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PRESS RELEASE

For Immediate Release
December 17, 2020

Nevada begins borrowing to ensure uninterrupted payment of Unemployment Insurance benefits

CARSON CITY, NV - The Nevada Department of Employment, Training and Rehabilitation (DETR) announced today it has started borrowing money from the federal government to help ensure Nevada residents who are eligible for regular unemployment benefits continue to receive payments without interruption during the ongoing COVID-19 pandemic.

Nevada's unemployment insurance trust fund is funded by its unemployment insurance business tax. Nevada's trust fund lasted nine months of extraordinary activity due to actions taken by the agency to build reserves prior to the onset of the COVID pandemic.

Due to the ongoing pandemic resulting in historic unemployment claims, the State exhausted its trust fund and began borrowing funds earlier this week.

Borrowing funds from the federal government in this manner is typical in times of economic recessions. Nevada now joins 22 other states in borrowing funds under Title XII of the Social Security Act. Pursuant to the Families First Coronavirus Response Act, no interest accrues on Title XII loans through December 31, 2020.

DETR will continue to borrow funds as necessary under Title XII of the Social Security Act, similar to what was done in the last recession, to ensure eligible claimants receive their benefits without interruption.

Additional extended UI benefit programs that are funded by the federal government are not impacted by this.

As in the past, DETR will work with the state's Employment Security Council to set employer contribution rates that balance current and future needs and rebuild the trust fund when appropriate.

To see more information regarding states' borrowing data, visit the U.S. Treasury's website at: https://www.treasurydirect.gov/govt/reports/tfmp/tfmp_advactivitiessched.htm This website tracks borrowing from the federal government under Title XII of the Social Security Act to pay for regular unemployment benefits. This indicates that Nevada has borrowed $14.57 million as of yesterday. The columns mean:

- Outstanding Advance Balance – State's Title XII total loan balance as of the report date.
- Advance Authorization Current Month – Funds the state has asked to have available to borrow for the current month. For process reasons, most states generously estimate potential borrowing needs, as the loan does not happen until funds are drawn. While the process to determine this amount varies from state to state, this represents the maximum potential borrowing for the state in a month, absent a revised request to the federal government.
- Gross Advance Draws Current Month – Loans received minus Loans repaid for the state for the current month.
- Interest Accrued – interest expenses accrued by the state in the current federal fiscal year (October – September).

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ABOUT DETR: The Department of Employment, Training & Rehabilitation (DETR) is the state's lead workforce development agency. It consists of divisions that offer workforce related services, job placement and training, services for people with disabilities, investigation of claims of discrimination, unemployment insurance benefits, labor market data and more. Many of these services are provided through Nevada JobConnect career centers and in cooperation with its community partners.