

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON WAYS AND MEANS**

**Seventy-Third Session
April 7, 2005**

The Committee on Ways and Means was called to order at 8:07 a.m., on Thursday, April 7, 2005. Chairman Morse Arberry Jr. presided in Room 3137 of the Legislative Building, Carson City, 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. Morse Arberry Jr., Chairman
Ms. Chris Giunchigliani, Vice Chairwoman
Mr. Mo Denis
Mrs. Heidi S. Gansert
Mr. Lynn Hettrick
Mr. Joseph M. Hogan
Mrs. Ellen Koivisto
Ms. Sheila Leslie
Mr. John Marvel
Ms. Kathy McClain
Mr. Richard Perkins
Mr. Bob Seale
Mrs. Debbie Smith
Ms. Valerie Weber

COMMITTEE MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Mark Stevens, Assembly Fiscal Analyst
Steve Abba, Principal Deputy Fiscal Analyst
Anne Bowen, Committee Secretary
Carol Thomsen, Committee Secretary

Assembly Bill 457: Makes appropriation to Urban Chamber of Commerce for enhancement of its programs. (BDR S-737)

Hannah Brown, President, Urban Chamber of Commerce, identified herself for the record, and introduced Tony Sanchez, Latin Chamber of Commerce. She stated that James Yu, President, Asian Chamber of Commerce, was unable to appear before the Committee. Ms. Brown read a written statement into the record in support of [A.B. 457](#) as follows:

Good morning, Chairman Arberry, Committee Members and attendees.

My name is Hannah Brown. I am appearing before you this morning in my capacity as President of the Urban Chamber of Commerce. With me today are our Executive Director,

Louie Overstreet; Director of Training, Chuck Bremer; and Donovan Chambers, who is heading up our information technology efforts.

Our team had the requisite amount of experience needed to exercise proper custodial care over the funds being requested under A.B. 457.

My managerial experience was gained while serving in a number of senior management positions with the airlines and at McCarran Airport. Louie has over 30 years of licensed professional engineering experience in the construction industry. Chuck has a similar number of years' experience in labor relations and employment training. Donovan has years of experience gained in the computer and information systems fields.

Over the past half dozen years the Chamber has been in the process of assembling a team, building the organization, and identifying the services needed to assist in the revitalization of historic West Las Vegas.

As part of our mission, we have responded to a number of requests for proposals. We have successfully performed services for the public entities of Clark County, Nevada Department of Transportation, and the federal Economic Development Administration. In the performance of services there has never been an audit exception noted in our annual audited financial statements by a CPA.

Also, we have been successful in promoting public and private initiatives. This is evidenced by the fact we are in the process of breaking ground on a facility which we have named a Multi-use Incubator and Business Service Center.

The businesses that will be housed and the services provided in the Center are based on an assessment of services and needs expressed by the residents of the area in which the Center is located.

The funds being requested under A.B. 457 will supplement the services that are presently funded and build upon the efforts we are now providing in the area of training. In this regard, we have experienced some early success in gaining employment for workers who have completed our orientation and training program.

After answering the why question, I will have Louie, Chuck, and Donovan talk about how the funds will be utilized.

Why the Urban Chamber?

The answer is that we have "paid our dues," have a successful track record in serving the needs of small, female businesses, the community in which our office is located, and we exhibited fiscal accountability in all funds managed by our organization.

However, the most important reason is that the funds will be utilized to address documented needs.

Assemblywoman Giunchigliani asked if someone else would be addressing the fiscal portion of the bill. Ms. Brown replied that Louie Overstreet would be addressing that portion of the bill.

Assemblyman Seale asked if the Urban Chamber of Commerce had previously requested funding from the State.

Ms. Brown replied the Chamber had previously requested money through the Nevada Department of Transportation (NDOT) for the training program currently in place.

Mr. Seale asked if Ms. Brown believed this would be a one-time request or an ongoing request.

Ms. Brown replied that the Urban Chamber of Commerce hoped to utilize the funds in a manner that would warrant additional funds. All funds received through the Chamber were used to increase the livelihood of their constituents.

Assemblyman Hogan commented that the Assembly would be considering A.B. 210, which would encourage construction contractors in Clark County and Washoe County to do a better job of searching for, finding, and hiring minority and female construction workers. Mr. Hogan asked if the efforts being pursued by the Urban Chamber of Commerce would contribute to the success of the effort to improve the participation of women and minorities in construction.

Ms. Brown responded that the Urban Chamber of Commerce was in the process of addressing that problem through the program they currently had.

Tony Sanchez, Immediate Past President, Latin Chamber of Commerce (LCC), testified in support of A.B. 457. Mr. Sanchez presented [Exhibit B](#), "Request to the Nevada Legislature From the Latin Chamber of Commerce," to the Committee.

Mr. Sanchez stated the Latin Chamber of Commerce was in its 28th year. Three years ago the LCC had moved into new quarters located at 300 North 13th Street, Las Vegas, Nevada. The new offices provided a wonderful opportunity for the LCC to serve a multitude of needs. English as a Second Language, computer lab, and remedial English classes were operated by the Community College of Southern Nevada, which had leased the second floor of the new building.

Mr. Sanchez explained that the LCC was involved in approximately 10 different areas of service to the community. Mr. Sanchez said the biggest problem had been the building and approximately one-half had been paid off. The Latin Chamber of Commerce had 1,300 members and had an annual budget of approximately \$800,000 per year. The organization struggled at times because much of the funding which would normally be spent on business procurement opportunities had instead been spent on the mortgage of the building.

The biggest success story to date for the LCC had been the La Oportunidad Business Expo, according to Mr. Sanchez. In 2005, the Expo would be held at the Cashman Center, and between 3,000 and 5,000 people were expected to attend.

The LCC had a very active International Trade Program which reached out to the various business opportunities available from Canada to south of the border.

Mr. Sanchez said the LCC could use assistance but had not made a request to the State in the past. The LCC did not see a request for funds to pay off their building as an ongoing request; rather, once that debt was eliminated funds could be used to focus on opportunities for members.

Chairman Arberry said his understanding was that there was a proposal to amend A.B. 457 in order to address some of the concerns of the Latin Chamber of Commerce and the Asian Chamber of Commerce.

Assemblyman Denis asked if the programs and services offered by both the Urban Chamber of Commerce and the Latin Chamber of Commerce provided state and local governments a savings.

Mr. Sanchez replied that local governments and State agencies would support the programs provided by all the Chambers in Las Vegas as saving funds through their programs.

Mr. Denis asked if the representatives of the Chambers believed they provided some services better than those provided by the State and if funding were granted could they do a better job.

Ms. Brown replied the Chambers believed they could provide better services because so many services were "grass roots." Ms. Brown noted that through the training program offered by the Urban Chamber of Commerce approximately 25 to 30 people had been employed who had previously been deemed unemployable, or unable to fit into the job market. The Urban Chamber of Commerce, the Latin Chamber of Commerce, and the Asian Chamber of Commerce had formed a collaborative that worked very well because the needs were the same, according to Ms. Brown. All the Chambers had employment issues and contractual issues because they had never been a part of the mainstream process.

Chairman Arberry called for questions from the Committee.

Louie Overstreet, Executive Director, Urban Chamber of Commerce, identified himself for the record, and testified in support of A.B. 457. Mr. Overstreet read the following into the record:

Capital Grant:

The funds will be utilized to construct training space on the site where the Urban Chamber is developing a Multi-use Incubator and Business Service Center in historic West Las Vegas in near proximity of downtown Las Vegas.

The need for such space was documented by the Urban Chamber of Commerce through the hosting of three town hall meetings and a randomly mailed survey in both English and Spanish to the residents of the area surrounding the location where the Center will be constructed.

The Center will also house a number of startup businesses, a bank, café, civic organizations, and have distance learning capability to serve businesses and the general public.

The training space will serve the specialty use of preparing Nevada residents to gain employment on highway, water, modal-choice

transportation systems, and commercial construction projects taking place in Nevada. Forecasts indicate that there will be a need for thousands upon thousands of workers over the next decade in the construction trades on projects funded by governmental and private sector entities.

Mr. Overstreet commented that the capital grant request and the equipment grant requests would both be one-time requests.

Charles Bremer, Urban Chamber of Commerce, identified himself and read his testimony in support of A.B. 457 into the record:

As Ms. Brown mentioned, I am responsible for implementing our construction training program funded through the Nevada Department of Transportation. I work directly with Rudy Malfabon and Roc Stacey of the Nevada Department of Transportation (NDOT).

Our training program offers two fundamental approaches to our clients:

Direct apprenticeship services, which includes identifying the application dates, acquiring appropriate documents, and test preparation techniques.

Our second approach is to provide four instructional modules to our clients; orientation, safety training, communication skills, and construction math and construction terminology and usage.

The funds we are requesting will be used to complement and supplement our current level of services. For instance, we now have a tremendous need to follow-up with clients who have been placed in jobs. This process will help in retaining jobs and overcoming barriers to permanent employment. Other service needs include ongoing tutoring and test-taking techniques, if our clients are to compete for the numerous apprenticeship opportunities that are now available.

Because of our efforts we are witnessing persons who are emerging from hopelessness to one of promise and expectations.

For example, when we started performing services under our contract with NDOT in May 2004, out of the 1,118 skilled highway construction workers only 29 (2.6 percent) were of African-American descent, as reported on NDOT's EEO-1 report for October 2003.

Ms. Giunchigliani asked if the 29 workers that had been placed with the NDOT were receiving the more skilled positions, or had been given jobs as flaggers.

Mr. Bremer replied that the workers were receiving more skilled positions.

Ms. Giunchigliani commented that part of the problem with minorities and women receiving construction industry jobs was that there was no support system in place to aid them with the day-to-day workplace environment.

Mr. Bremer said he appreciated Ms. Giunchigliani's point because the issue had surfaced previously. Mr. Bremer said years ago the Urban Chamber of Commerce had worked with a group called "Lady Carpenters," which had been a major support to women entering the construction trades. As the level of success rose for minorities and women working in the construction trades, there would be more outreach and follow-up, making the long-term prospects better.

Ms. Giunchigliani asked if the Urban Chamber of Commerce worked closely with apprenticeship councils.

Mr. Bremer replied that the Urban Chamber of Commerce worked closely with the Western Apprenticeship Coordinators Association (WACA).

Assemblywoman McClain commented that there was one active support group for women in construction called "Women in Construction," and it was associated with the Associated General Contractors of America (AGC).

Mr. Bremer said the Urban Chamber of Commerce worked with the AGC as well.

Assemblywoman Smith asked if the program that was partnered with the NDOT had been funded with grant money.

Mr. Overstreet responded that the NDOT had issued a Request for Proposal and the Urban Chamber of Commerce had successfully bid on it. The NDOT had recognized the historic underutilization of minorities and women in the construction trades, according to Mr. Overstreet.

Mrs. Smith asked if the grant money from that source had been exhausted. Mr. Overstreet replied that the NDOT contract had been for two years and they were approaching the end of the first year, so there would be one more year of availability.

Mrs. Smith asked how the grant money from the NDOT contract compared with the request in the bill before the Legislature.

Mr. Overstreet said the NDOT contract had been smaller, approximately \$158,000 per year for two years. The Urban Chamber had not wanted to be unrealistic in their request for funds because they had always attempted to be responsible and accountable for what they did as an organization. Mr. Overstreet stated the Urban Chamber had wanted to identify the depth of the problem and he believed they had accomplished that in the first year of the NDOT contract. Because of the federal money that would be coming into Nevada over the next decade, there would be a great need for a skilled workforce. The Urban Chamber was intent on training permanent Nevada residents to fill those construction jobs.

Mr. Hogan asked if the Urban Chamber was aware of another potential market for trainees when they completed the training process. He noted that the construction industry, in terms of the creation of new buildings, employed about 10 percent of the private workforce in the state of Nevada. Mr. Hogan said that was an incredibly high percentage, because in California the comparable number was about 5 percent. The Urban Chamber was very timely and into a very active market that was almost desperate for workers, and the average age of construction workers was now in the upper 40s, and those were physically demanding jobs. Mr. Hogan said the point he wanted to make was that Nevada's large resorts employed large numbers of people with the very same

skills as needed in construction. The resorts were not necessarily involved in new construction, but they were involved in maintenance of all the systems, such as electrical and plumbing. Mr. Hogan said he believed there was a potential opportunity entirely outside of what was usually thought of as construction. Resorts might employ almost 1,000 such people with various skills. Mr. Hogan asked if there was any preparation being taken to make some inroads into that potential market for new workers.

Mr. Bremer replied that the Urban Chamber was definitely looking into construction jobs at resorts. If the Chamber considered only highway construction jobs, they would have a difficult time placing people in jobs in the same way as if only the private sector was considered. Mr. Bremer said one of the needs for supplementing the program was that while the Urban Chamber had a grant with the NDOT, it provided for only 2.5 employees to perform the administrative duties. Mr. Bremer said the volume of energy it took to touch all bases such as the union, contractors, employers, collaborators, outreach, and church groups was considerable.

Assemblywoman Weber asked how the potential trainees found the opportunity offered by the Urban Chamber of Commerce.

Mr. Bremer replied that various sources for referrals were identified. There was a heavy outreach into the social services community. Mr. Bremer said the Chamber attempted to get trainees to identify what skills they were interested in learning and what skills they might already have. There was a five week training preparatory course which included orientation, safety and health training, and test-taking preparation. Mr. Bremer said the training was approached from a very broad perspective to attempt to narrow in on a specific trade in order to provide a long-term, high wage, high skilled opportunity to the participant.

Assemblyman Marvel asked if the participants were tracked after leaving the training program to see how long they stayed on the job.

Mr. Bremer said the training program had only been in existence 10 months, but the 20 people who had gone through the training were still in their jobs. He said he saw great opportunities for Nevada to develop its own workforce. Mr. Bremer said the Urban Chamber needed the supplemental funds that were being requested in order to perform follow-up and compile job statistics.

Mr. Marvel asked if he was correct that the program had been in effect for 10 months, but had a 2-year grant. Mr. Bremer stated that was correct.

Mr. Marvel asked if the grant would be extended and Mr. Bremer said they hoped it would.

Mr. Marvel asked how much the grant from NDOT was and Mr. Bremer replied that it was \$158,000 per year.

Donovan Chambers, Operations and Information Technology Director, Urban Chamber of Commerce, identified himself for the record and testified in support of A.B. 457.

Mr. Chambers stated his focus had been on how to enable businesses to compete from a technology standpoint and how to use technology to even the playing field. A lot of the focus would be along the lines of teaching businesses "how to fish." That fell directly in line with what had been found, a need to

bring the construction and other businesses “verticals” involved in hiring minority workers. Mr. Chambers said there were situations where people would say they could not find a competent contractor, but much of that response frequently ended up being the component of a beauty contest. In response to RFPs, Mr. Chambers said he had seen packages submitted by majority contractors two inches thick and very well printed, and packages submitted by minority contractors one-quarter inch thick which appeared to have been printed on a dot matrix printer. The focus of the Incubator Facility was to provide print and collateral services and also collaborative services to improve the quality of those packets and also teach people how to use technology to fulfill their contract requirements. Mr. Chambers said much of the funding was a leveraged buyer partnership with Cox Communications to provide high bandwidth and distance learning capabilities to teach businesses how to compete, how to fish, and how to develop packet sets which made them look much bigger.

Mr. Chambers stated he had attended a workshop with the gaming industry in which it was proposed that professional services in the construction component be included in the workshop and the proposal had been rejected. In Nevada, if you excluded construction and professional services, minority firms could not compete.

Mr. Denis asked what Cox Communications was bringing to the partnership with the Urban Chamber of Commerce.

Mr. Chambers said Cox Communications had provided free bandwidth that would enable a distance learning component at the training center.

Mr. Denis asked if they would be helping the Chamber to receive discounts on hardware. Mr. Chambers responded that they would not, but the value of the contribution by Cox Communications was probably between \$50,000 and \$60,000.

Mendy Elliott, representing Wells Fargo Bank, testified in support of A.B. 457. Ms. Elliott stated that Wells Fargo Bank had a longstanding relationship with the Urban Chamber of Commerce and the Latin Chamber of Commerce, both through memberships and providing direct grants. Ms. Elliott asked the Committee for consideration for the bill.

Ms. Giunchigliani asked if the EVOLVE program was near the Urban Chamber of Commerce’s new building and if they were working with that program.

Mr. Bremer responded that the Chamber had a collaborative relationship with the EVOLVE program.

Chairman Arberry declared the hearing on A.B. 457 closed.

Chairman Arberry opened the hearing on A.B. 367.

Assembly Bill 367: Requires uncommitted money remaining in State Distributive School Account to be distributed to school districts biennially. (BDR 34-867)

Assemblywoman Chris Giunchigliani, District 9, identified herself for the record and testified in support of A.B. 367. Ms. Giunchigliani said the intent of the bill was very simple, but not inexpensive. The way the budgeting was accomplished a student count was taken the third week of school of each school year. After that annual count, if there was growth, the districts were

not permitted to recount. Ms. Giunchigliani was suggesting a discussion about a policy change which would keep the money in education because the money was driven by education, and the numbers were tied directly to student enrollment, but any uncommitted money went back to the General Fund.

Al Bellister, Nevada State Education Association (NSEA), testified in support of A.B. 367. Mr. Bellister indicated the heart of A.B. 367 was Section 1, which stated those General Fund dollars that were originally allocated to K-12 public education remained in K-12 public education regardless of the performance of taxes that were considered local taxes. The Nevada Plan was enacted in 1967 and at that time the Legislature instituted the Local School Support Tax (LSST) at 1 percent. It had been the stated goal of the Legislature that the LSST would help reduce state aid to the Distributive School Account (DSA) so those funds could be allocated elsewhere. Mr. Bellister said he believed it was very important that there had been an interim study that concluded "that it was conceivable that the reduced amount could serve as a reservoir to meet possible increased financial needs of school districts in future years." Over the years, since 1967, State aid used to comprise 41 percent of the DSA, according to Mr. Bellister. Currently, State aid was down to approximately 34 percent. Mr. Bellister said in that sense the Nevada Plan had worked, it had reduced General Fund commitment to the DSA. Over time the reservoir that had been envisioned in 1967 had not materialized. Mr. Bellister noted that in 1983 and 1993 the Legislature had been forced to come back into session and cut funds to K-12 public education.

Mr. Bellister said he believed that over time if you looked at the difference between supplemental appropriations to the DSA during the 1979-80 biennium and compared supplementals versus reversions to the DSA and from the DSA, there had been \$166 million that had reverted back to the General Fund, in excess of supplementals. That money had not stayed with K-12 and that money needed to stay in the DSA. That was the purpose of A.B. 367. In the DSA and K-12 when the State's funds were short, funding was cut; there were no appropriations for cost-of-living increases. Mr. Bellister said A.B. 367 would be a big step toward fixing that.

Mr. Bellister urged the Committee to give serious consideration to A.B. 367 and also serious consideration to whether the Nevada Plan needed to be studied and revised. The Nevada Plan was almost 40 years old. The student population in 1967 was less than 100,000, and there were currently over 400,000 students in K-12 public education.

Mr. Bellister referred to the National Conference of State Legislatures' (NCSL) report which examined "No Child Left Behind." One of the conclusions of the NCSL report was that to reach the laudable goal of 100 percent proficiency for students would require increases in funding of anywhere from 20 to 40 percent.

Mr. Bellister believed A.B. 367 was another way to reach the goal of proper funding to reach 100 percent proficiency.

Mr. Marvel asked if the money would be redistributed back to the school districts and wondered how decreases in student population would affect school districts.

Mr. Bellister responded that the enrollment would be taken care of through the hold harmless provision.

Mr. Marvel said he was referring to an excess and he wondered if those districts that had a decrease in students would be penalized.

Mr. Bellister stated that there was no penalty component in A.B. 367, the way he read Section 1. The funds would be distributed to the school districts under the current formula provided in Chapter 387 of the *Nevada Revised Statutes*. A school district that lost enrollment would be held harmless, according to Mr. Bellister.

Ms. Giunchigliani commented that would probably be a benefit. Money was allocated for K-12, but K-12 money never got to stay there according to Ms. Giunchigliani. A General Fund budget was being built for every other expenditure except K-12. Ms. Giunchigliani maintained it was K-12's money but it was being used someplace else even though it was generated by the numbers and the enrollment through the DSA formula; \$160 million never came back to K-12 and was used to supplement Medicaid, prisons, and other projects. Ms. Giunchigliani said that inadequate funding was part of the reason Nevada could never get to a national average.

Ms. Giunchigliani said A.B. 367 would stop penalizing school districts simply because they had grown.

Mr. Marvel stated he was a little confused because in the Nevada Plan the State guaranteed so much funding per pupil, per school district, according to growth factors. He believed the idea of local school support was that if times were good locally, that would take the pressure off the General Fund for the DSA. One should counter the other, according to Mr. Marvel.

Ms. Giunchigliani replied that it should have, but unfortunately it had been working to the detriment of the school districts and to the benefit of the General Fund.

Mr. Marvel commented that the Legislature might appropriate money from the General Fund and when local money was better than anticipated, it had been intended to go to the General Fund.

Ms. Giunchigliani agreed that was what had been intended, but it had worked out to be a savings account for the State General Fund at the expense of the educational program.

Mr. Bellister commented that the effect was that the school districts never gained anything in terms of enjoying the robust economy because every dollar per pupil was going into the General Fund.

Chairman Arberry called for testimony in support of, or opposition to, A.B. 367.

Dan Klaich, Vice Chancellor, University and Community College System (UCCS), testified in support of A.B. 367. Mr. Klaich stated that he believed the bill raised an important policy question for consideration by the Legislature and urged the Committee's support of the bill.

George Ross, Las Vegas Chamber of Commerce, stated there were some concerns with A.B. 367, primarily that the Chamber was in favor of the current budgeting process. Mr. Ross commented that under A.B. 367 it was unclear where the money would go, what conditions would be applied, what the money would be spent on, and would it be spent on ongoing programs or one-time

programs. Mr. Ross stated the Chamber was comfortable with the current budget process as the Legislature performed it.

Douglas Thunder, Deputy Superintendent, Administrative and Fiscal Services, Department of Education, identified himself for the record and read the following testimony into the record:

A.B. 367 would require the distribution to school districts of all funds that remain in the Distributive School Account at the conclusion of the second year of the biennium. These are funds that would otherwise revert to the State General Fund.

The reason that such surplus funds may exist is that the actual amounts of revenue exceed the amounts projected in the legislatively-approved budget. The local school support sales tax is the primary source of the surplus. During the current biennium the sales tax receipts by the school districts have significantly exceeded the projected amounts. The result will be that a significant amount will remain in the Distributive School Account at the close of this year, the second year of the biennium.

A.B. 367 would require that these funds be distributed among the school districts in proportion to the amounts they received in the regular distribution.

There are several problems with the proposal:

- Such an every other year distribution would create a “windfall” for the districts, providing additional money that was not budgeted.
- The funding could not be relied upon. Sometimes it would exist, at other times it would not.
- The bill does not provide a solution for the years when there is not surplus but rather a deficit.
- Although there has been a greater amount of surpluses over the years compared to supplemental appropriations, there is no guarantee that this will continue.
- The reversion/supplemental appropriation process is a key part of the State meeting its guaranteed obligation for school funding; to remove one part of the process would weaken that process.
- The projected balance in the DSA has been one of the elements used in the development of The Executive Budget, both when there is a projected surplus and a projected deficit.

Although I strongly support the increasing of the State’s financial commitment to public education, I do not believe the proposed legislation is a way to accomplish that. The State funding of public education should be ongoing and consistent and not based on the possible distribution of surplus funds every other year.

Ms. Giunchigliani asked if Mr. Thunder had a better idea.

Mr. Thunder expressed his opinion as a taxpayer, not a State worker, and said he was, quite frankly, ashamed at how little was contributed to the education of Nevada’s youth. He stated it was not only the national average that made him ashamed. When considering how much the state contributed to K-12 education

as a function of personal income, Nevada was 48th or 49th nationally. Mr. Thunder said that indicated that Nevada had the capability, but not the will, and he believed that was the crux of the problem--to increase the overall commitment to education.

Ms. Giunchigliani reminded everyone that whatever way one looked at the issue, it was a matter of the will, because the State had the ability to fund what needed to be funded. She said the sad part was that in the good times the school districts did not get to share even though they helped to generate the money.

Mr. Marvel asked if any thought had been given to increasing the guarantee per pupil.

Mr. Thunder responded that the basic support guarantee per student was one of the few areas where the total amount expended could be influenced. When considering national averages, federal money had increased but so had the federal money to every other state. Nevada could not expect that to change their position in the national averages. Mr. Thunder said it depended upon what the state of Nevada was going to contribute and that was basically the guaranteed support per student.

Assemblyman Hogan requested clarification on one issue. He said it had been indicated that one of the main concerns with returning the surplus to the school districts was that it had not been through a budgeting process and it was a lump sum being returned without the benefit of budgeting and prioritizing. He also believed Mr. Thunder said later in his testimony that consideration was given in the Executive budgeting process to dealing with either a surplus or a shortfall. Mr. Hogan asked if that could be clarified.

Mr. Hogan said the other half of his question was, assuming that it was an unbudgeted amount, it seemed to be fairly easy to have a process of prioritizing either by district or overall, and then firm that up when it became known there would be a surplus. Mr. Hogan said it did not seem like an insurmountable argument against returning the surplus to where it belonged.

Mr. Thunder replied that he had been referring to two budget processes. The first one had to do with how school districts would budget that money. This year there would be a substantial amount of money they would have to use, not knowing whether it would be available in the next year. Obviously, it would not be available in the first year of the biennium because it would only happen every other year. The second time was when the Executive Branch put its budget together for the next session of the Legislature, it used the deficits and/or surpluses that were in the DSA as one of the elements they considered.

Assemblyman Hettrick commented that this procedure had been considered multiple times and the difference in the way the Legislature funded caused the appearance of the State not funding at the same level as other states. In most states all the property tax was collected into the state budget and all the sales tax was collected into the state budget. All the taxes were collected into the state budget and then that money was distributed to the schools, which served to demonstrate that the state contributed a huge amount to the schools. Mr. Hettrick stated Nevada gave money from property tax and sales tax directly to the schools so that when considering the amount given to the schools from the State it appeared as though the percentage per pupil was much lower than other states. He said the problem could be changed simply by putting the

money directly into the State budget and then distributing it back to the schools. Mr. Hettrick maintained that if all funding sources were compared, nationally, Nevada would fall in the middle.

Mr. Thunder responded that when Nevada was ranked, nationally, total expenditures were considered, not only what the State contributed. If capital expenditures were included, Nevada did move into the middle of the rankings. Mr. Thunder stated his point was that capital expenditures did not affect ongoing instruction. Capital expenditures were required to have the buildings, and Nevada ranked near the top in construction expenditures. At the present time Nevada was building more schools, faster than any other state. Mr. Thunder said when examining current expenditures, which was a way of measuring what happened instructionally, Nevada ranked very low. That did not say that Nevada's State funding was low compared to other states, it said that the expenditures resulting from all sources of revenue for current education were low.

Mr. Marvel asked why the money could not be earmarked for capital construction.

Mr. Thunder replied that would be a legislative choice.

Ms. Giunchigliani said that was a very good possibility, because Nevada was one of the unique states where school construction funding was only allowed to be raised and generated locally. Ms. Giunchigliani commented that she appreciated the discussion.

Chairman Arberry closed the hearing on A.B. 367.

Chairman Arberry opened the hearing on A.B. 439.

Assembly Bill 439: Makes appropriation to Southern Nevada Workforce Investment Board for establishment of Job Corps Center in Southern Nevada. (BDR S-256)

Richard B. Blue, Executive Director, Southern Nevada Workforce Investment Board, identified himself for the record, and introduced the Reverend Chester Richardson, Vice Chairman, Southern Nevada Workforce Investment Board; Ardell Galbreth, Deputy Executive Director, Southern Nevada Workforce Investment Board; and Gregory Martin, Business and Community Liaison, Sierra Nevada Job Corps. Mr. Blue read his testimony into the record as follows:

The Southern Nevada Workforce Investment Board is appointed by the chief local elected officials of the following counties and cities in southern Nevada: the Counties of Clark, Esmeralda, Lincoln, Nye, and the cities of Las Vegas, North Las Vegas, Henderson, and Boulder City. The Governor certifies the Board every two years.

The primary functions of the Southern Nevada Workforce Investment Board are: first, to set policies for the workforce investment system in the southern Nevada area, and second, to administer and have direct oversight over the workforce investment dollars that southern Nevada receives.

The Southern Nevada Workforce Investment Board is funded by the United States Department of Labor, Employment, and Training

Administration, under the authority of the Workforce Investment Act of 1998.

The local workforce system provides the framework for the delivery of employment and training services to job seekers, dislocated workers, youth, new entrants to the workforce, veterans, persons with disabilities, and employers.

Since January 2003, the Southern Nevada Workforce Investment Board, in partnership with local municipalities, educational institutions, vocational trade centers, and business and industries, has been laying the framework to establish a nonresidential Job Corps Center to serve southern Nevada youth.

You may ask, why Job Corps. The simple answer is, Job Corps works and Job Corps has a proven track record of success. Job Corps has been successfully training young adults for meaningful careers since 1964.

Job Corps is a no-cost education and vocational training program administered by the United States Department of Labor that helps young people ages 16 through 24 get better jobs, make more money, and take control of their lives.

Through Job Corps, students enroll to learn skilled trades, earn a high school diploma or GED, and get help finding a good job. Students are paid a monthly allowance and the longer they stay, the more they earn. Job Corps supports its students for up to 12 months after they graduate from the program.

Many of you know of the Job Corps Center in northern Nevada, the Sierra Nevada Job Corps. However, you may not be aware that 74 percent of the students come from Nevada. Of the Nevada population, 73 percent come from Clark County, with the remaining 27 percent from northern Nevada. Southern Nevada is in dire need of a Job Corps Center to help prepare disadvantaged youth achieve economic self-sufficiency and lifelong careers.

For over a decade, Las Vegas has been one of the fastest growing metropolitan areas in the nation. The population of economically deprived youth between the ages of 14 to 24 has kept a steady pace with the growth explosion. For the past three years, Las Vegas has had the dubious distinction of having the highest secondary school dropout and teen pregnancy rates in the country. Nevada can do better.

The Southern Nevada Job Corps Center will accommodate at least 300 students in a nonresidential setting. The long range goal is to have a residential facility. In Phase One, we are proposing a nonresidential facility, which may prove to be attractive for those parenting young adults who would benefit from all that Job Corps has to offer without having to leave their children.

The benefits of the Southern Nevada Job Corps Center will be: (1) specialized training programs to fill regional occupational demands such as construction, health care, culinary arts, security, pharmaceuticals, and biomedical/biotechnical careers and

automotive; (2) employment opportunities for trained Job Corps students; (3) increased earnings; and (4) curtailment of the high school dropout rate.

Through the efforts of the Southern Nevada Workforce Investment Board there are established partnerships with a number of businesses, local municipalities, and representatives of the Nevada U.S. congressional delegation, juvenile justice, and Clark County School District.

At this time two possible sites have been identified. The former Veterans Out-Patient Clinic located on the northwest corner of Vegas Drive and Martin Luther King Boulevard in Las Vegas, and the property owned by Las Vegas Housing Authority at 1818 Belzar Avenue and 2220-2228 Comstock Drive, also in Las Vegas.

Funding assistance is also being sought from the United States Department of Commerce, Economic Development Administration. Representatives from the Economic Development Administration made an on-site visit to discuss the possibilities of being able to support such an endeavor. An application will also be made to the United States Department of Labor, Office of Job Corps, for initial, as well as ongoing support.

One of the interesting economic impacts a Job Corps program provides to a local community is the volunteer participation of the students. In 2004, the Sierra Nevada Job Corps, through its vocational trades, contributed over 15,000 hours of construction work to local organizations to include: Project Care, National Guard; Reno Housing Authority; Habitat for Humanity; City of Reno; and Make a Wish Foundation.

In addition, the students provided an additional 11,000 hours of volunteer work and donations to the community with blood drives, food bank, Ronald McDonald House, and Little League.

There is no reason to think that a Job Corps program in southern Nevada would do any less.

We have garnered broad base support from the Nevada congressional delegation, the Governor's Workforce Investment Board, local municipalities, and other agencies and institutions that deal with youth.

We are here today to respectfully ask that you take a look at the picture from a perspective, that if we do not act now to equip our youth with the proper skill sets to become productive adults, we will all be missing a great opportunity and our youth will be no better off by our actions.

We urge you to support A.B. 439, which is our request for \$6 million to establish a Job Corps Center in southern Nevada. Other funding is being sought, at the federal level, to complement the requested State allocation. Review the numbers, as they speak for themselves. One out of every four African-American youth and one out of every five Latino youth between the ages of 16 and 24 are out of school, unemployed, and on the streets. There is an

urgent need to raise the visibility of these out-of-school youth and prepare them for lasting careers in southern Nevada's workforce.

Mr. Chairman, Committee members, thank you for your time, patience, and support regarding our request.

We will be pleased to answer any questions the Committee members might have at this time.

Mr. Denis asked if the Southern Nevada Workforce Investment Board had considered applying for Community Development Block Grants.

Mr. Blue replied that the organization had considered applying and would continue to investigate the possibility as they approached implementation of the Job Corps program.

Ms. Weber asked what the Southern Nevada Workforce Investment Board was doing about working with youthful offenders.

Mr. Blue replied that as a Workforce Investment Board they contracted with vendors to provide employment and training services. The Board had a contract with the Clark County Family and Juvenile Courts to work with youthful offenders. The Board had previously worked with the EVOLVE program for the adult offender. Mr. Blue said the Board also had two contracts with faith-based organizations that worked with youth with offender records. It was hoped that a Job Corps program would serve as an intervention, according to Mr. Blue.

Ardell Galbreth, Deputy Executive Director, Southern Nevada Workforce Investment Board, identified himself for the record, and testified in support of A.B. 439.

Mr. Galbreth said we owed it to our young people, not only in southern Nevada, but throughout the state to provide a Job Corps Center. Young people who wanted to get into a Job Corps Center had transferred as far away as Kansas. In addition to having our young people out of school, out of work, and on the street, it was very important to give them a sense of worth in order to build their esteem to become good, solid, taxpaying adults. Mr. Galbreth said the Job Corps Center education and training would help to accomplish that. According to all the statistics, for every \$1.00 spent on a Job Corps student, the return on investment was \$2.02.

Mr. Blue clarified that the funds requested in A.B. 439 would be a one-time request. The cost of ongoing operations would be funded by the United States Department of Labor, Office of Job Corps.

The Reverend Chester Major Richardson, Vice Chairman, Southern Nevada Workforce Investment Board, identified himself for the record, and read his prepared testimony as follows:

I have the privilege of serving as Vice Chairman of the Southern Nevada Workforce Investment Board and the Chairman of the Program and Performance Committee, which provides direct oversight of \$7 million for job training. As you have heard, we received the funds from the Department of Labor through the State Department of Employment, Training, and Rehabilitation. I also serve on our Board's Youth Council, which receives over \$3 million to help youth and young adults to prepare to enter employment.

With over \$10 million in job training we have done a fabulous job in helping thousands of Nevadans, adults and youth, into the workforce through our JobConnect offices throughout southern Nevada. We provide a free, high quality service to job seekers and employers that no one else in the state, with exception of our sister board in northern Nevada, Nevada Works, can match. We take the unemployed, the TANF recipients, the disabled, the dislocated workers, the displaced homemakers, the at-risk youth, the out-of-school youth, and we prepare them to enter our workforce. We are held to a higher standard by the Department of Labor in this state, and guess what, we have done a fabulous job. We have met those performance measures with flying colors.

We do not need these funds to do our current job. We want to enhance the services the State and federal government currently provide to young people at the Job Corps. We have sent a lot of youth to the Sierra Nevada Job Corps in Stead and it works, but it is a burden. We could use a Job Corps in southern Nevada and I do not think we need \$6 million, I think we could do it with \$3 million.

I am going to ask for what I need. I need \$3 million, or close to it, so we can truly increase our capacity to identify, recruit, train, and place in the workforce qualified young people to serve Nevada businesses. That is what we want to do. We want that partnership. We want to help our local businesses enhance their productivity. We believe that Nevada businesses deserve the very best that we have to offer them from our local labor pool. We serve employers best when we properly oversee the recruitment, training, and placement of skilled employees.

I urge you to look at this bill. Give us half, give us something, give us a token, but do something. Thank you.

Mr. Blue commented that he believed the amount requested had been fairly modest, but the Board would be willing to accept any amount contributed by the State. What the Board was attempting to do was set up a Job Corps facility in southern Nevada. One of the best ways to approach the Department of Labor with a request for Job Corps funds and support was with local and State support in hand.

Mr. Hogan referred to A.B. 210 which encouraged the use of minority and female workers for large state-funded projects. He wondered if the Board, in their planning for the Job Corps Center facility, had considered application of the same technique to their construction project.

Mr. Blue responded that if the Board acquired an existing building there would be a sizable amount of retrofit required and if it was a new construction, obviously they would hire minority and female workers. The Board was prepared to take it a step further with new construction, and use the premises as an actual training site.

Chairman Arberry asked if there was anyone who wanted to testify either for or against A.B. 439.

Chairman Arberry closed the hearing on A.B. 439 and opened the hearing on A.B. 459.

Assembly Bill 459: Makes appropriation for construction of hospice and adult care facility in Henderson. (BDR S-1406)

Terri B. Barber, Intergovernmental Relations Director, City of Henderson, identified herself for the record and testified in support of A.B. 459. Ms. Barber introduced Tim Ryan and Andy Hafen, Councilman, City of Henderson.

Tim Ryan, private citizen, testified in support of A.B. 459. Mr. Ryan stated that hospice was a philosophy of care at the end of life and the basic philosophy was to attempt to maintain the dignity of the human being at the end of life.

Mr. Ryan said he became aware of this philosophy on a personal basis approximately two years ago when his wife became ill and in need of hospice services. When searching for hospice services for his wife in the Las Vegas area, Mr. Ryan discovered there were no hospice services. Mr. Ryan reported that the situation had become even worse in the time since his wife had needed hospice services.

Mr. Ryan said he had learned there were exactly 54 hospice beds in all of southern Nevada and 6 years ago there had been exactly 54 hospice beds in all of southern Nevada. Approximately half of the 54 beds were managed by the Nathan Adelson Hospice, the only nonprofit hospice provider in the area.

Mr. Ryan stated he had received communications from people who had been forced to leave the state in order to obtain hospice care for their loved ones.

According to Mr. Ryan, it would not be unusual to find patients in a hospital emergency room waiting for a hospice bed to open.

Mr. Ryan said he had formed a committee that had studied hospice care and was attempting to find a solution to the problem. The committee was comprised of private citizens who met at the local library. The committee had formulated the idea that they would have to approach government for assistance and talk to a hospice care provider. They had partnered with the Nathan Adelson Hospice. The Henderson City Council had provided 10 to 11 acres of land adjoining the new College of Southern Nevada. An architectural firm, Swisher and Hall, had provided free design services. Mr. Ryan summarized that the committee had the land, approximately \$3 million, and needed \$4 million from the Legislature.

John Yacenda, Circle of Life Hospice, identified himself for the record and testified in support of A.B. 459. Mr. Yacenda presented Exhibit C, a packet of five brochures, to the Committee.

Mr. Yacenda stated that the Circle of Life Hospice was the preeminent private hospice service in northern Nevada. The response to difficulty with hospice care had been to move to home-based hospice services. Mr. Yacenda said his organization liked the idea of the Henderson hospice plan and hoped that it could serve as a model that could be imported and extended in the northern part of Nevada. Exhibit C outlined a number of services offered through hospice. Mr. Yacenda encouraged the Committee to support A.B. 459.

Assemblyman Perkins commented that his own experience dated back to the end of the 1993 session when his son had been diagnosed with cancer. While

his son was a cancer survivor, Mr. Perkins had discovered during that period of time there were no hospice facilities for children anywhere in southern Nevada. The Nathan Adelson Hospice and others had existed, but they were primarily for adults. Mr. Perkins said he had come to realize, while exploring avenues of treatment for his son, there were a very small number of beds available for end-of-life care.

Mr. Perkins said the other item he wanted to be sure the Committee understood was that while most of the people testifying before the Committee were from Henderson, this was not just about Henderson. The opportunity had been provided through the City of Henderson to acquire property, allowing the proponents of the hospice to save money on the cost of the project. Mr. Perkins noted that as the population of southern Nevada aged there would be a tremendous need for additional hospice beds.

Mr. Perkins said he had spoken to Mr. Ryan a few days before and learned there was always a waiting list for hospice beds, which never went away. He said he believed this would be a great step toward treating anyone needing end-of-life care with the dignity they deserved.

Mr. Hogan said he wanted to express his support for the concept of hospice care.

Ms. Giunchigliani commented that while she supported the hospice concept and the program to provide more hospice beds in southern Nevada, she cautioned that there might not be as much money in the budget as had previously been projected.

Mr. Denis asked if the proponents of A.B. 459 had applied for community development block grants.

Andy Hafen, City Councilman, City of Henderson, replied that \$1.8 million had already been received in community development block grant funds from Clark County. The city of Henderson had provided \$700,000.

Chairman Arberry commented that a reception had been held at the Governor's Office a few weeks before and he had met Andy Hafen, who had been telling him about the plans to build a hospice in Henderson. While Chairman Arberry had told Mr. Hafen he could not promise anything, he suggested a bill be submitted to the Legislature to secure one-shot funding. Chairman Arberry wanted to make it clear that A.B. 459 had not been introduced as a partisan effort on behalf of the City of Henderson, as hospice in Henderson would benefit all residents of Nevada.

Chairman Arberry declared the hearing on A.B. 459 closed.

Chairman Arberry opened the hearing on A.B. 463.

Chairman Arberry recessed the meeting at 9:46 a.m. and reconvened at 10:00 a.m.

Assembly Bill 463: Increases travel allowance for certain state employees who work at correctional centers or conservation camps. (BDR 16-1298)

Scott MacKenzie, Executive Director, State of Nevada Employees Association, identified himself for the record, and testified in support of A.B. 463.

Mr. MacKenzie stated that the bill dealt with rural area differential pay, and increased the travel allowance for certain State employees who worked at correctional centers and conservation camps. The increase was in addition to the regular salary. In Section 1 of the bill it outlined the various camps and institutions for which employees were entitled to receive compensation for the travel allowance. Mr. MacKenzie stated that anyone employed at a specified facility who had to drive more than 25 miles each day from home to work would qualify for the increased travel allowance. Mr. MacKenzie noted that gasoline had increased an additional 21 percent since the \$12 per day travel allowance had been reached. [Exhibit D](#), "Informational Packet Outline," was submitted for the Committee members' reference.

Assemblywoman Koivisto asked if all facility employees were included in [A.B. 463](#) or only correctional officers.

Mr. MacKenzie replied that the travel allowance was facility-based, so it included anyone who worked at the rural facilities who met the qualifications of the travel allowance.

Walter R. Tarantino, Legal Counsel for the Nevada Corrections Association, identified himself, and testified in support of [A.B. 463](#). Mr. Tarantino stated the Nevada Corrections Association was wholeheartedly in support of the bill and requested the consideration of the Committee.

Gary Wolff, Teamsters Union Local 14, added his support to [A.B. 463](#).

Chairman Arberry declared the hearing on [A.B. 463](#) closed.

Chairman Arberry opened the hearing on [A.B. 405](#).

[Assembly Bill 405](#): Makes appropriation to Community College of Southern Nevada for construction of building to house Transportation Technology Center. (BDR S-762)

[Exhibit E](#), "Letter from Christina Dugan, Las Vegas Chamber of Commerce," was submitted for inclusion in the record.

Assemblyman Bob McCleary, Clark County District 11, identified himself for the record, and testified in support of [A.B. 405](#).

Mr. McCleary said that [A.B. 405](#) attempted to secure one-shot funding to build a Transportation Technology Center to be located at the Community College of Southern Nevada. Presently funding for the Transportation Technology Center, to be built in two phases over two biennia, was included in [The Executive Budget](#).

Mr. McCleary disclosed that he had been in the automobile business for the past 20 years and that was how he had come to realize that there was need for a Transportation Technology Center. He said he represented a group of automobile body shops that were desperate for qualified technicians. Mr. McCleary said the shops had come to a point where they were constantly stealing employees from each other. He had decided to approach the community college because he was aware that they presently had a small automotive department and wondered if they would start some sort of apprenticeship program for auto body work. Mr. McCleary had spoken to the Dean of Applied Technologies at the Community College of Southern Nevada, Paul Pate, who had been willing to institute the program, but his department

was very limited. Mr. Pate had informed Mr. McCleary that on the college's "want list" for several years had been the desire to build a separate building to house an automotive technology center. Mr. Pate had also indicated to Mr. McCleary that hundreds of students every semester were being turned away from the automotive program because of lack of space, as well as dozens of needed programs within the Transportation Technology Center that could not be offered because there was no room for them.

Mr. McCleary said he was attempting to procure funds on a one-shot basis in order to get the project moving. Mr. McCleary stated he understood a little about the internal politics at the college level and assumed the Chancellor had spoken to the college and university presidents and told them how much The Executive Budget had allotted for capital improvements and divided the money accordingly. That division of funding had resulted in funding for the Transportation Center being spread over two biennia. Mr. McCleary stressed that he was not attempting to change the priority of the Transportation Technology Center, or remove funding from some other project or program.

Mr. McCleary said currently The Executive Budget had included \$10 million for the Transportation Technology Center and there was \$1 million in private funding available, which would leave a balance of \$8 million for the next biennium. He said two years from now that \$8 million figure would probably be inflated to \$10 million or \$12 million because of construction costs. Mr. McCleary also noted that he was unsure how half of a building would be constructed in one biennium and then completed in another biennium.

Mr. McCleary emphasized that the Transportation Technology Center was not needed four or five years down the road, it was needed ten years ago.

Paul Pate, Dean of Applied Technology, Community College of Southern Nevada, introduced himself, and read the following testimony into the record:

Just a few statistics that you will be interested to hear: we have 800 students in the program this semester, we turned away 440. These are Nevadans who want to get a good, lucrative career and they cannot get into the program to do so. But the whole picture is not shown just with that statistic. In addition to that, because that is just the automotive technology side, we have a whole collision repair side and a diesel technology side. We are unable to do anything significant with those programs. There would be an equal number of students for each of those programs in addition to that 800, so we could potentially have 2,400 students but we do not have facility space. Our facility starts at 7:00 a.m. Monday morning and runs through 10:00 p.m., Monday through Friday, and Saturdays runs from 8:00 a.m. to 5:00 p.m. We have maxed out the facility utilization with what you have given us. We are very careful with the funding that we get to make sure we made the best use of it.

A couple of other things you would want to know. Just in the last month I have been contacted by BMW Motor Corporation, Toyota, and Hyundai, and they would all like us to start manufacturer training programs for them. But at this point I had to put them on hold because we do not have the space to do so. We currently have a manufacturer program with General Motors, Ford Motors, and AC Delco. We have produced technicians through those programs that go into the local dealerships to perform repairs and

they are certified. We cannot add the BMW, Toyota, and Hyundai because of lack of space.

Other things you may want to know, this industry is the second largest revenue generator in the state of Nevada. The average salary in our industry is \$52,500. This is not "Manny, Moe, and Jack." These are not positions for people who have no education. These are positions that require a college degree to be successful in this industry.

We would like to offer that and if there are any questions about our industry or about this program, I would be happy to answer that.

Mr. Marvel asked how long the automotive course was and Mr. Pate replied the course took two complete years and attached with the course was a paid internship.

Mr. Marvel asked what type of degree a student received when completing the course. Mr. Pate replied they received an associate degree in applied science and automotive technology.

Mr. Marvel commented that there had been a diesel program at Great Basin Community College in Elko and the students usually did not complete the entire course because the mines would hire them out of school. He wondered if that was occurring with the automotive courses. Mr. Pate replied that the college stressed the academic portion of the degree program by placing it in the middle of the technical courses. Mr. Pate acknowledged it was difficult when a student could make \$70,000 to \$100,000 per year in the automotive industry to convince them to complete the degree program.

Chairman Arberry asked if the automotive manufacturers that had indicated interest in subsidizing programs to train people to work in their dealerships would still be interested after waiting a year or more for the Transportation Technology Center to be constructed. Mr. Pate replied that if the manufacturers could be told in the next few months that a building was within the foreseeable future, it would be a significant factor in their decision.

Mr. Hogan asked if the Community College of Southern Nevada had explored with the interested auto makers in what ways they could contribute financially to the completion of the Transportation Technology Center, and he requested information on the college's success in attracting minority and women students.

Mr. Pate replied that the manufacturers were willing to contribute equipment, vehicles for training, free access to curriculum, and repair information. Over the past three years the manufacturer donations had totaled \$350,000, mostly from General Motors and Ford Motor Company. Mr. Pate noted that "bricks and mortar" were not something manufacturers were willing to finance, they preferred cars and equipment.

Mr. Pate said that minority enrollment and female enrollment did exist. Hispanic enrollment was right up with the community standard, African-American enrollment was with the community standard, but female enrollment was not as high as desired. The college participated in workforce development workshops that demonstrated non-traditional careers, and they held Saturday seminars for females to try to interest them in automotive careers. Mr. Pate stated that the market was huge and it did not matter what sex or color a person was because

there were so many jobs available. Anyone who wanted to invest the time to learn would have a lucrative career.

Ms. Giunchigliani commented that the applied technology program at the Community College of Southern Nevada was a very good program. She said she believed \$1 million had been secured from the Cashman Equipment Company. Mr. Pate replied that \$500,000 had been donated by Cashman Equipment Company and \$500,000 from other sources.

Ms. Giunchigliani said the donation made the commitment to get the project on the list for the Capital Improvement Projects, but she noted there were other projects higher on the priority list. She asked for clarification as to whether A.B. 405 was bringing the project forward for focus as opposed to moving it higher on the list.

Mr. McCleary replied that was correct, the Transportation Technology Center was number four on the list of capital improvements and he was not attempting to move it higher than other projects. He said he wanted the Committee to consider finding a way to finance the \$8 million difference so that the project could be finished in one shot and meet the needs of the students as soon as possible.

Mr. Denis asked if there were other places that automotive technology could be studied. Mr. Pate replied that students could go to Ogden, Utah; Cerritos, California; or Phoenix, Arizona.

Mr. Denis asked if students went to study in other states, did they come back to Nevada, and Mr. Pate replied that they did not. Mr. Pate elaborated that students from Nevada used to primarily study in Ogden, Utah, at Weber State University. The local automotive dealers in Las Vegas got together many years ago because they were losing the best Nevada students to Utah and the automotive technology program was created at the Community College of Southern Nevada. Mr. Pate added that in the collision repair industry the interest was so high that a donor contributed 14,000 square feet of leased space at the Las Vegas Speedway for the course. The donor had committed to 30 months of leased space at \$7,500 per month. Mr. Pate said the business community was very much in favor of the program.

Dan Klaich, University and Community College System of Nevada (UCCSN), testified in support of A.B. 405. Mr. Klaich stated that the Transportation Technology Center was high on the priority list. Mr. Klaich said he had spoken to Mr. McCleary and there was another bill moving through the Legislature this Session to provide for alternative financing for university and college buildings through leases and other sources of financing.

Mr. Marvel asked if the college had considered a lease/purchase agreement. Mr. Klaich replied that presently the college did not have the ability to enter into lease/purchase agreements. Mr. Klaich continued and said he believed Senator Hardy had introduced a bill that would give the University System the ability to enter into lease/purchase agreement financing. If the UCCSN was not able to fund the Transportation Technology Center any other way, a lease/purchase agreement would be seriously considered if the bill passed.

Assemblyman Mark Manendo, Clark County District 18, introduced himself, and testified in support of A.B. 405.

Assemblyman Manendo disclosed for the record that he was an employee of the Community College of Southern Nevada and was on a leave of absence while he served in the Legislature.

Mr. Manendo said his particular job with the Community College of Southern Nevada was to go out in the community to recruit students to attend the college. He said when going into the high schools he had discovered the need was great and it had become very clear that many students wanted to attend the automotive technology courses and make a career in the field. Mr. Manendo stated it was well known that the Community College of Southern Nevada was turning away more than 400 students every semester. Those students had no other options without leaving the southern Nevada area. Mr. Manendo concurred with the opinion of Mr. Pate that when those students left Nevada, they did not return.

Mr. Manendo said it was discouraging for a student recruiter to have to tell a student there was no more room in the program.

Wayne Frediani, Executive Director, Nevada Franchised Auto Dealers Association, identified himself for the record, and testified in support of A.B. 405.

Mr. Frediani stated that the Nevada Franchised Auto Dealers Association was in full support of the bill and the proposed expansion of the Transportation Technology Center. The facility would allow the college to enlarge and enhance the instruction programs that had been very beneficial to the franchise auto industry in southern Nevada. Lack of trained technicians was a problem across the country, not just in Nevada, according to Mr. Frediani. Currently, there was a nationwide shortage of between 80,000 and 100,000 trained technicians to work in manufacturing facilities. Mr. Frediani said the Nevada Franchised Auto Dealers Association, along with the Southern Nevada Franchised New Car and Truck Dealers Association, had supported the automotive technology program for many years. Toward that support both associations recently committed \$100,000 over a three-year period in private funding to expand the Transportation Technology Center as a capital project to be considered by the Legislature.

Mr. Frediani remarked that the challenges facing the Legislature and the finance committees in approving a capital project was a formidable one, however, the automotive industry in Nevada was the second largest sales tax producing industry. The forecast was for that industry to grow. Mr. Frediani said three additional automobile franchises were currently approved for the Las Vegas/Henderson market. There were 64 franchised new car and truck dealers in Las Vegas and Henderson at the present time, and Mr. Frediani predicted there would be 70 within the next 3 to 4 years. With that many car dealerships, the need for additional trained technicians became more acute.

Ms. Giunchigliani asked if the industry would be willing to provide matching grants to prove the need for one-shot funding for the capital improvement project.

Mr. Frediani replied that while he was not sure about matching grants, he could say that the auto industry would stay involved and attempt to raise whatever funds they could to help in any way.

Christina Dugan, Las Vegas Chamber of Commerce, commented that the Chamber believed the Transportation Technology Center was an issue of

economic development and diversification. The Las Vegas Chamber of Commerce was very committed to A.B. 405 and what it represented.

Michael Geeser, AAA Nevada, commented that his organization was supporting the Transportation Technology Center and A.B. 405 because they believed it would turn out a better trained workforce in the state of Nevada.

Helen Foley, Cashman Equipment Company, commented that Mary Kaye Cashman, the owner of Cashman Equipment Company, had committed \$500,000 to the Transportation Technology Center. Ms. Foley stated there was no doubt as to the need for the project, especially in southern Nevada. Ms. Foley stated that Mary Kaye Cashman was also concerned about the entire budget for the Community College of Southern Nevada, and she believed the college had been underfunded for many years. According to Ms. Foley, Ms. Cashman was concerned that an appropriation for classrooms of \$10 million would not be abandoned in favor of funding the Transportation Technology Center.

Chairman Arberry declared the hearing on A.B. 405 closed.

Chairman Arberry adjourned the meeting at 10:32 a.m.

RESPECTFULLY SUBMITTED:

Anne Bowen
Committee Secretary

APPROVED BY:

Assemblyman Morse Arberry Jr., Chairman

DATE: _____

<u>EXHIBITS</u>			
Committee Name: <u>Committee on Ways and Means</u>			
Date: <u>April 7, 2005</u>		Time of Meeting: <u>8:00 a.m.</u>	
Bill	Exhibit	Witness / Agency	Description
	A		Agenda
A.B. 457	B	Tony Sanchez, Latin Chamber of Commerce	Request to the Nevada Legislature from the Latin Chamber of Commerce
A.B. 459	C	John Yacenda, Circle of Life Hospice	Set of 5 brochures from Circle of Life Hospice
A.B. 463	D	Scott MacKenzie, State of Nevada Employees' Association	Informational Packet Outline
A.B. 405	E	Christina Dugan, Las Vegas Chamber of Commerce	Letter from Christina Dugan, Las Vegas Chamber of Commerce