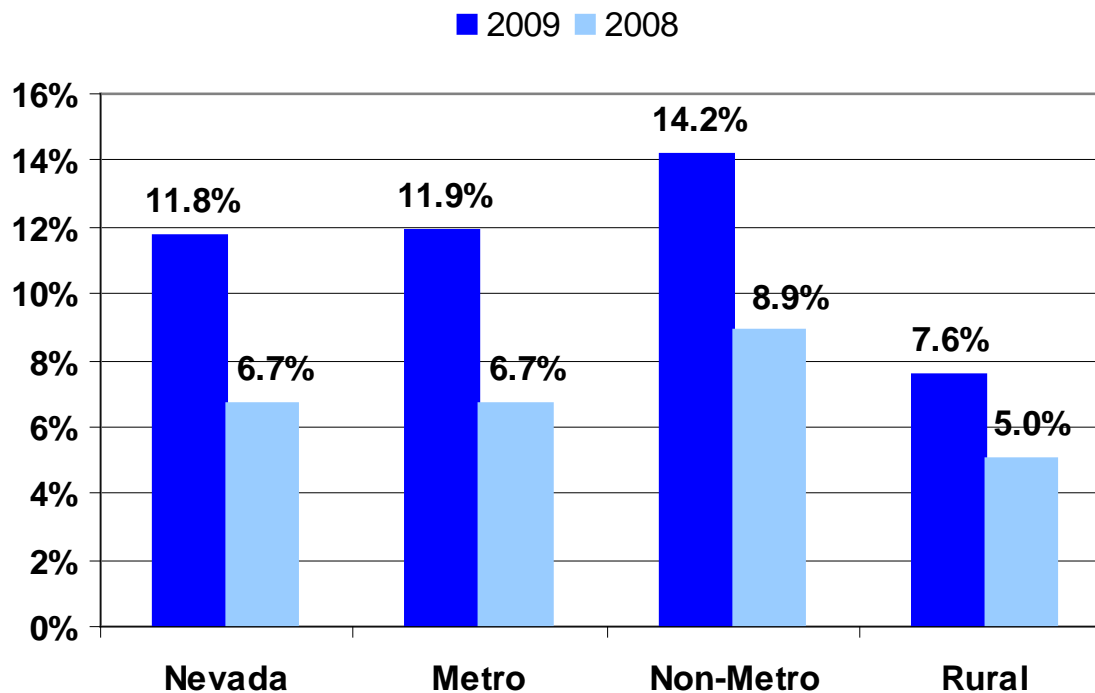
# Job Loss, Private Employers



- Rural counties have fared better in the recession.



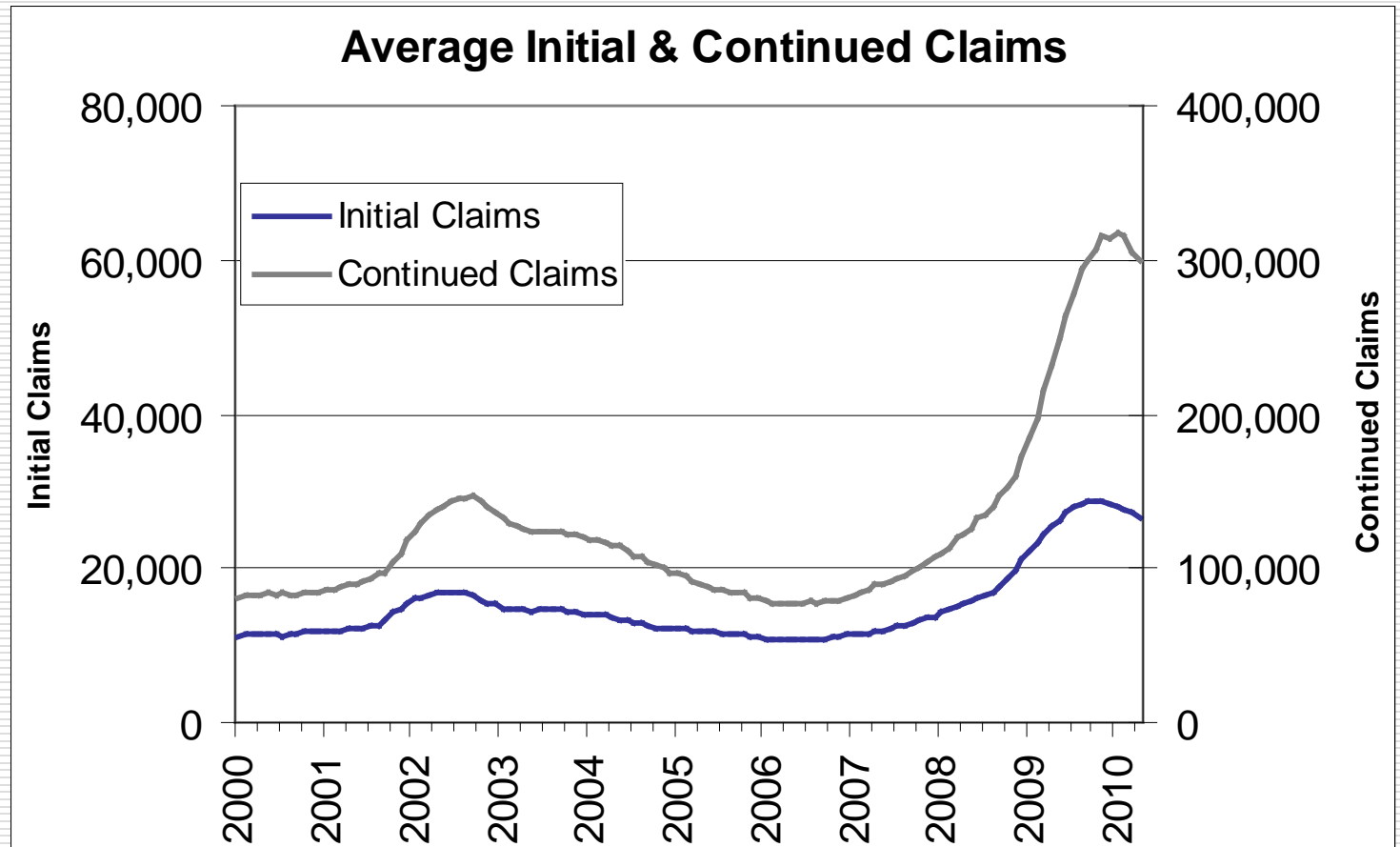
# Unemployment in Nevada



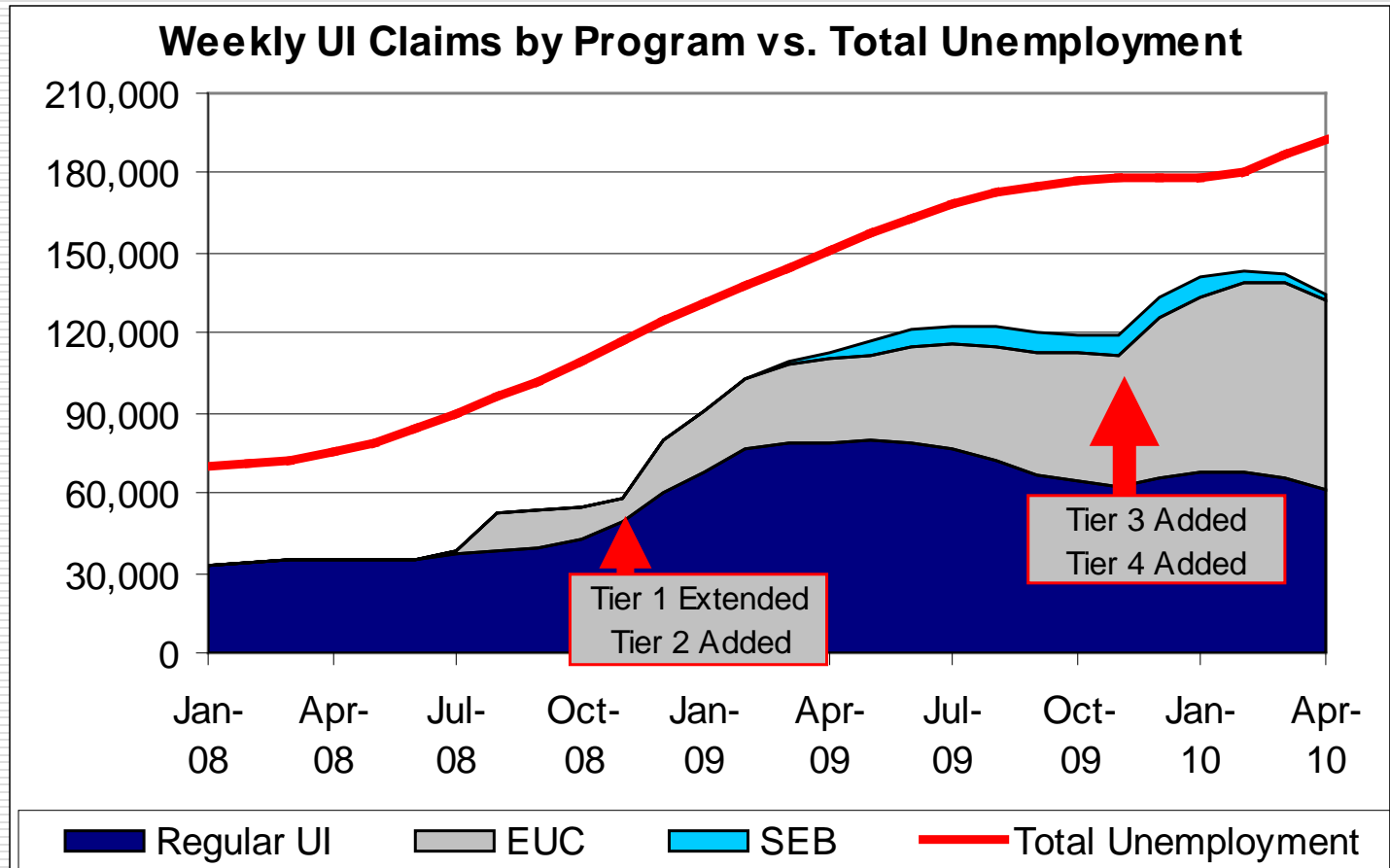
- The jobless rate has increased in all areas, but significantly less so in rural Nevada.



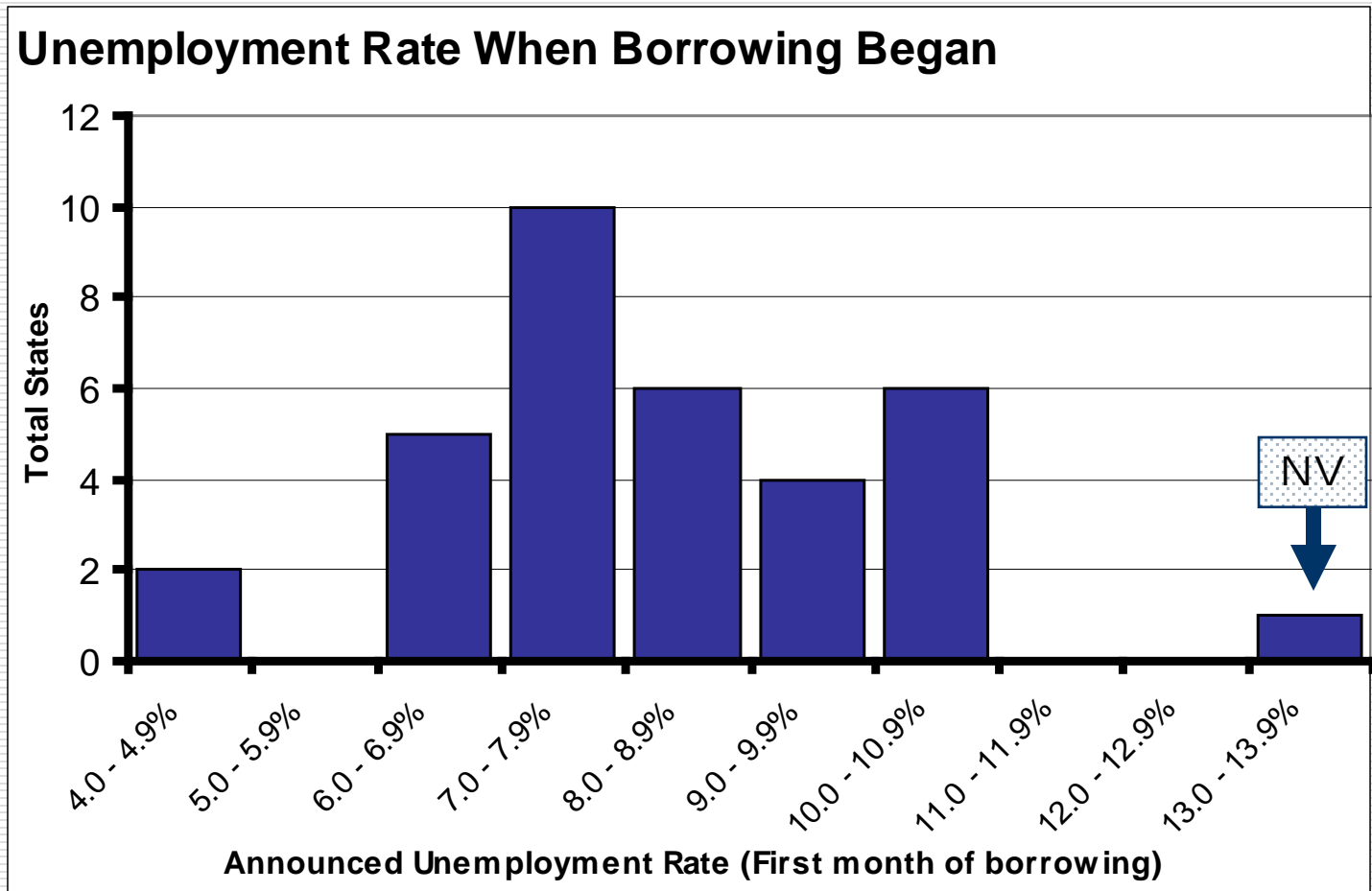
# Current Statistics: Claims Activity – April 2010



# Current Statistics: Claims vs. Unemployment – April 2010



# Financial Statistics: State Borrowing Data



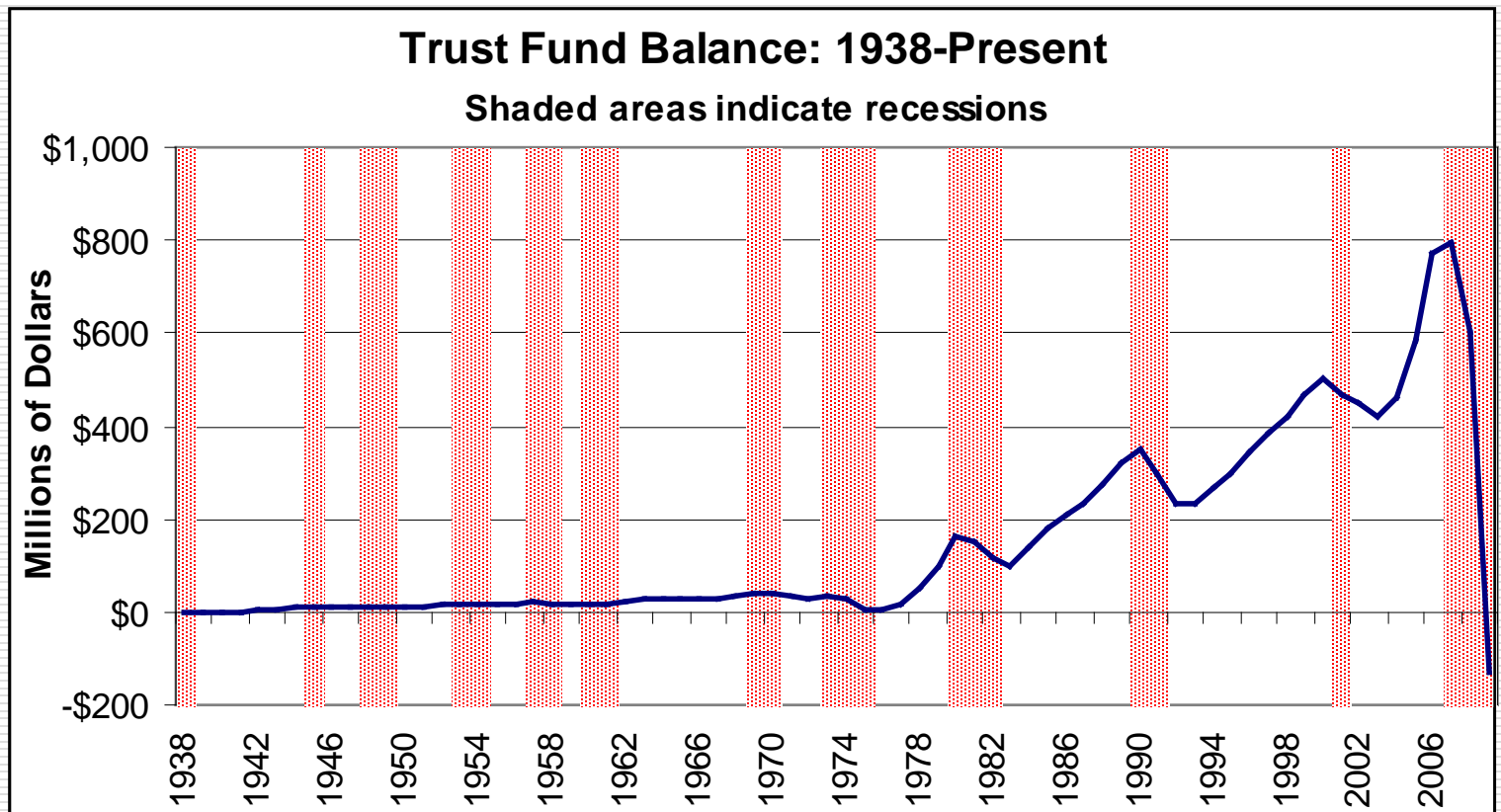
# Current Statistics: UI Borrowing –

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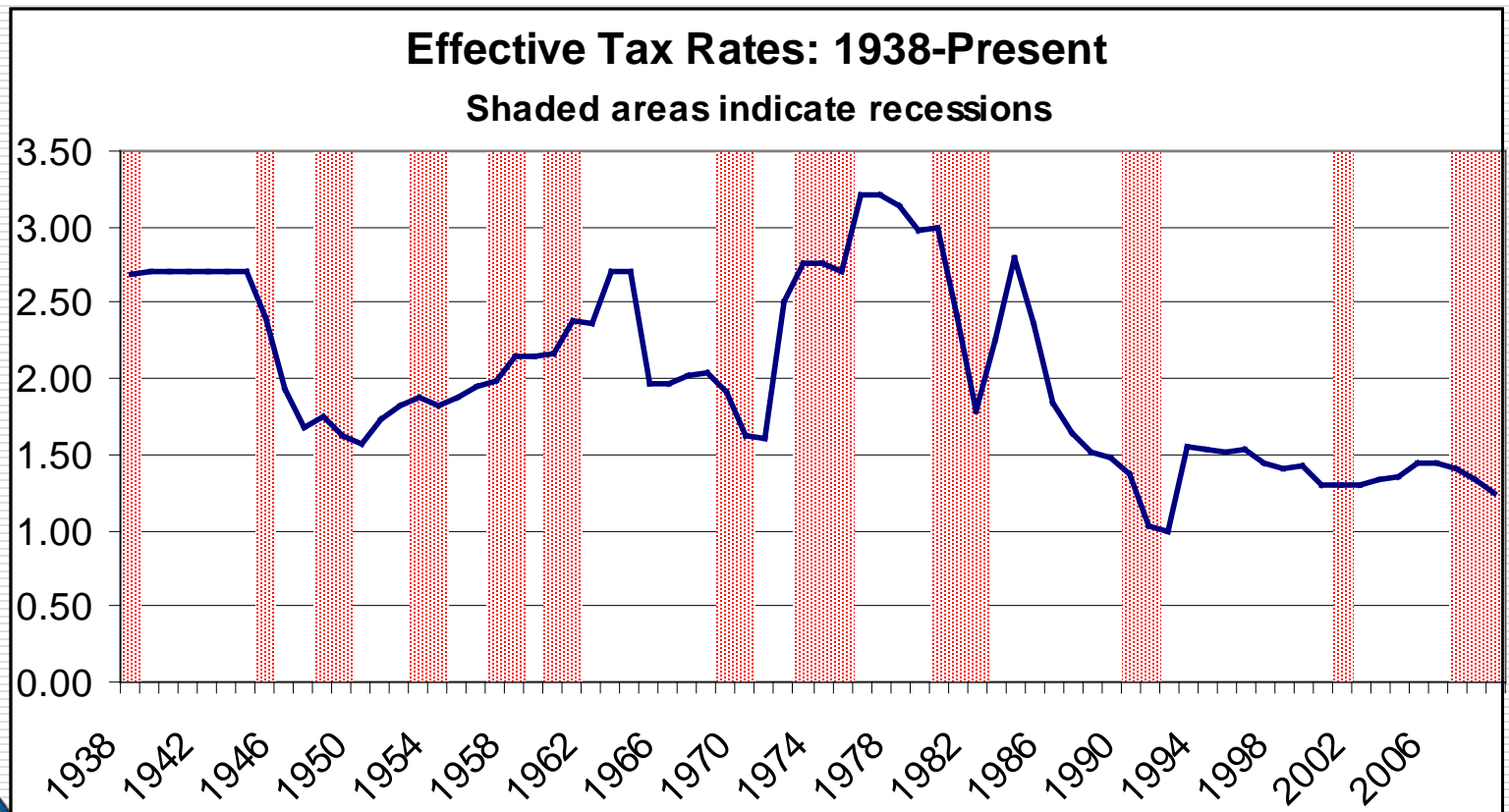
- ❑ As of July 14, 2010, Nevada has borrowed \$ 464 million to pay regular UI benefits.
- ❑ Due to seasonal factors, the largest draw on the Trust Fund is in January-March, while the smallest is in April-June.



# Financial Statistics: Annual Trust Fund Balance



# Financial Statistics: UI Tax Rate



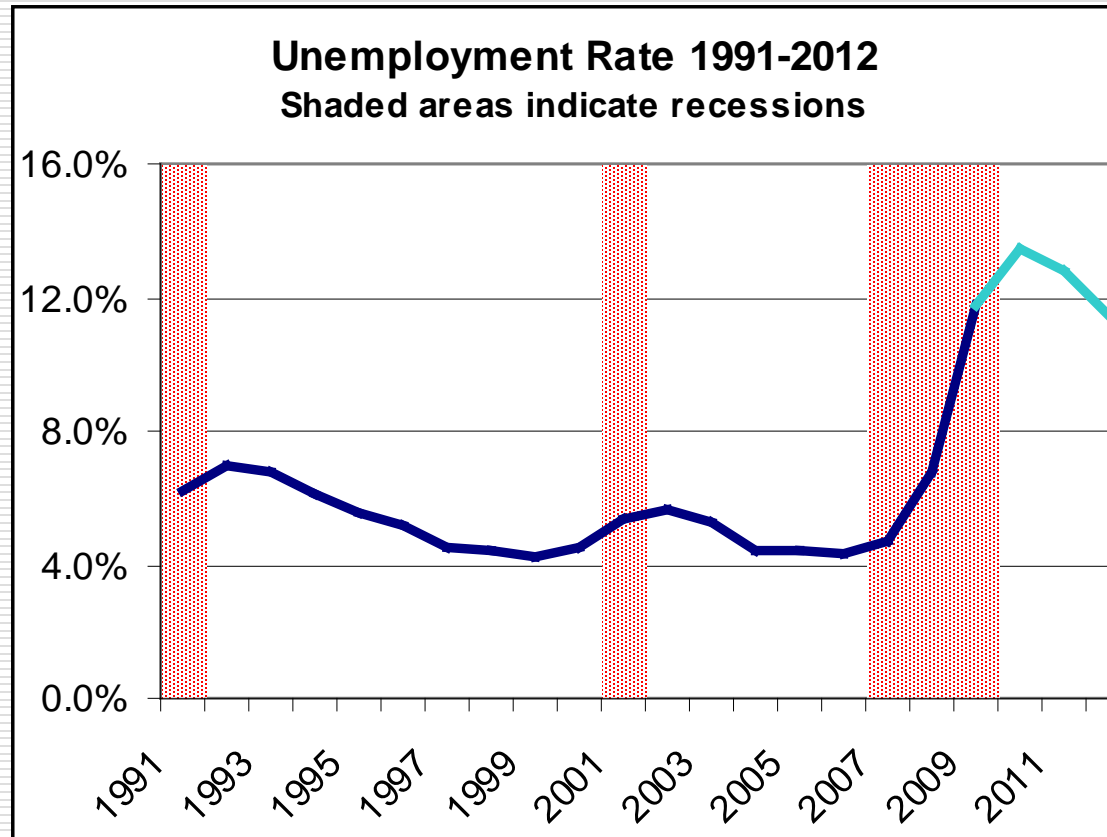
# Financial Statistics: Tax Rates in Recessions

	Recession Tax Rate	Peak Tax Year	Peak Tax Rate
<b>1974 Recession</b>	2.70%	1976	3.22%
<b>1980-82 Recession</b>	1.78%	1984	2.80%
<b>1991 Recession</b>	0.99%	1993	1.55%
<b>2001 Recession</b>	1.29%	2004	1.38%

- ❑ In the wake of recessions, UI taxes are generally increased significantly, and in proportion to the severity of the recession.
- ❑ The highest effective tax rate in the program's history is 3.22% following the only other period of borrowing (Year-end: \$7.6 million; 1976 & 1977) in the state's history.



# Economic Projections: Unemployment Rate



2010  
13.5%

2011  
12.8%

2012  
11.5%



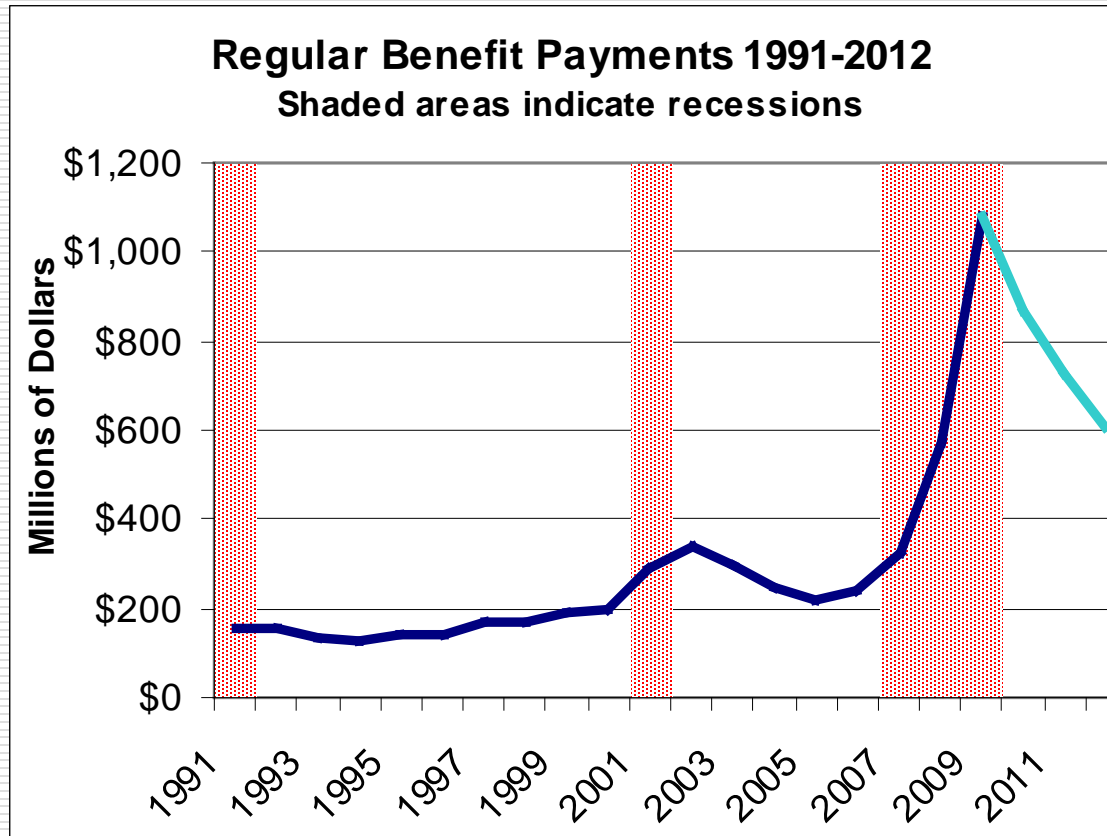
# Financial Statistics: Annual Revenues and Payments

Year	Revenues	Benefits	Net Trust Fund
2000	245.4	199.4	507.5
2001	255.6	287.5	481.3
2002	251.0	338.1	462.7
2003	267.0	298.0	428.6
2004	292.9	248.8	468.2
2005	345.4	216.4	589.9
2006	383.8	237.6	728.4
2007	402.3	327.2	793.2
2008	378.3	569.0	606.0
2009*	312.3	1078.9	-96.3

\* Preliminary Figures



# Economic Projections: UI Benefit Payments



2010  
\$867 million

2011  
\$725 million

2012  
\$606 million



# System Details:

## The Employment Security Council

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- ❑ 9-member council appointed by Governor to represent business, labor and public interests.
- ❑ NRS 612.310 gives the Council the statutory responsibility to recommend changes in tax rates based on solvency of the trust fund.
- ❑ The Council is briefed annually on economic conditions, expected UI benefit obligations, and is provided with solvency calculations.
- ❑ The council makes a recommendation to the Administrator regarding the average tax rate for the next calendar year.



# Impact of Extensions Sunset

- ❑ Estimated UI Benefit Exhaustions last week (people currently ineligible for any extensions): 1,900
- ❑ EUC Exhaustions last week: 5,435
- ❑ **Total additional impact last week: 7,335**
- ❑ **Estimated additional value of lost benefits last week: \$11.9 million**
- ❑
- ❑ Estimated UI Benefit Exhaustions since end of EUC eligibility: 9,500
- ❑ EUC Exhaustions since end of EUC eligibility: 25,227
- ❑ SEB Exhaustions due to trigger off: 4,918
- ❑ **Total claimants affected by end of federal extensions: 39,645**
- ❑ **Estimated cumulative value of lost benefits through 7/10/10: \$31.9 million**
- ❑ **At average wage in NV equates to loss of 770 jobs for 1 year**



# Keys to Recovery - It's all about Jobs!

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- ❑ REA/RES Services
- ❑ Economic Development and Diversification
- ❑ Green Energy Development
- ❑ Regional Sector Councils – Strategic Investment of Workforce Funds

