

ASSEMBLY BILL NO. 309—ASSEMBLYWOMAN DICKMAN

MARCH 16, 2021

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to the unemployment compensation system. (BDR S-691)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Contains Appropriation not included in Executive Budget.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to unemployment compensation; requiring the Legislative Auditor to conduct an audit during the 2021-2022 interim of the Employment Security Division of the Department of Employment, Training and Rehabilitation relating to its controls and processes; making an appropriation; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law provides for the administration of unemployment benefits to eligible persons by the Employment Security Division of the Department of Employment, Training and Rehabilitation. (Chapter 612 of NRS) **Section 1** of this bill requires the Legislative Auditor to conduct an audit during the 2021-2022 interim to: (1) examine the Division's controls to ensure the accuracy of the data provided on unemployment claims filed since the commencement of the COVID-19 pandemic; and (2) evaluate the adequacy of the Division's processes for preventing, detecting and recovering fraudulent claims.

**Section 2** of this bill makes an appropriation for the costs and maintenance of modernizing the Department's current unemployment insurance information system.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** 1. The Legislative Auditor shall conduct an audit during the 2021-2022 interim of the Employment Security Division



1 of the Department of Employment, Training and Rehabilitation. The  
2 audit must include, without limitation:

3 (a) An examination of the Division's controls to ensure the  
4 accuracy of the data provided on unemployment claims filed since  
5 the commencement of the COVID-19 pandemic; and

6 (b) An evaluation of the adequacy of the Division's processes  
7 for preventing, detecting and recovering fraudulent claims.

8 2. The scope of the audit must include, without limitation, the  
9 time period between March 1, 2020 and December 30, 2020.

10 3. The Legislative Auditor shall present a final written report  
11 of the audit to the Audit Subcommittee of the Legislative  
12 Commission not later than December 31, 2022.

13 **Sec. 2.** 1. There is hereby appropriated from the State  
14 General Fund to the Interim Finance Committee for allocation to the  
15 Department of Employment, Training and Rehabilitation the sum of  
16 \$48,500,000 for the costs of vendor development, staffing,  
17 contractors and maintenance to modernize the current  
18 unemployment insurance information system to a cloud-based  
19 system.

20 2. Money appropriated by subsection 1 can only be allocated  
21 by the Interim Finance Committee upon recommendation of the  
22 Governor and upon submittal by the Department of Employment,  
23 Training and Rehabilitation of a project plan and an itemization of  
24 related costs.

25 3. Any remaining balance of the appropriation made by  
26 subsection 1 must not be committed for expenditure after  
27 June 20, 2023, by the entity to which the appropriation is made or  
28 any entity to which money from the appropriation is granted or  
29 otherwise transferred in any manner, and any portion of the  
30 appropriated money remaining must not be spent for any purpose  
31 after September 15, 2023, by either the entity to which the money  
32 was appropriated or the entity to which the money was subsequently  
33 granted or transferred, and must be reverted to the State General  
34 Fund on or before September 15, 2023.

35 **Sec. 3.** This act becomes effective on July 1, 2021.

