

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Seventy-Third Session
April 4, 2005**

The Committee on Government Affairs was called to order at 9:06 a.m., on Monday, April 4, 2005. Chairman David Parks presided in Room 3143 of the Legislative Building, Carson City, Nevada, and, via simultaneous videoconference, in Room 4412 of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Mr. David Parks, Chairman
Ms. Peggy Pierce, Vice Chairwoman
Mr. Kelvin Atkinson
Mr. Chad Christensen
Mr. Jerry D. Claborn
Mr. Pete Goicoechea
Mr. Tom Grady
Mr. Joe Hardy
Mrs. Marilyn Kirkpatrick
Mr. Bob McCleary
Mr. Harvey J. Munford
Ms. Bonnie Parnell
Mr. Scott Sibley

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Assemblywoman Chris Giunchigliani, Assembly District No. 9, Clark County

STAFF MEMBERS PRESENT:

Eileen O'Grady, Committee Counsel

Susan Scholley, Committee Policy Analyst

Michael Shafer, Committee Attaché

OTHERS PRESENT:

Major General Giles E. Vanderhoof, Adjutant General, Nevada National Guard

Lieutenant Colonel Kim S. LaBrie, Counterdrug Coordinator, Nevada Army National Guard

Command Sergeant Alan Callanan, Recruiter, Project ChalleNGe, Nevada National Guard

Staff Sergeant Jeanie Morrison, Nevada National Guard

Dan Musgrove, Intergovernmental Relations Manager, Office of the County Manager, Clark County, Nevada

Michael P. Brown, Jr., Private Citizen, Reno, Nevada

Lisa Magee, Department of Juvenile Justice Services, Clark County, Nevada

Louise Helton, Member, Citizens Advisory Council, Department of Juvenile Justice Services, Clark County, Nevada

Tracy Livingston, Volunteer, Friends of Project ChalleNGe

Christine Fannon, Private Citizen, Las Vegas, Nevada

Lance Kirk, President, Las Vegas Regional Chapter United States Green Building Council, Las Vegas

Jim Morris, Director, Appropriate Energy, Inc., Gardnerville, Nevada

Joe Johnson, Legislative Advocate, representing the Toiyabe Chapter of the Sierra Club

Kaitlin Backlund, Political Director, Nevada Conservation League, Reno, Nevada

Russell Rowe, Legislative Advocate, representing Focus Property Group

Judy Stokey, Legislative Advocate, representing Nevada Power Company and Sierra Pacific Power Company

Suzanne Johnson, Private Citizen, Gardnerville, Nevada

Irene Porter, Executive Director, Southern Nevada Home Builders Association, Las Vegas, Nevada

Rose McKinney-James, Legislative Advocate, representing Clark County School District

J.P. Gerner, Assistant Superintendent, Facilities Division, Clark County School District, Las Vegas, Nevada

Santana Garcia, Legislative Advocate, representing the City of Henderson, Nevada

Andy Belanger, Legislative Advocate, representing Las Vegas Valley Water District and Southern Nevada Water Authority

Chairman Parks:

[Meeting called to order and roll called.] We'll go ahead and start with A.B. 18.

Assembly Bill 18: Exempts State of Nevada from provisions of federal law requiring daylight saving time. (BDR 19-437)

Assemblyman Bob McCleary, Assembly District No. 11, Clark County:

[Presenting PowerPoint presentation, Exhibit B.] This bill, A.B. 18—to exempt Nevada from daylight saving time—I'm going to have trouble with that obviously. When we see something wrong or an injustice that needs to be fixed, we bring a bill, and that's generally what they do. I'm going to tell you right up front this is one of the things that isn't a big deal to me; it's just an inconvenience. I'm putting that kind of priority on it. There have been bills before this Legislature to change this five times. I want you to hear this, and I want you to consider whether this is good policy for Nevada as a whole. That's why I'm bringing it to you.

Assembly Bill 18 obviously will exempt Nevada from daylight saving time, and it will place us permanently on Pacific Standard Time throughout the year. I always thought this had to do with farming. I searched and searched and searched, and I could not find anything to do with farming.

The concept of daylight saving time was first conceived of by Benjamin Franklin in 1784 in an essay, "An Economical Project." The entire concept of daylight saving time was to conserve lamp oil. The theory was that if there were more hours of light, you'd burn less oil. Therefore, we would save money, and of course, we all know we use a lot of oil now.

The federal government first required daylight saving time during World War I. That was to conserve energy for the war effort. In the 1960s, about 26 states had some form of daylight saving time in effect. Many of them only had certain areas of their state in daylight saving time, and the federal government, figuring the cookie-cutter approach to all government, decided it was time that they made it standard for all the United States to go over to use this. In 1966, they passed the Uniform Time Act, which created daylight saving time as we know it. In that act, they did make a clause that said that state legislatures could exempt themselves from this provision. One state that had two time zones in it, Indiana, wanted to exempt one portion of it, so the other portion could be on the same time. In 1972, they amended it so if you had multiple time zones, you could exempt one portion of it. In 1986, they changed the starting and stop

times. Now, it is the first Sunday in April and the last Sunday in October, spring forward, fall back.

[Assemblyman McCleary, continued.] The three states that currently exempt themselves are Arizona, Hawaii, and Indiana. Indiana was the one that had the two time zones; the time zones went right through the middle of the state. It's a small state, so it was an odd thing for them to have two time zones. So, that's why the federal government changed the law. They exempted one portion of their state so they could be on the same time. Arizona did it to save electricity in the summer. If you look at the states that have historically used daylight saving time, it's been the extreme northern states that have liked it the most. It makes sense, because of their colder climate, to have that extra hour of daylight. But, as you can imagine, for Arizona and southern Nevada, it means more cooling costs.

Here's my argument why we should eliminate this: First, the nagging feeling that I'm up too early that you're all experiencing now is your internal clock trying to adjust. It's going to take you at least a couple of weeks to do that. The good doctor may be able to acknowledge that this is a fact, or counter it if it's not, but my understanding is that it takes your body some time to adjust when we change it. Also, you have to reset all your clocks; that's another annoying thing. During certain times of the year, your children are going to have to walk in darkness so that we can have that extra hour of daytime in the summer to run our air conditioning. I just want to speak on this briefly. My understanding is that it takes your body at least two weeks to adjust to a time change like that. Sometimes, as you get older, it may take up to 21 days. This is something that's going to happen twice a year. Twice a year, your body has to adjust to that. It also affects some people's sleeping patterns. Some people have trouble with their sleep patterns after their change of time. I want you to consider the clocks that you have to change. You have to change your alarm clocks, your kitchen clock, your DVD player, your VCR, your watch, your car clock, your office clock, et cetera.

As I mentioned earlier, creating an extra hour of daytime for the evening forces another hour of darkness in the morning for your children to walk to school. In southern Nevada—I don't know if this is an issue in the north, per se—but an extra hour in the summer means an extra hour in the evenings to run that air conditioner. In July, I think it's about 9:00 p.m. before the sun goes down in Las Vegas. When it's 110 or 115 degrees outside and the sun is still up 4 or 5 hours after you've been home, that's an extra electrical cost.

I tried to figure out how much it will save southern Nevada, and I really can't put a number to it, but I know it would be in the tens of millions of dollars for

electrical cost, because typically, if you go to work and your house is vacant, assuming there's nobody else in the house, you turn the air down. There's no reason for that air to blast while you're gone. Then, when you get home, you crank it up. I hope that makes sense to the Committee.

[Assemblyman McCleary, continued.] In conclusion, I'm asking the Committee to consider if daylight saving time is good public policy for Nevada. I want you just to consider this. I know this has been the fifth time it's been brought to this Body, but if you're like me, and you don't feel that it is, I want you to please exempt Nevada from daylight saving time and place us on Pacific Standard Time.

Assemblyman Claborn:

I usually love all the bills that you put in here. Let me just read you a piece of an email I got. It says, "Do you realize that such a bill would completely kill Little League baseball, soccer, as well as girls' fast pitch softball? There are thousands of kids out there playing these youth sports, and your band of brothers and sisters can't find a better thing to pick on than the kids of this state? Now, that tells me a lot. It costs a lot to light these ballfields, so daylight saving time is essential to these sports." I just wanted to read that. I don't particularly like your bill this time.

Assemblyman McCleary:

That's fine. I understood there was going to be some resistance to this. If I could make a comment about that, though: what did Little League do before 1966, when they didn't have daylight saving time? To me, that's not a good argument. Wouldn't the ballfields be cheaper than cooling all the houses in southern Nevada for an hour? I'd have to let you consider that.

Assemblyman Munford:

The only thing I'm concerned with is California being next to us. It is an important attribute when it comes to gaming in Nevada, and I think if our time is different from theirs, they will run into a few problems with coming from Las Vegas, adjusting to the time when they are having to get back to their jobs, or something of that nature. I think it might have a small effect on gaming dollars from California. If California is on regular standard time, then I could see some advantages to it, but right now, I think it may have an effect on gaming in some respects.

Assemblyman McCleary:

I don't think it will affect gaming at all. I don't think you'll hear gaming speaking against this.

Assemblyman Munford:

I didn't say they would speak against it. I just was referring to California people, in adjusting to time, going back and forth, and rushing. We already have the traffic problem as it is.

Assemblyman McCleary:

Right. Well, Mr. Munford, here's the nice thing about this. I thought about that too. I thought, theoretically, you could get on a plane in Los Angeles, heading to Las Vegas at about 5:00 p.m., and at about 5:00 p.m. arrive in Las Vegas to party.

Chairman Parks:

Obviously, they would lose that extra hour once they got back home. Once upon a time, there were adjustments by 20 minutes every two weeks that were tried. That was before federal government got into it. Different areas of the country tried to experiment with that by changing the one hour in twenty-minute increments every two weeks. That would be quite a difficult task to perform. I also remember having grown up on a farm that many of the animals do not adjust this quickly to a change in time as us humans.

Before we close, I will indicate that the resort community in the past has had a degree of opposition to changing our time to make it anything different than what either Los Angeles—for the Las Vegas market—or San Francisco—for the Reno market—would have. Is there anyone else who would like to speak on A.B. 18? Not seeing any, we'll go ahead and close the hearing on A.B. 18, and we'll open the hearing on A.B. 170.

Assembly Bill 170: Provides for administration of National Guard ChalleNGe Program in this State. (BDR 36-750)

Assemblyman Bob McCleary, Assembly District No. 11, Clark County:

[Distributed Exhibit C.] Today, A.B. 170 is proposing to create Project ChalleNGe. It's a federal program for troubled youths that are having trouble graduating high school.

I want to tell you a little bit about my own story. In tenth grade, I wasn't a very good student. I was more of a party type. I know, it goes totally against my personality, but I got into a lot of trouble. In tenth grade, I had very few credits, and I finally dropped out of school. I just couldn't go on. I sat in my room and did nothing. I ran with a bad crowd, got into a lot of trouble, and just was a complete menace to society. I had a very doting grandmother who moved in

with us at just about this time in my life. She really encouraged me to go back to school. If it wasn't for her, I wouldn't have finished high school. I started attending again. Because I was so deficient in credits, I had to do summer school, night school, and regular school for two years to catch up.

[Assemblyman McCleary, continued.] When I turned 17, she made a suggestion that I needed some discipline in my life. The whole problem was that my mom was a poker dealer and worked swing shift. There was no father in the home, and there wasn't much discipline. She said that I needed discipline to get my life headed in the right direction. She encouraged me to join the National Guard at 17. I did what they called the "split training" program. Because I was not a high school graduate, I could not join on my own and wasn't old enough anyway, but with my mother's signature, I joined the Nevada National Guard for a 6-year tour of duty. I went to Fort Jackson, South Carolina for basic training with the Army, and then went to Fort Sam Houston for my medic training. I grew so much from that experience, having that discipline. I came back and I finished high school. As a matter of fact, I finished with As and Bs in my senior year. I went from a failing student to above average student.

With that, this program attempts to help those youth—I think you have to be a junior in high school—who are deficient in credits. In other words, you cannot graduate to do this. What they do is they take these youth and put them in a basic training situation, where the only thing they have to focus on is your academics, other than your PT [physical training] and stuff like that. So, it puts you in an isolated atmosphere where that's all you focus on. The youth must volunteer, and the youth can quit at any time. A number of them can't hack it and they quit, but the majority of them—two-thirds of them in the states that are doing this—either graduate or they get their GED [general equivalency diploma], and it changes the direction of their life. We have 10 million young Americans that drop out of high school in this country every year. Out of that pool, you've got on the average of 5,000 arrests of youth under 18 daily. Many of them have troubled pasts.

I want to tell you, as someone who's been there, I understand what it's like. You get this helpless feeling: "I'm a loser. I can't do it." You really get so down on yourself, and you can't even graduate high school. You're so pathetic. It turns you the other way. You start looking for another direction. This gives youth a chance to finish their education and even pursue higher education if they want, but at least they can get that high school diploma or a GED. If we don't, we're going to have to deal with them another way. We're going to have to deal with them either in the correctional facility or on the welfare rolls.

Another thing that I'll just really briefly mention to you is that my aunt, Sandy, is the coordinator for the Arizona project. Currently, we do have a program that's very small here in Nevada, and we send so many youth every semester to the facility in Arizona. We piggyback off their program. My aunt said, "How come you people don't have your own program? Get your own program." I said, "Okay, Aunt Sandy. I'll see what I can do." So, with her orders, here I am.

[Assemblyman McCleary, continued.] I want to go over some of the core components that they're going to be taught, as well as the academics. With their diploma or GED, they earn leadership skills. They also learn how to follow orders. They learn responsible citizenship. They learn how the government works, they learn important job skills, they learn life coping skills, and they're taught about health and hygiene. They're taught about community service, and they have a regular physical fitness program to keep the youth in shape. That's basically what the program is.

Major General Giles Vanderhoof, Adjutant General, Nevada National Guard:

I hadn't realized until I heard Assemblyman McCleary speak about his background how similar ours were. I did graduate from high school minimally, had gotten in quite a bit of trouble and, for some reason or another, through some other friends, joined the Guard. When I came back and settled myself down, I went through and graduated with a 3.56, where before I had been barely getting by. It was the discipline of basic training and the military that helped me. Because of arrests that I had, I had to get a waiver to join the Guard, and as you can see, it worked out pretty well for me.

I will have to tell you that when we first started the ChalleNGe program in the National Guard, I was opposed to it. I was more focused on military readiness and the ability to respond to state emergencies, federal emergencies, and wars. It didn't take me but a class or two to see how marvelous a program this is. I almost couldn't believe that after interviewing young men and women for this course, the change that I would see when they would come out of this. It's nearly a six-month program, followed up by mentoring so they're not just cut loose. Quite a few of those young men and women join the military. Quite a few go onto school and make something out of their lives. I would never say that we saved every single person, but we saved a substantial portion. In every other similar program that we've compared this to, we rank higher and we're recognized nationally as an outstanding program for saving youth.

Because of what this does for our youth and for our society, this has my full support. We're not able to send enough kids from Nevada to Arizona because we have such a small quota, and we have a real need to have this program in Nevada. I would point out a couple of things. In the Legislative Counsel's

Digest, they mention "high school diploma." It should say, "or GED," because we do offer GEDs at the conclusion of that too. There are a couple of other things that I should mention. In Section 2 of the bill, where it gives the amount of \$1,120,000, that should be per year. The federal government will contribute to this. They will not contribute in FY 2006 because that's our startup year, and I don't know if it's possible to put a parenthetical expression behind that, but what we need from the State in 2006 is \$150,000. That's where we get our people lined up, get their facilities lined up, do everything, and then our first class would be in 2007. It would be \$1,120,000 a year from the State. This is a 60/40 split between the federal and state government. The federal government will put in 60 percent matching funds, just not that first year. In the first year, it's just that \$150,000 we need from the State. Then in 2007, we will graduate 100 kids, and in subsequent years, twice that number.

[Giles Vanderhoof, continued.] We're still working on some of the things, but it's going on a lot more rapidly than I thought in terms of facilities, and you may hear some more about that from some of the other folks that are talking. I can tell you that [retired] Lieutenant General John Conaway, formerly of the National Guard Bureau, is spending a lot of his time promoting this program around the country, and one of the states in the Northeast just approached him where they have a program, and they asked him to help them get five more programs. He said, "Do you really think you can afford that at about \$15,000 a student?" The governor said, "That's a lot cheaper than paying \$90,000 a year to incarcerate these people." I think that for a lot of the folks we save in this, we do save from incarceration and put them on the track for a good life. I would encourage your support of this bill with the minor changes that I've mentioned here.

Assemblyman Grady:

Where would you locate these facilities? I would assume that, for the 6 months the individuals are there, it would be like a boot camp where they would stay there 24 hours a day.

Giles Vanderhoof:

This would be located in southern Nevada, where the largest part of our population is. I believe the secret to the success, other than the great curriculum that we have, is because it's a military style "boot camp," if you will. Those are my words, not ones that maybe they would use. We use a similar thing up north here in Camp Walkabout, which is a much smaller, less intensive one than this. It doesn't take as much time to go through, but it's an excellent program too. I'm on the executive board of that. It's the military discipline. If we just had the curriculum without the military discipline, I do not believe it would be a success.

Chairman Parks:

Since this is a bill that was jointly referred to Government Affairs and Ways and Means, we're going to leave the money element of this for Ways and Means to handle. We obviously have an opportunity to present your justifications today.

Assemblywoman Pierce:

Could you tell me that number again—at the height of the program—how many you graduate per year?

Giles Vanderhoof:

The first year that we'll graduate a class will be in 2007, and we'll graduate 100 students. Subsequent to that, it will be two classes of 100, so we'll be graduating 200.

Assemblyman Goicoechea:

Could you just give me a quick run-through of the total funding that would be required or made available for the 200 students? As I'm running through this, are we talking about \$20,000 per student? Is that what you're looking at?

Giles Vanderhoof:

I believe it's around \$14,000.

Chairman Parks:

We were informed that Arizona has such a program. Do other neighboring states have such programs?

Giles Vanderhoof:

They have many of these throughout the country. California has one. Perhaps Colonel LaBrie could address that a little bit better than I can on how our surrounding states are.

Lieutenant Colonel Kim LaBrie, Counterdrug Coordinator, Nevada National Guard:

I work for Major General Vanderhoof, running both anti-drug programs both in addiction and demand reduction for the state. California has a youth ChalleNGe program located in San Luis Obispo. There are also programs in Oregon and New Mexico. There are some states, as General Vanderhoof said, that have multiple programs. I believe Louisiana has three programs, Georgia has two programs, and as the General mentioned, there are states that are looking for programs now. Wyoming is currently attempting to start their own program.

Assemblyman Christensen:

This question can be for either of you. What do you hear from our neighboring states as far as their success or some of their testimonials? What are their ups and downs since they implemented their program?

Giles Vanderhoof:

I don't have the exact figures. Colonel LaBrie may have, but I have been told by national people on this that our success rate in ChalleNGe exceeds any other like program they've examined.

Kim LaBrie:

There are any number of ways that you can define "success." One would be the graduation rates for the programs, and another would be issuing of GEDs. I can say that nationwide, the GED completion rate for Project ChalleNGe graduates is 73 percent. I think Nevada's students over the past 12 years have run 72 to 73 percent. So, we're about right on the national average. As far as what kind of remarks you get back, I can offer some anecdotal remarks right now. I attended the Project ChalleNGe directors' national conference this year. I think that the observation nationwide is that this program is providing, to a targeted population of youth, something that is not available currently in our educational system. These are the ones that perhaps have discipline problems at home, who are maybe running into problems with law enforcement, who don't quite fit into the traditional school environment, and they are the ones that fall through the cracks.

I would echo Assemblyman McCleary's personal history, as well as General Vanderhoof's. I know what this program offers them is the chance to recycle back into the system and make something of their lives. Nationwide, talking to the directors, I have never heard a negative comment about this particular program.

As General Vanderhoof mentioned, we run several programs here. We have Project Walkabout, which is a nine-week resident youth program up in Stead. We only do one class a year. We generally graduate about 55 students out of an initial class of about 80. We run a one-week program in southern Nevada, a very short residential camp for both young men and women—boys and girls—who are experiencing some initial troubles with law enforcement. We have aftercare programs with all of these, and there is a marked level of success with them that I think proves that they have worth. The problem is that in these programs, we can't reach the target audience. We can only reach numbers.

Giles Vanderhoof:

I interviewed about four times for classes for ChalleNGe, especially in the southern Nevada area, where I thought we had some real youth at risk. Up in northern Nevada, I guess we look like country bumpkins compared to what I saw in Las Vegas.

If I could just generalize, it was desperation on the part of the people that were coming before us. They either have to be a high school dropout or they're failing in high school. Almost every one of them has some kind of criminal problem. I asked one of the kids, "Where do you think you'll be a year from now if you're not accepted for this program?" In all seriousness, he said, "I'll be dead." He went on to relate how he and his friend had been approached to join a gang. His friend had refused, and he's no longer with us. They look at this like this is their last chance or their only chance.

It was those kinds of things that made me realize that we really did need to do something about this, and this program seemed to me to fit the bill better than anything I've seen. The mentoring portion that's provided afterward is key, as you might expect, because no matter what you do with somebody, if you put them back in the same environment with their same friends and all of that, the likelihood of them going back to drugs and those kinds of things is high. That's why the mentoring is so key once they finish, so we have somebody looking over them, working with them, and those types of things.

Assemblyman Christensen:

I grew up in an air force family, and I think everybody knows the military is the best organization for discipline, especially in this type of program. You're talking about turning lives around, especially at a critical point where they can either go up or down. My interest was just knowing the word on the street and the sentiment out there, because as legislators, we have people bringing every idea up out there. A lot of times they cost a lot of money, so your answers certainly help with that.

Assemblywoman Parnell:

I'm a supporter of the program. I've watched the results and the television coverage of the program that you have in the north, but I have a couple of concerns. Could we back up and could you tell me again what your estimated per pupil expenditure will be in this program?

Giles Vanderhoof:

The figure was \$14,000, which of course, we'll raise. I'll have to defer to Colonel LaBrie, because I don't know if that covers everything, including the

lease—I don't believe it does—and those types of things and all of the operating costs.

Assemblywoman Parnell:

That's about \$10,000 more than our average per pupil expenditure in our public schools, close to it. Do you hire licensed teachers from people that have gone through our State Department of Education licensing? Do they teach the core curriculum subjects to the high school students? If you could tell me a little bit about that, I would appreciate it, whoever that's most appropriate to.

Kim LaBrie:

The states individually tailor their programs, as far as the educational piece, based on the need. Some of the ChalleNGe programs offer a charter school that actually provides a high school diploma to the students in accordance with the state educational requirements. Again, there are a number of different setups that they use, but normally they hire state-accredited teachers to serve as staff in the program on that basic manning document that we put together to operate the project.

Assemblyman Hardy:

What is the commitment by the family or the person in a financial way or any other way? The student or the client can walk away, but what commitment do they have other than, "I need to change my life and turn my life around?"

Kim LaBrie:

Are you talking a financial commitment on their part?

Assemblyman Hardy:

Yes.

Kim LaBrie:

There is no financial commitment on the part of these people. Indeed, many of these young people have nobody that they can fall back on. Although there is parental involvement in some cases, oftentimes there is very little parental involvement in their lives, which has led them to the point that they're at. Many times, as the General indicated, it's these people—the future students—who are oftentimes pushing themselves to be members of this program. Nobody's feet are being held to the fire to be members of this. Most of them want to be there.

Chairman Parks:

I know the Department of Corrections has a boot camp for their young offenders, and that is a really quite successful program. This would in no way

compete with their program? Their program obviously is for young individuals who have committed felonies and have been sent to prison.

Assemblyman McCleary:

No, this is not for felons. We want to get them before they get to that point. This is for kids who are probably headed in that way, though.

Chairman Parks:

Did you have any other individuals you wanted to testify on this program?

Assemblyman McCleary:

Yes. We have many individuals that have indicated on the sign-in sheet that they would like to address you on this issue. I also wanted to make it known that I have a resolution from the Clark County Department of Juvenile Justice Services citizens' advisory report supporting this also. I also had a commitment from Dan Musgrove that he was going to speak in support of this.

Chairman Parks:

Going down the sign-in sheet, I noticed a number of individuals from the Department of the Military, and I wanted to make sure that they had their full opportunity to speak first, if they would. Is there anyone else from the Department of the Military that wishes to put something on the record that hasn't yet already been stated?

Command Sergeant Major Alan Callanan, Recruiter, Project ChalleNGe, Nevada National Guard:

I am a full-time recruiter for Project ChalleNGe and have been since 1998.

Staff Sergeant Jeanie Morrison, Nevada National Guard:

I am a graduate from Class 10 in 1998. I grew up in Carson City and went to high school here. I received my GED, nine college credits at the Mesa Community College, the Adjutant General's Award, the PC Scholarship Award, the ChalleNGe Award, and a \$250 Community Service Award. I just wanted to say that if it wasn't for project ChalleNGe, I wouldn't be where I am today.

Alan Callanan:

I'm very familiar with how Project ChalleNGe works, since Nevada and Arizona are the only two states that work together to form a single Project ChalleNGe class. There are 26 states that currently have a Project ChalleNGe program. By contract, since 1994, Nevada has only been able to send 12 students per class, 2 classes a year. That's 24 students to graduate. Since that time, there have been 291 students that have started the program, and 179 have graduated. Of

that number, 138 have received their GED. That is 77 percent, which is above the national average.

[Alan Callanan, continued.] Currently, we have eight students in the class right now: one from Incline Village, Nicole Castalopis. She has already received her GED and is going to be receiving college credits. Also, of the 100 students there, she is probably one of the top students in the program. Cody Harrison from Ely has his GED. Mario Estrada from Sparks just passed his GED test Thursday, and Damian Bond from Las Vegas received his GED. So, half of my eight students are very successful.

I would also just like to state that this is not—in any way, shape, or form—a boot camp. This is a school. Boot camps do not offer GEDs and high school diplomas, they do not give scholarships, nor do they give the opportunity for college credits, which Project ChalleNGe does. Each state has its own way of conducting the program or has it conducted in its own way, whichever is available. The question earlier raised on GED and high school diplomas: it is how the program is set up. Hopefully, if we do get the okay to start our own program, I would like to see the opportunity for us to offer GEDs and high school diplomas, but that's something that we're going to have to set up.

Chairman Parks:

Thank you for that clarification.

Dan Musgrove, Intergovernmental Relations Manager, Office of the County Manager, Clark County, Nevada:

It's our pleasure to support this bill on behalf of Mr. McCleary. I will yield my time to the folks that we have down in Las Vegas. We have a very committed group of citizens who are very supportive of this. They are part of our citizens' advisory committee, and I think they can really bring this matter home better than I can, but we are in complete support.

Michael P. Brown, Jr., Private Citizen, Reno, Nevada:

My son graduated two years ago from the program. He didn't really fit the mold of what they are talking about. My boy is never in trouble with the law; we had trouble with getting him through school. We had tried everything for him. We hired tutors, we sent him to private school, we sent him to a parochial school, we tried everything with him. He doesn't come from a broken home. My wife and I have been married for 24 years. Someone was always home with him. He doesn't fit the mold of what you might think Project ChalleNGe was for, but Project ChalleNGe was built perfectly for him. When we came, we were at the end of our rope. It wasn't a matter of money; it wasn't a matter of time. We put as much time as we thought we could, and we both still work full-time jobs,

but someone is there almost every day for him. It just wasn't working. The traditional way of educating wasn't working for him.

[Michael Brown, continued.] The day I contacted the sergeant major—because I had heard of the program—was the day that turned my boy's life around, because he was one that wasn't going to graduate from high school. Despite all of our efforts, he wasn't going to. We had bought him the books, like a lot of people do, so what do we do? Let's try to get a GED. Let's try to do something, because we can't just leave him hanging out there as a high school dropout. We just weren't going to do that. So, we sat with Sergeant Callanan—and like you said, it's voluntary—and he explained it to my son. He said, "Look, you don't have to go." We told him that he didn't have to go, but here's what they do offer, and everything he said they offered, they gave to him. He came back. My boy decided not to go into the military after Project ChalleNGe. That was his decision. He's working now. He has a good job. He works for Arizona Pipeline, because that's the kind of student he is. He's a hands-on kind of guy. He got his GED, went to Project ChalleNGe in Arizona, and they allow two visits from their families.

We drove to Phoenix to visit him the two times it's allowed, and we saw changes in him. I can't tell you through words how it changed my boy, and how this program really gave him the self-esteem and self-respect that we always had. We always told him, "You're a good son. You haven't been to jail, you haven't done drugs, you didn't do that stuff." We tried to tell him that they came and gave him self-esteem and the tools he needs to succeed, and I'll be forever grateful to them for it.

Lisa Magee, Department of Juvenile Justice Services, Clark County, Nevada:

Both Kirby Burgess and Judge William Boyd are next door. They've just happened to be called to testify before Judiciary. I'd like to read Mr. Burgess's testimony, if I may. [Read from [Exhibit D.](#)]

Thank you for this opportunity to speak in front of this Committee on Assembly Bill 170, legislation to expand the National Guard Program in Nevada. Clark County Department of Juvenile Justice Services is committed to partnerships and collaborations within our community to ensure a full continuum of services are available to youth, particularly service needs for at-risk youth. The National Guard ChalleNGe Program is an excellent opportunity to further enhance the continuum of services available to youth in Nevada. This preventative program fills a service gap for a segment of our at-risk youth.

[Lisa Magee, continued.] Furthermore, ChalleNGe is a community-based program that leads, trains, and mentors at-risk youth so they may become productive citizens in Nevada's future. Significant community support exists for this project. The Nevada National Guard, the Department of Juvenile Justice Services Citizens' Advisory Committee, Classroom on Wheels, and the parent organization Friends of Project ChalleNGe are all working together in a collaborative effort to develop the infrastructure required to bring this project to fruition.

Let me take a moment to note a few statistics about Nevada high school dropouts and their relationship with Juvenile Justice Services. Nevada has the second-highest high school dropout rate. In addition, Nevada has maintained the highest or second-highest dropout rate in the nation for over ten years. In Nevada, 14 percent, or more than 10,000 youth between the ages of 16 and 19, are not in school. Nationwide, one in three ninth graders will dropout of high school before graduation. Nearly half of African-American and Hispanic students don't make it to graduation.

Research demonstrates that dropouts are dramatically more likely than high school graduates to engage in criminal activities. More than 80 percent of America's prison population consists of high school dropouts. This is not surprising, since dropping out has the short-term effect of leaving youth unsupervised—on the streets—and the long-term impact of leaving teens and adults without the skills they need to make an honest living. In fact, dropping out of school makes students three and one-half times more likely than high school graduates to be arrested.

In 1997, more than 64 percent of inmates in the nation's state and federal prisons and local jails had not graduated from high school. The nation spends \$1.7 million for each youth who drops out of school and later moves into a life of crime and drugs. Between 1980 and 2000, the Justice Policy Institute estimates that three times as many African-American men were added to the prison systems than were added to the nation's colleges and universities.

One final key statistic for your consideration in voting to bring the National Guard ChalleNGe program to Nevada: the cost for the entire 17-month ChalleNGe Program is \$14,000 per youth, as compared to national incarceration average cost of \$39,000 per

year, making the National Guard program an excellent investment in cost avoidance, as well as an outstanding investment in Nevada's future. In closing, let me express my thanks to the Committee again for this opportunity to speak in support of legislation that would facilitate the implementation of National Guard ChalleNGe program to benefit the youth of Nevada.

Louise Helton, Member, Citizens' Advisory Council, Department of Juvenile Justice Services, Clark County, Nevada:

I'd like to tell you a little story about some of the boys I've been working with. I've had good fortune to work with many of you on a lot of children's issues and the things that are pressing to the well-being of southern Nevada and all over this state. Most recently, I've taken a position with an organization called "Communities in Schools." That is an organization that works to make children more successful so that they will graduate from high school and prepare for life. That is our mission.

In keeping with that mission, I received a phone call from a young man here who had moved to town last September. He had been moved here by his mother, who promptly went back to Los Angeles after she parked her two boys, DeShawn—who is 17—and Dante—who's 13—in an apartment, where she had paid rent that would last until January. These boys were largely on their own. They were not in school. I didn't hear from these boys until January. At that time, they were ready to be evicted from their home and were desperate to know what to do, and their mother was not able to come for them. Through the connections that I have through our national network, these boys were brought to light. I visited with them and was able to get them into high school. It took a couple of weeks. At this point, they'd been out of school for all these months, and it was a very difficult and arduous process. DeShawn wanted very much to be in high school. He is scheduled to be a high school junior this year. He has just turned 17, and he is desperate to graduate. He called me last week to say that he has been unfortunately kicked off of the volleyball team, and he's not been allowed to participate in ROTC because he's credit deficient. This is a boy who is struggling, who wants so much to graduate, and yet everywhere he turns, he has not had any good fortune or any ability to make this work.

Looking at a lot of the programs that are available to him, they just are not fitting the bill. They're programs that would take him out of state, but he does not wish to be away from his 13-year-old brother. DeShawn has been in and out of foster care for many years and away from this brother. His brother is now on probation for doing exactly the kinds of things we don't want our kids to be getting into. Right now, although we have 24 opportunities available in Arizona for the Arizona program, there are hundreds of children here in southern

Nevada who would like to take advantage of those programs, but are not willing to go out of state to do that. The thing that is so exciting about this project is it gives a child like DeShawn, who is so far behind, the opportunities to not just catch up and finish in 6 months—to complete his GED or his diploma—but it also gives him the opportunity to be ahead of the game for a change. If he decided that he wanted to enter into the military, he would actually get rank advancement credits for participating in this program. So, it really takes a child who is behind and gives them the opportunity not just to catch up, but get ahead for the first time in their life.

[Louise Helton, continued.] It's also very exciting when you look at the dollar figures we were talking about earlier, the \$14,000. When you recognize there's a 60/40 split initially between federal and state dollars, the state contribution to that \$14,000 should be only \$5,600, which puts it very much in the neighborhood in what we would be spending per pupil. Also, as the program advances, the federal budget starts providing a larger share. It actually goes to \$7,525, if I'm not mistaken. This is a very cost-effective program that gives our children an alternative that they desperately need that we need to provide for them, as adults who care about children in this state. If we're going to do anything about this abysmal high school dropout rate we have, it's alternative programs like this that can make the difference.

Chairman Parks:

Any questions from the Committee? I'm not seeing any. Is there someone else who would like to speak? I'm going to have to end this hearing on this bill.

Tracy Livingston, Volunteer, Friends of Project ChalleNGe:

I became a volunteer shortly after my son graduated from Project ChalleNGe in 2003. I quit my job and began to focus solely on Project ChalleNGe. This was my way of giving back, because Project ChalleNGe had given my son's life back. Since November of 2003, I have had the pleasure of meeting several young men and women who are struggling and have struggled much in the same way my son had. The more I become involved, the more passion grows inside of me. The compassion I have for these young teens, I can't measure.

These young men and women are worth giving a second chance to. They have goals and they have dreams, just like other Nevada youth. These young people have been sidetracked by the choices they've made. Some have just never been given that chance. Every story is different. I do not look at what these kids have done, but I look at what these kids can achieve. I believe in Project ChalleNGe. Several parents, graduates, and current students began volunteering for Friends of Project ChalleNGe Parents Association. Friends of Project ChalleNGe supports Nevada Project ChalleNGe for mentor training, student travel, and scholarships

for graduated students to continue their education. Their support, dedication, and involvement have set examples for other parents and the citizens of our community, and we believe in Project ChalleNGe. Project ChalleNGe is a proven program throughout the nation. I have seen the changes first hand in these young lives. They continue to be involved by educating the public on their stories and their successes. This program helped our youth to achieve leadership, responsibility, academics, job skills, life coping skills, community service, and most of all, self-respect.

[Tracy Livingston, continued.] Currently, we are one of the highest states for high school dropouts in the nation. We currently send 24 to 30 students through the program. We need to make this change. I ask that you please support the bill, A.B. 170, and bring Project ChalleNGe to the state of Nevada. As one of our Project ChalleNGe graduates once said: "History does not have to be your destiny." Thank you for your support of A.B. 170, and know that we are the voice of Nevada youth. I don't know if you have letters in Carson City, but I do have an additional 14 letters of support from parents, mentors, and students ([Exhibit E](#)).

Chairman Parks:

It seems that a large number of individuals had signed in with the letters "FPC/NVPC." Could you tell us what that stands for?

Tracy Livingston:

"FPC" is "Friends of Project ChalleNGe", which is a 501(c)(3) non-profit organization. "NVPC" stands for "Nevada Project ChalleNGe."

Christine Fannon, Private Citizen, Las Vegas, Nevada:

I'm a graduate from the last class, Class 23, and I just wanted to say that if it wasn't for my decision to attend Project ChalleNGe, I wouldn't be where I am today. I graduated with a scholarship. I graduated with nine college credits, and I am attending college right now to become a paramedic.

Chairman Parks:

Mr. McCleary, from the perspective of work this Committee is assigned to do relative to this bill, I think it's fairly easy. I wish you good luck when you make it to Ways and Means. At this time, we're going to close the hearing on A.B. 170. It will probably be in our next work session. Our next bill is A.B. 385.

Assembly Bill 385: Revises provisions governing building and zoning and creates incentives and standards for green buildings. (BDR 22-730)

Assemblywoman Chris Giunchigliani, Assembly District No. 9, Clark County:

The synopsis pretty much sums up exactly what the intent of A.B. 385 is. It's regarding the issue of the term "green building," or "LEED [Leadership in Energy and Environmental Design] certified" ([Exhibit F](#)). It's a trend that's happening nationally that we really have not dealt with as closely as we should have in Nevada, in my opinion. However, the Governor's Office has an Office of Energy that actually just conducted an annual review of task force and energy recommendations, and I think I copied some of that information for you. Included in there is the intent that it's time that our public works projects at the state level—especially schools and universities—should be looking at environmental issues, conservation of water, and other areas, such as energy efficiencies. I've talked with the Governor's staff about potentially issuing an executive order, as they've done in several other states, to say that this is a proposal. We want to identify what the life cycle is within our buildings, then how we begin to make them more energy efficient upon construction or remodel. That's what the intent of this legislation is.

I have a few suggested amendments. In drafting, they picked up the Labor Commissioner, and it really should not be the Labor Commissioner that establishes the regulations. It should be the Director of Public Works. Throughout, where it references "Labor Commissioner," I'm recommending that we insert "public works," because that's the proper authority for that part of it. In addition, there is some cleanup language. They have NRS [*Nevada Revised Statutes*] that they cite, and I'm suggesting taking out an antiquated word "morals"—what that had to do with land use, I wasn't quite sure—and insert "conservation" where it should be appropriate. It was not specific when mentioned.

In addition to that, for the purposes of this, the intent is that all building analysis will contain the cost computed for construction or renovation. If an item is not contained in the analysis, there must be included justification. So, it's trying to be proactive as they conduct the life cycle of a building: What are the energy efficiencies? What are the conservation opportunities? What's the cost to upgrade it or maintain it? We're trying to take it as a pre-thought. In other words, you assume it's going to have energy efficiency, and if they decide in the design not to do it as such, then they have to give a justification on why it did not. So, I'm trying to be more proactive rather than reactive in the areas they do the life cycle. The agency should conduct the life cycle analysis on all state's buildings. Again, this is trying to make sure it includes water conservation, energy efficiency, and renewable energies to take a look at.

There's a gentleman that testified on Assemblyman Hardy's bill who also would like to suggest that we include the word "wind" wherever appropriate. He will

be making a case for that argument as well, and I don't have any objection to that. In addition to that, there's actually one building being constructed in southern Nevada that's being constructed to LEED certification, and that may be the first one that's constructed as such. That's Mr. [Irwin] Molasky's building, and I've gone blank as to what building it is, but that one will be LEED-certified. Our public works board does have staff that is LEED-certified. So, they have the experience, architecturally, to begin looking at the design of the building in order to be able to accommodate that.

[Assemblywoman Giunchigliani, continued.] I just handed out some background about green buildings ([Exhibit F](#)). It's just time to set some progressive policies as far as what I would like you to consider. Part of it is also looking at incentives for construction. In Section 6, you'll see that it recommends the Economic Development Commission grant a partial abatement for the tax imposed on real property by this. We already have in state law an abatement of property taxes for certain renewables. I'm not sure if wind is included in that or not, but this would be the intent, as an incentive to be able to extend or make sure that property tax abatement would include green building construction. I did have an email from a Reno architect who is LEED-certified, who suggested that if we move forward with this, we should—wherever appropriate—add, for conservation purposes, that we should work with the construction industry. They have a lot of disposable items after they construct. We don't really deal with how to recycle some of that. For example, if you look at NDOT [Nevada Department of Transportation] with the construction of highways, after they pull the forms and they pull the boards off, where does that go? This individual would ask why we don't have some conservation standard to work with the industry, to make sure we're recycling those products that may not be used for that particular construction piece, but could go into landfills. I thought that was an interesting suggestion to consider.

Chairman Parks:

Ms. Giunchigliani, your amendment looks like it's the size of a whole bill itself.

Assemblywoman Giunchigliani:

I did give you an outline of the energy efficiency standard; it is the executive summary from the State report. We should have had the binders delivered to our offices, but if not, I think they can be made available for that, if that's the case.

Assemblyman Grady:

Chris, I know UNR [University of Nevada, Reno] had some major problems in this area. Will this legislation take care of those problems?

Assemblywoman Giunchigliani:

Good question. They did an energy efficiency program but never defined what it was, and then there was no open bid. So, this would not deal with the open bidding. The bill will require that we start defining what the energy savings is and what the expectation is, so that we know if the project is working or not. We have entered and have used taxpayer money or bonding and never have realized that it costs money rather than actually has saved money. This intent is looking more globally, and yes, I believe that UNR has their student union going in right now that they're looking as doing as a green building. So, I commend them for that part. That will be far more progressive than what they did with the energy savings issue.

Assemblyman Grady:

Also, Chris, on page 3, about the third line down, number 2, you say that the commission for southern Nevada will have 7 members appointed by the cities. Who will appoint the other 2 members?

Assemblywoman Giunchigliani:

That's a good question. I noticed that in drafting, and I wasn't sure what the thought was, because I didn't specify that. It was modeled after Arizona to some extent, as far as how they put commissions of those who work within the industry together, so it wasn't the state dictating it, but they did things. I think we have an opportunity for the whole Western region to really do some progressive, environmentally unique designs and conservation. I passed straw bale in 1993, and we finally have in Douglas County some straw bale housing. We don't really deal with the conservation side of these things. I'm open to suggestions on that part of it. I made a star next to it to say that I'm not quite sure why it was drafted in that manner.

I will put on the record for both A.B. 385 and for A.B. 25 that I will be happy to work with any of the parties that have concerns between now and the next work session to see if we can deal with some of the concerns that some of them may have as well.

Lance Kirk, President, Las Vegas Regional Chapter, United States Green Building Council, Las Vegas, Nevada:

[Submitted [Exhibit G](#) and [Exhibit H](#).] We are a 501(c)(3) organization based here in Las Vegas. Our chapter's purpose is to make a positive difference in the built-in, natural, and social environments of the Las Vegas region and Nevada. The Las Vegas Regional Chapter supports A.B. 385 with comments that we're submitting today ([Exhibit G](#)).

[Lance Kirk, continued.] Assembly Bill 385 is a monumental step in the right direction for the State of Nevada. We believe LEED-certified buildings:

- Conserve water, energy, and natural resources
- Improve indoor air quality
- Reduce carbon dioxide emissions
- Minimize waste
- Increase worker productivity
- Are more healthy places to live and work
- Encourage the use of recycling buildings

All of these are just for improving the quality of life for Nevada citizens. Moreover, when designed appropriately, LEED-certified buildings are typically less costly to operate and maintain, thus saving Nevada taxpayers money on operating State buildings for the long-term. I would like to take about five minutes to give you some background on the U.S. Green Building Council (USGBC) and the LEED green building rating system. I have submitted handouts with references in there for you to review, and I have an additional dialogue down here—if the dialogue warrants that—on costs and estimates of green buildings. Much of what I will talk about today is really a synopsis of greater bodies of information that's in your records.

With that, what is the United States Green Building Council? The U.S. Green Building Council is the nation's leading coalition for advancing buildings that are environmentally responsible, profitable, and healthy places to live and work. Established in 1993, the Council's diverse membership has grown over 1,000 percent, with more than 5,500 companies and organizations. Members include building owners, developers, architects, engineers, design professionals, contractors, builders, product manufacturers, environmental organizations, colleges and universities, state and local governments, and federal agencies. Diversity is the cornerstone of the USGBC.

What is the LEED green building rating system? LEED is an acronym for "Leadership in Energy and Environmental Design." USGBC member committees developed LEED as a voluntary consensus-based national standard of rating the sustainability for new and existing commercial, institutional, and high-rise residential buildings. Credits are awarded based on six categories:

- Sustainable sites
- Energy and atmosphere
- Water efficiency
- Indoor environmental quality
- Materials and resources
- Innovative design

[Lance Kirk, continued.] In fact, 215 million square feet of commercial buildings have been registered or certified under LEED right now. A total of almost 1,800 registered products are currently registered, and an additional 188 have completed LEED certification in the United States. There are LEED projects in all 50 states and 12 countries. Over 22,000 professionals have been trained at LEED workshops, and almost 20,000 have become LEED-accredited professionals.

Some quick facts on green buildings and their impact on the U.S.-built environment:

- Buildings represent 39 percent of the U.S. primary energy use.
- Buildings represent 70 percent of the U.S. consumption of electricity.
- Buildings use 12 percent of all potable water—50 million gallons per year—which is quite significant.
- Buildings use 40 percent of the raw materials globally.
- People spend almost 90 percent of their time indoors.

These are all studies and data, and again, the references that I've submitted will show in more detail where those studies have come from.

Who is using LEED? Assemblywoman Giunchigliani has stated that there have been executive orders around the country. Government bodies from federal and municipal levels are capturing the benefits of green buildings through the use of the Leadership in Energy and Environmental Design green building rating system. These entities have either required LEED certification, created incentives to encourage the use of LEED and green building strategies, used LEED as a basis for local green building guidelines, or integrated LEED into local state building codes. Some of the federal uses: the Department of Energy, the Department of the Interior, the Environmental Protection Agency, General Services Administration, Department of State, and the U.S. Air Force, Army, and Navy have all begun using LEED. State uses: Arizona, in January, signed an executive order numbered 2005-05. California has an executive order. Connecticut is currently reviewing an executive order. Illinois is currently reviewing an executive order, and Maine, Maryland, New Jersey, and New York all have executive orders stating LEED be used at a state level as a mandatory green building standard. Municipal and county uses: three cities in Texas—Dallas, Austin, and Frisco—Seattle, Portland, New York, Kansas City, and many cities in California.

Now, let's talk a little bit about what's happening here in Nevada with the LEED rebuilding rating system ([Exhibit H](#)). Right now, there are 61 nation members who are members of the USGBC in the state of Nevada alone. These include Clark County, the Community College of Southern Nevada, Nevada Power, City

of Las Vegas, many engineers, architects, real estate developers, and waste companies. All of these people are involved in this movement in this organization. Currently, we have 14 registered projects in the state of Nevada, two of those being in northern Nevada. The Clark County School District has been developing quite a few LEED-registered projects. The first project that actually was built was one in the Community College of Southern Nevada. The telecommunications building has been designed and is occupied and is waiting for the certification from the USGBC. So, there are 14 total projects and 8 or more that are currently about to be registered soon. So, it is growing quite significantly here in Nevada. We have 85 LEED-accredited professionals in Nevada who have successfully passed an exam that demonstrates the understanding of green building practices and principles and familiarity with LEED requirements, resources, and processes. So, we have the structure there as well for people who are knowledgeable and know how to implement the LEED green building rating system.

[Lance Kirk, continued.] With this in mind, the USGBC Las Vegas Regional Chapter strongly feels that requiring LEED-certified buildings at the state level will benefit Nevadans economically, socially, and environmentally, often known as the "triple bottom line." I hope you will consider approving A.B. 385.

Jim Morris, Director, Appropriate Energy, Inc., Gardnerville, Nevada:

We're a small company hoping to produce wind turbines for Nevada and the rest of the United States. The first chart ([Exhibit I](#)) is an American Wind Association map of the United States, and Nevada is conspicuously absent of any wind power at all, one of the few Western states that does not have any renewable wind energy being significantly developed. The southern states have very few wind resources, and that's why they are behind also. I know we have a sustainable energy program here in the state, but in the last few years, we haven't really done much with it. So, I'm offering some amendments to this bill for your consideration.

The next page is an article out of the *Reno Gazette-Journal* and shows that the utilities are failing to meet the renewable energy requirements that your Body set down several years ago. Two of the paragraphs state that the utilities reported success for the program that offers rebates to residential customers who install solar panels in their home. We encourage solar programs in nonresidential buildings. We're asking that the demonstration program that provided the incentive for the solar program be instituted with the wind energy. It appears that it's one of the few programs that is effective when you incentivize individual property owners, small business, schools, and government buildings. So, we're asking that a demonstration program be utilized,

implemented, and added to this bill that would allow wind energy to be incentivized in the next few years.

[Jim Morris, continued.] The larger report here ([Exhibit I](#)), developing small and community-scale wind in Nevada, does recommend on page 18 what is needed to bring about a successful demonstration program for the state. In the past few years, we haven't developed wind at all. Wind is one of the greatest resources for energy in the world. Nevada's falling way behind in this. All over the world—in Europe, England, Scotland, and Germany—wind is being developed as one of the most significant renewable energy sources there is, and Nevada is just not happening here. It won't happen unless we can start getting some programs going. I know that it's maybe not politically correct, but it's noted in this article in the *Gazette-Journal* that several utility contracts were terminated, and delivery for five other projects will be delayed by one year or more. The utilities really have not pursued a friendly mode towards this goal. I don't know how they're figuring we're going to meet these goals you set forth—and these renewable portfolios—because it appears they're just content to say, "Well, we didn't make it this year." They do not have an aggressive program, and the RFPs [requests for proposal] we've seen in the past for wind have been very negative. Nobody wants to bid on them. They're too difficult, they require a severe penalty in the case of failure of completion of the RFPs, and I would like to see someone have an oversight to make sure that by the year 2013, you just don't end up without anything, because it looks like we're headed that way.

If you could incentivize the individuals in a grass roots structure by offering incentives for them to put in renewable wind, I think we can start. It's just a token program, but we need to get going. There's just nothing happening and this thing is dead in the water, and I would ask for you to consider this as an amendment to this bill. There is some language that was taken from A.B. 431 of the 72nd Legislative Session, which does incentivize the photovoltaic industry, and I would like a demonstration bill similar to that. I think it was very successful—one of the few goals that the power companies met this year—and it was all done by individuals, community schools, and government buildings.

Chairman Parks:

Did you provide to us written suggested language for an amendment?

Jim Morris:

Yes, I did. It's in the *Nevada Revised Statutes*, a markup on those statutes that didn't have the A.B. 431 of the 72nd Legislative Session language, but this is the effect of the A.B. 431 of the 72nd Legislative Session language.

Assemblyman Goicoechea:

Just looking down and dirty on it, what you're going to do is give wind power the same as solar.

Jim Morris:

Yes, and this puts us on an even playing field, because right now solar people, because wind has no incentive, would automatically go to solar, and wind is really a more efficient device producing power than solar, but they both ought to be utilized. One is a little easier to do. The solar panels are much easier to attach to rooftops, and so on.

Assemblyman Goicoechea:

That would follow the same line with net metering, as it pertains to public utilities?

Jim Morris:

Yes, it would.

Joe Johnson, Legislative Advocate, representing the Toiyabe Chapter of the Sierra Club:

We'd like to go on record as supporting this bill and the concepts contained therein. We'll work with the prime sponsor on clarifying some language. We have a small concern on Section 10, about the breadth of the inclusion for energy standards on all new appliances, and we'll work with prime sponsor. We are in support also of a demonstration program for small wind. Basically, small wind and potable tanks are basically the same cost. If we wish to incentivize one, we probably should incentivize the other.

Kaitlin Backlund, Legislative Advocate, Nevada Conservation League, Reno, Nevada:

We would just like to lend our support to this bill, and we look forward to working with the primary sponsor of the bill.

Russell Rowe, Legislative Advocate, representing Focus Property Group:

We are also in support of this legislation conceptually. Focus is supporting opportunities to include green building in their master planned communities, including Kyle Canyon. We would like to work with the sponsor on the details of the bill, and there is support behind it as well.

Judy Stokey, Legislative Advocate, representing Nevada Power Company and Sierra Pacific Power Company:

We are also in support of the concept of any conservation and energy efficiency programs that benefit the residents of the state of Nevada. However, we do

have some issues with this bill. We've talked to the sponsor and we are going to work with her regarding a couple of the administrative issues, one being the commission set up in each local jurisdiction. We didn't know if there was already a way to do that, a means to do that, or already a group that could do that. Trying to get less government instead of more government; I don't believe we really need to do that. It seems it would be very costly.

[Judy Stokey, continued.] Also, we do not support the fact of the net metering level going up to 500 kilowatts. As I testified in the previous bill in Assembly Commerce and Labor, we are willing; we believe 150 is a large jump. Two sessions ago, the level was set at 10. Last session, we went to 30. We think that 150 is another large jump, but we don't really want to go to the 500, partially because we only have 100 customers statewide right now that are using the net metering. Also, 150 kilowatts would support a small strip mall, a small school up north, things like that. When you get larger than that, you're going into large customers, and there are a lot of costs associated with net metering that are borne by all the other customers. So, we don't believe that the residents should subsidize some of the costs for the large customers to be able to go through a net metering system.

Chairman Parks:

I'm presuming you've shared your concerns with the author of the bill.

Judy Stokey:

Yes, I have.

Suzanne Johnson, Private Citizen, Gardnerville, Nevada:

[Distributed [Exhibit J](#).] I have recently completed building and have moved into a green home. LEED does not yet have a rating system for homes, but I understand that they are working on it. I'm looking forward to that, and I'm hoping that whatever is decided with A.B. 385 can so be applied eventually to the homebuilding market. Although my home isn't able to be LEED certified, it has been nominated as a American Institute of Architects (AIA) Committee on the Environment Top 10 Green Project for 2005. We'll know by the end of the month whether or not it is selected. It was not easy building a house of this nature in this state.

I had to smile when Assemblywoman Giunchigliani mentioned the recycling of building materials. I looked into that in this state, and what I found was that we tend to blow up and demolish buildings rather than try to recycle materials from them. There is business in recycling built materials from buildings. There are several companies that are involved in this; most of them are not in this state. A large portion of my house has used, recycled materials. One of the suppliers

that I found locally was Lund's Used Mining Equipment in Carson City. They have quite an interesting array of things that can be used as building materials. The point, though, is that it was not easy to build this house in this state, and I expected problems.

[Suzanne Johnson, continued.] The problem I did not expect came in the form of running afoul of state law, specifically NRS 623. I looked for the best, most experienced green architect I could find. My house was designed while I was still living in California, and I moved here after it had been approved to be built. I found out that because the architect was not licensed in the state, I had a lot of problems on my hands. I became very familiar with NRS 623, in addition to the problems around an individual like me merely wanting to build a single-family residence on their own property. I believe that NRS 623 will make it difficult for an architectural firm or an architect who is not licensed in this state to even submit a letter of interest or respond to a request for a proposal. I believe this is unfortunate, especially if in this state, we wish to attract some world-class green architects to our projects.

So, I'm very much in favor of A.B. 385 and A.B. 25. I very much wish to encourage a state review of NRS 623 to ensure that we can attract the best possible green architects to this state. I detailed a lot of my experiences before the Senate Commerce and Labor Committee, so I won't go into those again here. I would just like to say that I'd be happy to volunteer in any way I can that would be useful, and that includes if it will be useful to see a green structure first hand. I would like to invite anyone who would be interested for a tour of my house. So, in conclusion, let me say thank you very much, and please give A.B. 385 very, very careful consideration. It's a wonderful idea.

Assemblywoman Pierce:

You gave us this handout on the Model Energy Code. What is the connection between that and the LEED standards?

Assemblywoman Giunchigliani:

Also contained in the bill is the establishment of energy codes. Our state statutes do not reference it, nor do they define what the Model Energy Code (MEC) is. That was one of the recommendations from the Energy Task Force, if I recall correctly. I believe it's in Section 10, energy efficiency standards for appliances and energy code. The federal government currently defines what types of large appliances, and what this tried to get at is any new ones that are coming online to establish a code factor, so it's consistent across the state. That's part of what the intent of this is. We don't really say in statute what the IECC [International Energy Conservation Code] is, or modification thereof. We don't have a process for updating it. We haven't updated it in 10 or 15 years.

The MEC was still reflected in it; it doesn't even exist anymore. I think Irene Porter is going to speak about what they've done in Clark County with their building council. They've basically taken the IECC, but they modified it to some extent for Clark County. The intent of this was to say, "Let's adopt that and always have a process for upgrading it, so we don't sit here for 10 years and not have anything that's consistently applied that our building officials can refer back to."

Irene Porter, Executive Director, Southern Nevada Home Builders Association, Las Vegas, Nevada:

We oppose the bill as written. However, we strongly support green building, so much so—and I have talked to Ms. Giunchigliani—that I'm willing to work with her on what we need to do on the residential side of this bill. We at the Southern Nevada Home Builders Association have a long record of working on the Energy Star program, the MEC, and the new Water Smart community program in southern Nevada. We have also signed a letter of intent with the National Green Building Council to set up the first chapter of the National Green Building Council for residential through the Southern Nevada Home Builders Association. The National Association of Home Builders (NAHB), working with 60 stakeholders, has developed the NAHB voluntary Model Green Home Building Guidelines. We would be working with a private sector committee to develop, and we will probably be including our building officials in southern Nevada with that—because we have worked extensively with them on the energy—our Southern Nevada Water Authority people we've worked with in developing the Water Smart home program, and development of guidelines for southern Nevada on green building for homes. We have a home, built by Pardee, that met the green building program. Also, there's a house currently under construction. It's a demonstration house being done by Pinnacle Homes, in cooperation with Dow Chemical Corporation in Las Vegas. They just broke ground a couple weeks ago. It's a T-MASS Styrofoam installation foam that will be zero net energy. We feel that we're doing a lot and we have a lot to do.

I had signed in opposition to the bill, because there are certain things in the bill that we would disagree with. An example would be on the International Energy Code adoption. We have done that. We worked for two years with the building officials. It's been adopted in Clark County. It's in the process of being adopted in all the local governments in southern Nevada. It is also under consideration in the Reno/Washoe County area for adoption as well. Within the bill, we would like that to be able to say that, like all codes, we could have local amendments to those codes. We can't adopt something, particularly on energy, that meets the climate of the snow in northern Nevada and the heat in southern Nevada, unless you're able to do local adoptions to it. We would support having International Energy Code, but with the ability to have local adoptions.

[Irene Porter, continued.] There are several other things within the bill. About 75 percent of all homes in southern Nevada are now being built under the Energy Star program. I have a packet of materials here of lists of every builder in southern Nevada that's Energy Star certified. That is also a private organization. It was started by the Environmental Protection Agency. However, the council for it is made up of the building people in southern Nevada. We pay for the whole program. We have worked with the Water Authority developing the Water Smart Home, Water Smart community, and the Water Smart quality program. That isn't going to be entirely paid for. There will be an initial grant, but that will be paid for privately. The rebate program is being paid for by the building industry through connection fees. On the landscape program, we want to work with Assemblywoman Giunchigliani. We want to develop the green building standards on a voluntary basis in southern Nevada. We want to do all these things voluntarily, because there is a cost.

Full green building on homes is approximately \$30,000 per house. So, when you start talking about affordable housing, you have to start looking at cost/benefit analysis, and you have to be able to work with what are the most cost-effective items in that program for the long term. However, what are things that are going to cost so much that you can't qualify people for the house? That's one of the reasons you have to do it voluntarily, and you have to work your way through it. I'm most happy to work with everyone involved. I've put together a packet of materials on the NAHB volunteer guidelines on the green building program nationally, on the Energy Star program here in Nevada, and the NAHB voluntary Green Building Guidelines program—one page on it. I'm leaving this material for the Committee's use.

Chairman Parks:

I have to ask this question, being a numbers person: if it costs \$30,000 for the added improvements, in how many years does that pay off?

Irene Porter:

That depends on the individual items. Each item has a different payoff term in it. There's one payoff for doing the roofs a certain way, or the framing, or the Water Smart. I think on most of the Water Smart stuff, you can turn it around in three to five years, as an example. The windows, having them put in the dual pane, so that each element has a different payoff. So, that's why when we're doing it in housing, you have to look at what is the most effective items you can do and still be able to put people in houses.

Rose McKinney-James, Legislative Advocate, representing Clark County School District:

We've signed in opposition to the bill like many others, because the bill, as written, generates some concerns for us, principally fiscal concerns. Whenever we have additional costs, we have to bring those to your attention. I think that members of this Committee are well aware of the efforts that have been undertaken by the Clark County School District in the area of energy efficiency, water conservation and the like. I hoped to give Mr. [J.P.] Gerner an opportunity to chat with you about some of the things that we have in fact done.

We are very interested in working with the sponsor of this bill. We appreciate the fact that she has brought this forward, because we are using LEED as a way to teach our architects and as a model for some of the buildings that we have constructed recently. We do what we can within the bounds of the budget that we have, so we've invested in some of these mechanisms. There are some areas of the bill—language related—that we also have some concerns with. Some were addressed by Ms. Giunchigliani in her presentation. Others were not.

J.P. Gerner, Assistant Superintendent, Facilities Division, Clark County School District, Las Vegas, Nevada:

I'm the guy that's been kicking this program into play for the Clark County School District, along with several other energy efficiency measures. Let me just go directly to the portion of this that deals with some of our concerns, and that's the hinge on the hard and fast LEED requirement for any renovation or rehabilitation project. We believe that that language may be uneconomical in a lot of cases. We look forward to seeing the amended language as the sponsor indicated this morning, but right now, it seems that there's no threshold in which this requirement kicks in, and the language does not recognize the fact that pushing some renovations to the LEED Silver level of performance may not be the best economic decision for many projects.

On the threshold issue, we would not want to see any such energy requirements imposed unless the rehabilitation project was focused on mechanical systems to begin with, and that it was a major renovation. With no threshold, it could be construed that even a simple bathroom upgrade due to mold or vandalism would require us to rehab the entire building envelope and mechanical system to meet this LEED rating. Even for some renovations that are centered on mechanical system upgrades, we will often find that LEED Silver is unjustifiably expensive, compared to a lower LEED certification level. LEED is a multifaceted rating system that rewards synergistic results and is dependent on multiple systems to make any given certification level. In some cases, we find other aspects of this project would make LEED Silver cost-prohibitive.

[J.P. Gerner, continued.] Let me just close by saying that I'm extremely supportive of the general direction and intent of the bill. As always, the devil is in the details, and I hope that we would end up with language that requires all public owners to meet the spirit of this mandate, but leave them with some flexibility to make the project-by-project economic judgments that are appropriate. We will look forward to working with the bill's primary sponsor to ensure that outcome.

Santana Garcia, Legislative Advocate, City of Henderson, Nevada:

We support the concept of energy efficiency; however, we oppose the bill as written, but Assemblywoman Giunchigliani has already pointed out the drafting error in putting the Labor Commissioner into the process, which was one of our major concerns. I think her amendment addresses this. We've also made some changes to our city's development center to expedite services to the development community. We'd like to work with the sponsor and industry to see how we can incorporate her intentions under this bill to provide expedited review for LEED buildings and our current process.

Andy Belanger, Legislative Advocate, representing Las Vegas Valley Water District and Southern Nevada Water Authority:

Both entities are currently engaged in some exciting green building projects. We're supportive of the concept of the bill. We do have some concerns about the governing structures related to development of standards, and we would like to work with the sponsor to streamline some of these processes.

Chairman Parks:

Ms. Giunchigliani, did you have any last comments?

Assemblywoman Giunchigliani:

With the time crunch and not getting bills out, everyone's under a huge opportunity to try to take something that I think is unique, and I commend our local governments for actually moving forward with a great deal of this. I will work with the groups between now and Friday and work up any additional amendments and then come back to the Committee with the changes, which may make it easier for you, but I'm willing to see what would work best for your consideration.

Chairman Parks:

I appreciate that. We'll close the hearing on A.B. 385.

Assembly Bill 425: Establishes policies and incentives for urban design, mixed use development and environmentally friendly construction. (BDR 22-1084)

Not heard.

Assembly Bill 479: Revises provisions governing disposal of certain real property. (BDR 20-327)

Not heard.

Chairman Parks:

We are adjourned [at 11:06 a.m.].

RESPECTFULLY SUBMITTED:

Paul Partida
Transcribing Attaché

APPROVED BY:

Assemblyman David Parks, Chairman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: April 4, 2005

Time of Meeting: 9:06 a.m.

Bill	Exhibit	Witness / Agency	Description
N/A	A	*****	Agenda
<u>A.B. 18</u>	B	Assemblyman McCleary	<u>A.B. 18</u> PowerPoint slide presentation
<u>A.B. 170</u>	C	Assemblyman McCleary	Resolution and Emails Regarding <u>A.B. 170</u>
<u>A.B. 170</u>	D	Kirby L. Burgess / Clark County, Juvenile Justice Services	Written Testimony
<u>A.B. 170</u>	E	Tracy Livingston / Nevada Project ChalleNGe	Emails from Supporters of <u>A.B. 170</u>
<u>A.B. 385</u>	F	Assemblywoman Giunchigliani	Information Package: Newspaper Articles, Environmental Standards, Proposed Amendment to <u>A.B. 385</u> and Information on the LEED Program
<u>A.B. 385</u>	G	Lance Kirk / United States Green Building Association, Nevada Chapter	Letter in Support of <u>A.B. 385</u>
<u>A.B. 385</u>	H	Lance Kirk / United States Green Building Association, Nevada Regional Chapter	Information Package of the United States Green Building Association including Standards and Web sites Available for Viewing what other States are Doing
<u>A.B. 385</u>	I	Jim Morris / Appropriate Energy, Inc.	Information Package on Wind Power and Potential Benefits for Environmentally Friendly Energy Use
<u>A.B. 385</u>	J	Suzanne Johnson / Private Citizen, Gardnerville, Nevada	Comments on Building a Nevada Green Residence