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107° | A Few Clouds

Panel approves bill to accept federal jobless funds

By Cy Ryan
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CARSON CITY – By a unanimous vote, the Assembly Ways and Means Committee approved legislation to permit Nevada to accept federal stimulus funds to extend unemployment benefits and expand eligibility for the benefits.

The bill and the resolution now go to the floor of the Assembly for a vote probably later this week.

Unemployment figures last week showed a 10.1 percent jobless rate both in the state and Clark County.

Assembly Speaker Barbara Buckley, D-Las Vegas, said the legislation will get money into the hands of those who need it and bring "no business negative."

Gov. Jim Gibbons supports part of the federal plan, extending unemployment benefits for an additional seven weeks to the jobless. But he has not decided whether he backs a plan to expand the eligibility, saying it might have long-term effects on business.

This legislation will provide an extra seven weeks of unemployment to those who expire their 72 weeks of benefits. It will increase the average weekly check of $300 by $25 and it will permit an additional 4,100 people to qualify for benefits.

Three Republican members of the committee voted for the bill but reserved the right to change their vote when Assembly Bill 469 and Assembly Concurrent Resolution 17 come up for consideration before the full body.

The state's unemployment fund will run out of money by the end of this year and the federal infusion of money will delay the need to borrow money from the federal government at 5 percent interest, said Democratic supporters.

There has been concern by some that adding the 4,100 people will lead to an increase in the 1.33 percent rate charged employers for each worker. Assemblyman Marcus Conklin, D-Las Vegas, said the extra $77 million to support this program will last anywhere from four to eight years before the state must come up with the money.

Conklin and Buckley both said the state could repeal the program when the federal funds go away.

An average employer now pays 1.33 percent on the first $26,000 wages. If the state eventually ended up picking up the bill when federal funds run out, the rate could go to 1.38 percent. That would cost employers an extra $14 on top of the average annual tax of $353.

Assemblyman Pete Goicoechea, R-Elko, wanted committee members to commit to oppose any increase higher than 1.38 percent in the future. But members said they could not commit future Legislatures.

cy.ryan@lasvegassun.com

Discussion: 1 comment so far…

By neiman1
3/23/09 at 12:46 p.m.

How fast will this fund go down when City Center lays off a few thousand.