

**MINUTES OF THE
SENATE SELECT COMMITTEE ON ECONOMIC GROWTH AND EMPLOYMENT**

**Seventy-sixth Session
February 9, 2011**

The Senate Select Committee on Economic Growth and Employment was called to order by Chair Ruben J. Kihuen at 1:08 p.m. on Wednesday, February 9, 2011, in Room 1214 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to the Grant Sawyer State Office Building, Room 4412, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Ruben J. Kihuen, Chair
Senator John J. Lee, Vice Chair
Senator Valerie Wiener
Senator Mark A. Manendo
Senator Don Gustavson
Senator Ben Kieckhefer
Senator Greg Brower

STAFF MEMBERS PRESENT:

Kelly Gregory, Policy Analyst
Bryan Fernley-Gonzalez, Counsel
Debra Carmichael, Committee Secretary

OTHERS PRESENT:

William Anderson, Chief Economist, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation
Jeremy Aguero, Principal Analyst, Applied Analysis; Building Jobs Coalition
Steve Holloway, Executive Vice President, Associated General Contractors, Las Vegas Chapter; Building Jobs Coalition
Kelly Stillwell
David Frohnen, Principal, 91 Degrees Engineering; President-elect, American Council of Engineering Companies
Carrie Cox Clark
Jessica Crosthwaite

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Alicia Norris

Pat Pusich, Architect, Tate Snyder Kimsey Architects; American Institute of
Architects Nevada

Pat Sanderson

Christopher Streitler

Charlie Becerra

Judy Brooks

Brian Shoemaker

CHAIR KIHUEN:

The creation of the Senate Select Committee on Economic Growth and Employment is historic. The Legislature has not had a committee solely examining the issue of economic development since the 1995 Assembly Committee on Economic Development and Tourism. This Committee was formed to create jobs during this Legislative Session. Behind the statistic of Nevada having the highest unemployment rate in the Nation are the lives of many thousands of Nevadans who have suffered the pain of not having a job. As Legislators, we have the obligation of giving them every chance of finding a job to improve their lives and the lives of their families with initiatives that create jobs in both the short and long term by improving our infrastructure and diversifying our economy. We can build on the momentum gained from focusing on economic development efforts during the interim by groups such as the Nevada Vision Stakeholder Group, Nevada 2.0, Reno 2020, the Lieutenant Governor's New Nevada Task Force and the Building Jobs Coalition. This focus on economic development from all sectors, whether public or private, has led to many new ideas on how to solve some of the State's economic problems.

The Select Committee will fully examine these ideas, develop legislation to quickly implement those that hold the most promise for putting Nevadans back to work and lay the foundation for a new Nevada economy built on growth in sectors such as health care, transportation logistics, renewable energy and information technology. This will be a cooperative effort because we need the best thinking of the business community, labor community, business professionals, educators and citizens on how to implement the good ideas that have come forth from the interim work as well as the other ideas we need to consider. Our hearings will be scheduled in such a way to allow agencies, entrepreneurs and displaced workers to have a voice. The prolonged recession has decimated our State budget and programs vital to our future, particularly education. By taking strong steps to rebuild our economy, we can begin to

replenish revenues to support education, which is the cornerstone of our new economic future. I am encouraged to see so much participation on the opening day of this Committee. Together we can make a difference in starting Nevada on a new economic path.

Has the Committee reviewed the Committee Rules ([Exhibit C](#))?

SENATOR BROWER MOVED TO ADOPT THE SENATE SELECT COMMITTEE ON ECONOMIC GROWTH AND EMPLOYMENT RULES – 76TH LEGISLATIVE SESSION.

SENATOR WIENER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

CHAIR KIHUEN:

Kelly Gregory will present the Committee Brief and Overview of Session Deadlines.

KELLY GREGORY (Policy Analyst):

Rule No. 40 of the "Senate Standing Rules" outlines the general jurisdiction of the Committee. Other measures may be referred to this Committee, depending on the Senate Floor actions. We have three prefiled bills: Senate Bill (S.B.) 64 and S.B. 75 from the State Treasurer, and S.B. 106 from Senator James Settelmeyer.

SENATE BILL 64: Establishes a program for the investment of state money in certificates of deposit at a reduced rate of interest to provide lending institutions with money for loans at a reduced rate of interest to certain eligible entities. (BDR31-522)

SENATE BILL 75: Establishes a program to provide private equity funding to businesses engaged in certain industries in this State. (BDR 31-523)

SENATE BILL 106: Expands the purposes for which Nevada Magazine is authorized to trade its advertising services. (BDR 18-375)

Three studies were done during the interim. First, the *Legislative Commission's Subcommittee to Study the Development and Promotion of Logistics and Distribution Centers and Issues Concerning Infrastructure and Transportation* looks at economic development and how logistics play a role. Second, the Nevada Vision Stakeholder Group put out a report *Envisioning Nevada's Future*. Third, a policy and program report was compiled by the Legislative Counsel Bureau (LCB) Research Division and titled *Business Entities and Economic Development*. All studies are available on the LCB Website. The Committee Policy Brief ([Exhibit D](#)) includes a list of State government contacts as well as a Schedule for Implementation of the 120-Day Session.

CHAIR KIHUEN:

I open the hearing and invite William Anderson to begin his presentation on "Nevada's Economy: A Labor Market Perspective" ([Exhibit E](#)).

WILLIAM ANDERSON (Chief Economist, Research and Analysis Bureau, Department of Employment, Training and Rehabilitation):

The Research and Analysis Bureau represents Nevada in the federal and State cooperative labor market information system. We partner with the U.S. Department of Labor—specifically Bureau of Labor Statistics—and the Employment and Training Administration. In this partnership, we are responsible for overseeing the official labor market program as it pertains to the State of Nevada.

Nevada's unemployment rate has been above the national average since mid-2007. In December 2009, Nevada's unemployment rate was 14.5 percent, versus 9.4 percent for the Nation as a whole, and has tripled since the official start of the recession. The jobless rate has increased 9.3 percentage points from December 2007 to December 2010. The State's jobless rate is 2 percentage points higher than California's, the second highest. As definition of unemployment broadens, the jobless rate increases. Nevada's unemployment rate for males is considerably higher than that for females, 15.8 percent versus 12.7 percent. This largely reflects impacts of the recession on the construction industry. The jobless rate for African Americans and Hispanics is noticeably higher than that for the white labor force. Nevada's unemployment rate also varies by age. The jobless rate for young Nevadans is, roughly, double that than most others. The State can be divided into three regions based upon the unemployment rate. Bedroom communities—such as Lyon, Douglas and Nye Counties—are the hardest hit, but metropolitan and urban areas have also

suffered considerably. The rural mining regions such as Elko County have held up relatively well. Nevada's job losses have been much more pronounced than in the Nation as a whole.

On a positive note, job losses eased throughout 2010. Nevada job levels have declined 14 percent since the official start of the recession. This translates into more than 180,000 jobs. The recession has impacted all sectors of the economy. Construction added close to 50,000 jobs prior to the recession but lost 70,000 in the past three years. All firms, regardless of size, have been impacted by this recession. Since the start of the recession, Reno has lost 16 percent of its jobs, Las Vegas has lost 14.3 percent and Carson City has lost 11.6 percent. Average weekly earnings growth in Nevada has turned negative. Unfortunately, unemployment is in the process of peaking at a historically high level. Nevada's employment outlook is weak. Job declines are in the process of easing considerably; beginning in 2011, job growth will turn slightly positive.

SENATOR KIECKHEFER:

Can you break down the demographics by educational achievements? Do you have an average length of stay for those receiving unemployment benefits?

MR. ANDERSON:

At the state level, it is a stretch to match up educational obtainment with what is taking place in the labor markets. At the national level, that data is released every month. Unemployment is higher as educational obtainment is lower. The average length of stay for people receiving regular state unemployment is, on average, 18.2 weeks. In 2010, nearly 47 percent of Nevadans have been unemployed for at least six months. If you look back prior to the start of the recession, 2005 to 2006, it was around 12 percent to 15 percent. As the recession has unfolded, the length of unemployment time for Nevadans has increased markedly.

SENATOR BROWER:

Do you have any historical data that shows this is the worst unemployment situation that Nevada has experienced?

MR. ANDERSON:

Yes, we have comparable data going back to 1976. The 14.5 percent unemployment rate is at its highest since 1976. The job loss of 9 percent ranks near the top if not at the top. The period we are in is unprecedented.

CHAIR KIHUEN:

Is the disproportionate impact to the African Americans, Hispanics and minorities due to the education level or the industry in which they work?

MR. ANDERSON:

Both of those factors as well as others are impacting them. What impacts the likelihood of unemployment are skill and training sets and the industries of employment. There are numerous socioeconomic factors, but training and education rank near the top.

JEREMY AGUERO (Principal Analyst, Applied Analysis; Building Jobs Coalition):

I will start with the state of the economy in the Nation as a whole in my "Nevada Economic Overview" ([Exhibit F](#)). We need the national economy to pick up if Nevada's economy is to follow suit. The U.S. economy is showing signs of improvement based on the core indicators. Real gross domestic product indicators show increases in the last six consecutive quarters with the U.S. economy expanding, which allows economists to suggest we are out of the national recession and moving forward. There have been 12 major recessions since 1940. Nationwide, the magnitude of the most recent recession is substantially larger than the others. One in every ten private sector employees has been lost. The number of full-time employees has dropped where the number of part-time employees has dramatically increased. The U.S. is showing some signs of beginning to add jobs, but we are barely keeping pace with the population growth. There is a credit crisis where we have taken on huge amounts of debt as individuals and businesses. There are lots of signs that our U.S. economy is improving, but these are relative to the onset of the recession. That downturn is the worst recession we have had as a Nation since World War II. We have lost 14 million jobs; incomes and household wealth are lower. Things are better but far from good. After bottoming out between 2005 and 2007, delinquency rates for all U.S. real estate have escalated tremendously and continue to be an issue. The foreclosure rate in the United States is 1 in 139 housing units. In Nevada, 1 in 29 housing units is in foreclosure.

Nevada's core economic indicators show we are muddling around at the bottom. It is not as important where we are at the bottom, but how long we hang out there that may become particularly problematic. The U.S. Census Bureau suggests that Nevada's population is increasing, but State demographers suggest otherwise. Some of the best indicators are the number of children enrolled in our schools or the electric meter connections in both the North and

South. At best, those indicators hover at a flat range; at worst, they indicate the population is decreasing. Nevada's employment has decreased 187,800 jobs from peak in 2007 to present. Nevada has lost better than six years of employment growth overall. Construction continues to lead in job losses. The difficult reality for construction is there is no next project. You will not see another hotel casino built on the Las Vegas Strip for probably the next seven to ten years. We continue to defer major infrastructure projects. This combination means that sector of our economy—which historically represented as much as 12.5 percent of some of our major economic sectors—will continue to decline. We have had negative growth for the past five years, and almost 150,000 job losses rank us at or near the Nation's highest. In 2006, Nevada was No. 4 nationally in job creation. In 2007, we started to drop down to twenty-seventh overall. In 2009, the entire United States posted negative growth; of course Nevada was No. 1 with 9.1 percent job losses.

Population growth has been hugely important to us in terms of job creation. Say tens of thousands of workers leave the State and go to other states where jobs are more plentiful. From an economic standpoint, it is a bad thing; from a fiscal point, it may have some advantages. People were moving to the State to find jobs or to retire. Nevadans were asked why they were not leaving the State. Many were upside down on their mortgages, which made it difficult to leave. For others, Nevada has become their home; they moved their parents here and their children are enrolled in schools here. Some said they had nowhere else to go. What happens next if we are not creating any jobs? When people start to age out of unemployment insurance claims benefits, there are risks of homelessness and an increased demand on social services.

The Nation as a whole is starting to see hours given back to employees. That has not occurred for the last two reporting cycles in Nevada. The tendency is to give someone their hours back before you go out and hire a new person. That we are starting to see a small increase in average weekly hours worked and average weekly wages for Nevada is encouraging. Unfortunately, it is not uniform across every industry. We are seeing it more in the service- and tourism-related industries as opposed to the construction-related industries. Nevada's average weekly hours worked is on the upswing, but average weekly hours cut year after year is also on the upswing. Nevadans are earning less, which means they have less and are spending less overall.

Nevada's taxable retail spending is showing some signs of improvement. Food services and drinking places, general merchandise stores, and motor vehicle and parts dealers are all showing positive growth. Tourism continues to be our core industry. We have seen some modest increases in employment in our tourism industry overall, but there were 37,300 jobs lost from when the economy peaked to where we are today. Consumers' intent to travel remains low but is still not declining. In the past, major hotel openings in Las Vegas have typically pushed our economy forward by creating new jobs. In the last three years, new property openings have not impacted employment.

Major construction projects in Las Vegas have slowed tremendously. Billions of dollars have buttoned up, stopped and stalled construction. The construction industry has been the hardest hit, and we are at pre-2000 levels in terms of jobs. In total, 91,700 jobs have been lost since the market peaked in mid-2006 to date. At its peak, construction represented nearly 12 percent of our workforce; today, it is less than 5 percent of our workforce and 21.6 percent of our continued unemployment insurance claims. The housing market has long been talked about in terms as the leading edge of this economic downturn. From a national perspective, many believe that market will pull us out of the downturn. Residential building permits have come to a near halt as existing home prices have decreased.

Nevada's foreclosure activity remains at a nearly all-time high. In the last 12 months, Clark County foreclosures are at 23,082 or 3.6 percent of all housing units. In addition to that, another 15,000 housing units are owned by banks, which means for the next 18 months you can expect banks to be the new builders over all. Nevada ranks No. 1 in mortgages delinquent and seriously delinquent. We are not out of the woods as a state in terms of the foreclosure crisis. Over the next 36 months, job creation will likely be limited. We rank No. 2 in loans with installment payments past due. The No. 1 reason given for walking out or stopping payments on the mortgage is being so far underwater, it cannot be handled any more. Homeowners are never going to get right side up. This huge risk for the state over the next two years has the potential to further decline housing valuation, household wealth and rate of foreclosure. The commercial real estate market is about 18 months behind the residential market overall. In southern Nevada, one out of every four office spaces is vacant. We see the same statistic in northern Nevada. We have an eight-year inventory of office space, a four-and-one-half-year inventory of industrial space, and a two-and-one-half-year inventory of retail space.

The cloud that lays on our horizon today is personal and business debt. The ability to invest, the ability to consume, the ability to see our consumption-dependent economy recovery remains marginal. We are a growth-dependent state. We have a strained public sector, which is a huge portion of our workforce today. Decrease in wages or employment could further decline other sectors of our economy. On the bright side, improving the national economy will bode well for Nevada, which has been reflected in our tourism-related economy. We have falling home inventories overall. We have a probusiness and proretiree environment which continues to work in our favor. Inflation remains in check and interest rates remain low, which has caused some investors to start buying. Some larger companies have emerged from bankruptcy better than ever. Recovery will be slow-going with groups of people and sectors of the economy not benefiting as quickly as others, but we will start to show signs of improvement over the next 12 months.

STEVE HOLLOWAY (Executive Vice President, Associated General Contractors, Las Vegas Chapter; Building Jobs Coalition):

It is my intent to call attention to the correlation between the current fiscal crisis and the underlying economic crisis most acutely felt by the construction industry. Up until 2007, this State enjoyed the benefits of a growth economy. We are now experiencing the demise of that growth economy ([Exhibit G](#)). In 2007 when the economic boom peaked, \$49.5 billion in taxable retail sales were generated in Nevada. An estimated \$9.3 billion or 19 percent of the total directly resulted from construction activity. In its most recent forecast, Nevada's Economic Forum projects only \$37.9 billion in taxable sales in fiscal year (FY) 2011, generating \$787 million in General Fund revenue. This represents a \$213 million or 21.3 percent decrease when compared to the \$1 billion in General Fund revenue sourced to sales tax in 2007. We estimate only \$50.4 million or 6.4 percent of the sales taxes expected to be generated in 2011 will be from construction activity. According to a recent article in the *Las Vegas Review-Journal*, Nevada's largest casino lost \$3.4 billion during FY 2010. Nevada's chance of seeing any new megaresorts built in the foreseeable future is nil. There appears to be little or no hope that the largest employer, gaming, or the second largest, construction, will be employing a significant number of the nearly 200,000 unemployed Nevadans during the next three to four years. During the past three years, the construction industry has been forced to lay off over half of its workforce. More than 90,000 of the 193,500 Nevadans drawing unemployment are directly or indirectly attributable to construction industry layoffs. This has detrimentally affected the State's

General Fund revenues and significantly impacted expenditures by health and human services.

When I last looked at < <http://www.usdebtclock.org> > a week ago and checked our state debt clock, there were 338,194 food stamp recipients in Nevada. More than one in ten men, women and children, 12 percent of our population, rely upon food stamps for their next meal. Our government is faced with another fiscal crisis. If we continue down the same path, state government will be faced with another and more severe fiscal crisis within a year. The Governor now proposes to take over \$425 million in capital improvement money from Clark County School District. We conservatively estimate that will result in the loss of another 5,000 private sector jobs. Unless the economy and the tax base stabilize, we will continue facing one fiscal crisis after another. In order to stabilize the economy and the tax base, a significant number of the nearly 200,000 unemployed Nevadans must be put back to work.

SENATOR LEE:

Was the proposed takeover of \$425 million in capital improvement money from Clark County School District, resulting in the loss of 5,000 private sector jobs, for new construction, remodeling or renovation?

MR. HOLLOWAY:

That money was originally dedicated for new construction.

MR. AGUERO:

The idea is the money sits in a Statewide reserve account, most of which comes from Clark County. The question is exactly how much is to be deferred. Let us imagine it is the \$425 million under discussion. If that money could be taken out for other purposes to offset the cost of government operations, then it could be withdrawn for other purposes to include construction or maintenance of existing facilities. In Clark County alone, more than \$2 billion worth of construction projects are mostly maintenance, refurbishment or modernization of schools. If the money somehow became available tomorrow, how would it be used? If it could be used for the original intended purpose—the construction, maintenance or refurbishment of schools, that constitutes the loss.

SENATOR LEE:

What would change for the contractors or construction workers in Nevada if we were to work together?

MR. HOLLOWAY:

Our plan on <<http://buildingjobscoalition.com>> ([Exhibit H](#)) contains 26 measures that would put over 100,000 people back to work. In the long term, it will help stabilize and diversify our economy. The Senate did unanimously pass S.B. No. 5 of the 26th Special Session which removed the sunset from the 0.25-cent sales tax going to the Regional Transportation Commission in southern Nevada. That has created a tremendous amount of jobs and addressed many of those shovel-ready projects we brought to you in 2010. We have an equal number of shovel-ready projects for vertical construction this year if funds become available. But you are looking at a proposed budget of \$28 million for the state public works program. You cannot maintain current facilities for \$28 million.

SENATOR MANENDO:

Do you have any specifics on spending by age groups?

MR. AGUERO:

Many demographic breakdowns shown by Mr. Anderson are also reflected in consumer spending. Some of the younger entry-level workers have such a high unemployment rate that their consumer spending remains depressed. Nationwide employers are not laying off at the same level they did before, but they are not hiring as fast as we would like. People who have a job are starting to feel better. Nationwide, people with less than a high school education had an unemployment rate of 15 percent, and those with a bachelor degree or higher had an unemployment rate of about 5 percent. Consumption is following the employment trends overall. Demographics are largely associated with where investment occurs and jobs are being created.

SENATOR MANENDO:

Are speculators purchasing homes?

MR. AGUERO:

Data shows that homes purchased by nonowner-occupants in southern Nevada are escalating at a rapid pace. When housing prices went up, rents did not follow suit. As housing prices have come down, rents have fallen but not at the same level. If we look at the differential between what it costs to buy a house and what it costs to rent a house, you have an inflow of investors. As long as prices remain in stable territory, we expect more of those investors to continue buying. As far as owner-occupants, it is shuffling chairs on the deck.

SENATOR KIECKHEFER:

Are there any statistics on how many homes on the market are bank-owned?

MR. AGUERO:

Purchasing bank-owned property has become a problem as it can take more time to process and many are not consummated. If you include short sales to the number of bank-owned properties, 70 percent is accurate. We need to watch the number of homes available for sale as we are starting to see the second generation of homes come back on the market. Many were taken off the market as they were contingent on a sale; but if the deal fell through, they returned to the market. There are many ramifications in bank-owned neighborhoods where properties are not being kept up and squatters are moving into empty homes until someone kicks them out.

SENATOR WIENER:

What is the trend of people underwater on their homes who still have a small window of good credit but walk away from the existing home and buy another home?

MR. AGUERO:

Fears over deficiency judgments have had a bit of a chilling effect. From a purely economic standpoint, when a household has one person unemployed and they are underwater, what are they to do? The ability to restructure the loan is limited. Cottage industries are created to facilitate the process you just talked about. Money is being lent from other than traditional banks or mortgage companies. People are going to leave anyway but want to land somewhere. These people are taking advantage of them.

SENATOR WIENER:

Need we be aware of any other type of industry as we are creating policy?

MR. AGUERO:

Other than squatters moving into homes and staying there, I would like to consider that a little more. There are ramifications of having tens of thousands of homes with people doubling and tripling up just so they can make ends meet. We all want to resolve the negative economic implications, but they are purely a manifestation of having 200,000 people out of work and the worst economy since World War II.

KELLY STILLWELL:

I just saw our government enact an \$849 billion tax break for the 1 percent in our country. Municipal bonds are not being sold in Nevada and the bond market is crashing in America. States will be able to declare bankruptcy and get out from underneath their obligations. No one is buying Treasury bills. Gas is going up, and the dollar is going down. Ultimately, it means real inflation. We do not count food and energy as part of inflation in America. What are we going to do?

DAVID FROHNEN (Principal, 91 Degrees Engineering; President-elect, American Counsel of Engineering Companies):

Our groups are members of the Building Jobs Coalition and fully support their efforts to protect and preserve funding for customer identification programs, investment and needed infrastructure for Nevada. I want to mention the problem of brain drain. Our group of design professionals are highly educated and skilled. We are part of the overall construction industry, representing approximately 10 percent of the total employment and unemployment numbers discussed earlier. These professionals have suffered immensely in this recession. These brains that are highly effective and needed for economic change and diversification of our economy in Nevada are leaving the state. There is a drain on Nevada of an educated workforce. We have the people, we have the brains, and we need the jobs. For our industry, unemployment numbers are 50 percent; our employment numbers compared to 2007 are down 60 percent to 70 percent. People who are able to practice their profession in other states are leaving Nevada.

Surveys and some studies have been done by the American Society of Engineers on state infrastructure. On a scale of A to F, they consistently give Nevada a rating of D. As a leader of the engineering profession, it bothers me tremendously that Nevada cannot do better. We have highly educated professionals who can contribute to this economy. I ask this Committee, in future deliberations, to consider investing in the highly trained and educated workforce that is part of the overall design professionals and construction industry in the State.

CARRIE COX CLARK:

I am a fifth-year apprentice with the Plumbers and Pipefitters Local 350. My husband is a steamfitter who, since 2007, has traveled and worked outside the State in order to sustain our family. It is quite a hardship on my marriage and the children. As I look for work, I continue training and recently received my

renovation, repair and painting certification required by the U.S. Environmental Protection Agency. I want to bring my husband home. Two weeks ago, I found out he has stage II melanoma and will have surgery in St. Louis; I cannot afford to go with him.

JESSICA CROSTHWAITE:

I have been with the Laborers' International Union for five years. As a single mother of two, these last two years have been really rough, and it is hard to provide for my children. All I want is to give my children things I did not have. Recently, I was certified to train Occupational Safety and Health Administration (OSHA) 10 and OSHA 30 classes. It is hard to give the training when no one is coming into the Union because of no work. It has put a lot of stress on my family. I cannot survive on unemployment. If we could find jobs in the State, we would spend money in the State.

ALICIA NORRIS:

I am a wife and a sister-in-law of union laborers. My husband and brother-in-law have not worked in the last three years. My husband cannot afford health insurance for me because I have a preexisting condition that no one will cover. These men and women are skilled and have training certifications. My husband has a bachelor's degree, and he cannot find a job. He has applied for jobs with wages under \$8 an hour in this State and has not been hired. Nonunion companies are working but do not always meet expectations. Yet, we cannot find jobs.

PAT PUSICH (Architect, Tate Snyder Kimsey Architects; American Institute of Architects Nevada):

We are part of the Building Jobs Coalition. Architects are roughly 60 percent unemployed in the State. It takes approximately eight years to become a licensed architect. Many of my peers have left the State or are unemployed. One architect, who has been unemployed for two years, received her first job offer to work for JCPenney selling furniture. Her job was cancelled one week before she was to start. Architects are the canary for the construction business. We have not had any jobs awarded to us in over two years. Our last two receptionists, who had degrees in civil engineering and interior design, had to settle for out-of-state jobs answering phones. Time is of the essence; we need help to get everybody back to work.

PAT SANDERSON:

Every person in this room who came to testify and all the contractors are Nevada residents and Nevada contractors. We have some of the finest hands who have ever worked in construction out of work. It is difficult to see out-of-state contractors bring in out-of-state employees to work in Nevada. They come in, do the job and you never see them again. I want to take care of myself and my family, and I would take care of Nevada if we get the jobs.

CHRISTOPHER STREITLER:

I have lived in Nevada since 1992. I am a three-year apprentice and seven-year journeyman with the Local 567. Since 2007, I have not been able to sustain my livelihood. I have many qualifications such as the Alcohol Awareness Card and OSHA 10 card. I am on the list at the Iron Workers Local 118. I am doing many things I thought I would never do. I am a promotional model for Millennium and Toys"R"Us. When times are really tough, I donate plasma. I represent the workers in Nevada who have exhausted their unemployment benefits. We are here to work, we are not here looking for a handout. We are the forefront for renewable energy. We will build it.

CHARLIE BECERRA:

I was an instructor for the Southwest Carpenters Training Fund. I no longer have that job because no one is working or needs the training. I know of people in the audience with pockets full of pawn tickets for items given to them from family members who will never get them back. They have no money to retrieve those items. There is nothing left to sell for the yard sale, garage sale or standing on the corner. They are losing their homes, belongings and vehicles, but worst of all is the destruction of families. Something needs to be done now.

JUDY BROOKS:

My husband and I own a reprographics company in Reno. We know the construction industry, engineers and architects. It has been extremely difficult for them as well as for us. We have gone from 3 locations to 2, from 35 employees to 17. Every payday is heartbreaking as we make sure we can cover our employees. They have all taken a 10 percent cut. Everything we have saved for retirement is going back into the business. Something needs to be done.

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BRIAN SHOEMAKER:

I am with Carpenters Union Local 971. While California has a larger debt than Nevada, California can offer me more work. I will be leaving Nevada, as I need to plan for my retirement. I will continue to look for work in Nevada and return as soon as possible.

MR. STILLWELL:

I went back to school to be an OSHA safety man but have not been back to work for over a year. We have seen the banks receive rescue money whereas the common person has received nothing.

CHAIR KIHUEN:

I adjourn the meeting at 3:28 p.m.

RESPECTFULLY SUBMITTED:

Debra Carmichael,
Committee Secretary

APPROVED BY:

Senator Ruben J. Kihuen, Chair

DATE: _____

EXHIBITS

Committee Name: Select Committee on Economic Growth and Employment

Date: February 9, 2011

Time of Meeting: 1:08 p.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
	C		Committee Rules
	D	Kelly Gregory	Committee Policy Brief – Senate Select Committee on Economic Growth and Employment
	E	William Anderson	Nevada's Economy: A Labor Market Perspective
	F	Jeremy Aguero	Nevada-Economic Overview
	G	Steve Holloway	The Demise of Our Growth Economy
	H	Steve Holloway	Creating 100,000 Nevada Jobs