

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

**Seventy-sixth Session  
March 7, 2011**

The Senate Select Committee on Economic Growth and Employment was called to order by Chair Ruben J. Kihuen at 1:10 p.m. on Monday, March 7, 2011, in Room 2134 of the Legislative Building, Carson City, 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  
Leslie Sexton, Committee Secretary

**OTHERS PRESENT:**

Ky Good, Managing Director, C4CUBE  
Daphne O. DeLeon, CA, Chair, Nevada Broadband Task Force; Administrator,  
Division of State Library and Archives, Department of Cultural Affairs  
J. Brent Legg, Vice President, Connected Nation  
Alfredo Alonso, Large-scale Solar Association  
Rose McKinney-James, Managing Principal, Energy Works LLC  
Rob Joiner, Pyramid Lake Paiute Tribe  
Karen Pearl, Executive Director, Nevada Telecommunications Association  
Jack Mallory, International Union of Painters and Allied Trades, District  
Council 15

CHAIR KIHUEN:

Today we have several presentations from the emerging technologies in Nevada.

KY GOOD (Managing Director, C4CUBE):

My presentation ([Exhibit C](#)) is a summary of my remarks today. I will give you an overview of where and why job growth is occurring in the United States, identify the building blocks critical for that to occur and identify some motivators that could bring jobs to Nevada.

As you can see on page 2 of [Exhibit C](#), C4CUBE has two distinct parts. The first is a for-profit venture providing access to human and capital resources. The second is a nonprofit business incubator. The company has a strong focus on providing education to investors and entrepreneurs in the areas of business growth and opportunity. We provide opportunities for targeted companies to present investment opportunities to targeted investors.

Page 3 of [Exhibit C](#) lists the members of our advisory board and our experts-in-residence.

Page 4 of [Exhibit C](#) summarizes where growth is occurring. Venture capital invested \$21.8 billion into 3,277 ventures in 2010. Sixty-one percent of that money was invested in three places: Silicon Valley, California, Boston, Massachusetts, and New York City Metro. Eighty percent of the investments were in computer software, biotechnology, medical, clean technology, energy and Internet ventures.

Growth occurs where entrepreneurs follow money, talent and knowledge. They need mentoring. Growth occurs when investors see coachability: a team that can deliver a return on the investment; marketability: a product that is protected and can be manufactured and sold; and scalability: the ability to manufacture and sell thousands and millions of units.

Growth occurs where there are three types of solid investment criteria: deal flow, multiple deals on a regular basis; access to mentors; and access to capital.

Page 5 of [Exhibit C](#) graphically describes why growth is occurring. Start-up companies five years old and less are the only source of new job growth in the United States. According to the Ewing Marion Kauffman Foundation, from 1980 through 2005 all net job growth occurred in those types of companies,

and two-thirds of all new jobs during that time period came from start-up companies. The essence of building a start-up business requires a number of silos that come together: entrepreneurs for the innovation and creativity; academics who can be the source of education for those entrepreneurs; local government that can help them understand how to conduct business; service providers who can bring legal and accounting skills; the investor community for capital; and the incubation community that provides mentoring and support services.

Page 6 of [Exhibit C](#) lists building blocks necessary for growth already in Nevada. The missing components are access to capital and focus. Capital alone will not solve growth problems. Mentoring, guidance and support are necessary. Companies that receive these have an 87 percent chance of success.

We urge you to pass [S.B. 64](#) and [S.B. 75](#). We also urge the Legislature to establish a private money, venture capital fund of funds; establish a matching fund for nonprofit educational support; and establish a dedicated resource for finding and applying for grants. These steps will help motivate business relocation to Nevada by supporting new capital resources for start-up companies.

[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. (BDR 31-522)

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

To further motivate growth in Nevada, I advise aligning with the Rocky Mountain Venture Capital Association; developing a marketing campaign to bring Nevadans back to Nevada; selecting an initial set of ten startups to fund and incubate; establishing local partnerships for manufacture and biotechnology prototyping; and setting clear and measurable objectives and milestones.

SENATOR LEE:

You are looking for people with ideas who need money. Is the ultimate goal of C4CUBE to help companies go public or bring public companies to Nevada?

MR. GOOD:

The objective is to provide an environment where young companies can get the mentoring support they need to build a sustaining business. The metric for our success is jobs.

SENATOR LEE:

Then you take young companies and connect them with advisors who analyze their potential for success and with mentors who can support their growth. Do you take an ownership of the company?

MR. GOOD:

The for-profit side of the company does take a small equity stake in every client. The nonprofit side has a long-term interest in the company. If it is successful, then we can take an equity stake and be successful in the long term. We are not looking to make a quick dollar off any of these companies. The goal is not to take the client company public if it does not want to go public.

DAPHNE O. DELEON, (Chair, Nevada Broadband Task Force; Administrator, Division of State Library and Archives, Department of Cultural Affairs):

We will present a good picture of how broadband services can fund economic development and result in jobs. We want to give you an idea of what we have accomplished in the last 18 months and projects currently in progress. I have provided copies of our slide presentation, Nevada's Broadband Initiative ([Exhibit D](#)). I have also provided you with copies of "Nevada Broadband: Preliminary Overview of Broadband Infrastructure & Adoption in Nevada" prepared in October 2010 ([Exhibit E](#)).

Nevada is indisputably one of the states hardest hit by the recession. Reliable and affordable broadband service can be the infrastructure for robust and diverse small businesses, vibrant and dynamic communities, and strong employment flexibility. In rural areas, broadband has enabled small businesses to thrive. With federal grants, governments have provided training for local businesses so that they can compete in the online market. Broadband has allowed the Pyramid Lake Paiute Tribe to promote tribal art and artists, enabling them to live in their cultural community and still make a living. Broadband has allowed small business owners to be flexible with working hours and enhance their quality of life.

The broadband initiative in Nevada was started in July 2009 as a direct response to the funds made available under the American Recovery and

Reinvestment Act of 2009 (ARRA). These funds are administered through the U.S. Department of Commerce and the U.S. Department of Agriculture. The Nevada Broadband Task Force was created by an Executive Order of ex-Governor Jim Gibbons, who appointed its members and chair. A list of Nevada Broadband Task Force members appears in ([Exhibit F](#)). A summary of the accomplishments and next steps of the Task Force are contained in ([Exhibit G](#)). The Governor designated Connect Nevada, a subsidiary of Connected Nation, a nonprofit organization, to be the State designee for the State mapping and broadband development project. It's accomplishments are described in ([Exhibit H](#)).

J. BRENT LEGG (Vice President, Connected Nation):

I invite you to visit our Website at <<http://www.connectnv.org>> where you will find additional information about our work. Our most important accomplishment in Nevada has been to create the State's first interactive broadband availability map ([Exhibit I](#)). The interactive version is available on our Website. There are pockets of areas around the State where people live and broadband is not yet available, even at the Federal Communication System's (FCC) minimum speed definition of 768 kilobits per second (kbps) downstream and 200 kbps upstream. By today's standards, this is very slow. This interactive map allows one to zoom in on some of these areas as small as census blocks. The ultimate objective of the Task Force is to pinpoint those unserved areas with the final goal of filling the gaps in service.

We will be maintaining this map for four years under the ARRA grant. All data collected is shared with the FCC and the National Telecommunications and Information Administration (NTIA), the agency of the U.S. Commerce Department that oversees the grant program. The data was also used in the production of a national broadband map released three weeks ago. The FCC and NTIA are working on several different policy reforms relating to broadband. They have proposed enabling the FCC to utilize the data we have collected to make decisions about reforms of the federal Universal Service Fund (USF). The USF was created by the FCC in 1997 to meet Congressional universal service goals as mandated by the Telecommunications Act of 1996.

In October 2010, Connect Nevada released a broadband planning report, [Exhibit E](#). The purpose of this report was to combine the availability information we had gathered with survey research on broadband adoption so that we could analyze the entire broadband landscape in Nevada. I have also submitted a Report Fact Sheet outlining significant statistics and findings ([Exhibit J](#)). There

are still a little more than 16,000 unserved households in the State, the vast majority of which are located in rural areas. Thus, 97.8 percent of Nevada households do have broadband access available at that minimum speed required by the FCC. Only 78 percent are actually subscribing to a broadband service. This is higher than the national average. We refer to this as the adoption gap. The range across the State is from 23.57 percent availability in Eureka County to over 99.94 percent in the consolidated municipality of Carson City.

There are unserved areas with high densities of households. We call these areas low hanging fruit. They have the potential of being served in the near future. Significant benefits can be realized in the short term by investing in broadband infrastructure in those unserved areas.

In the next few weeks, our project will be expanding. We received a supplemental grant award to expand our program into local technology planning. We will engage in a local broadband planning process in rural areas of the State.

MS. DELEON:

The handout ([Exhibit K](#)) shows our success in bringing broadband funding into the State. Some of these projects cover multistate projects; therefore, the total fiscal impact of those projects on Nevada cannot be quantified at this time. All of these projects will be completed by September 20, 2013. These projects improve infrastructure; strengthen community anchor institutions such as hospitals, community centers, public libraries and community colleges; and improve sustainable broadband adoption. The latter is achieved by raising awareness of broadband, providing benefits to individuals for employment, access to e-government services and access to medical records.

MR. LEGG:

Last-mile infrastructure is delivered from a community network node or access point to one's home. Middle-mile infrastructure is the connection from that community network node back to the provider's main network operation center.

MS. DELEON:

Page 5 of [Exhibit D](#) outlines the Task Force plan to leverage the investments in broadband that have been made. We also support Bill Draft Request (BDR) S-1241.

**BILL DRAFT REQUEST S-1241**: Makes an appropriation from the State General Fund to the Department of Administration for the Nevada Broadband Task Force. (Later introduced as [Assembly Bill 485](#).)

This legislation requests \$3 million from the State General Fund be appropriated to the Department of Administration for the Nevada Broadband Task Force to fill the gaps in broadband service. The Nevada Broadband Task Force will make the calls for projects, review projects and recommend which projects in the rural areas should be funded from this appropriation. The Broadband Task Force is experienced in reviewing broadband applications. One of the primary duties of the Task Force was to review all applications to the U.S. Department of Commerce that were Nevada-specific. The Department invited us, representing Nevada, to submit recommendations for projects we believed would have the most impact on Nevada's needs. With that Connect Nevada work experience, the Broadband Task Force is in a good position to find the gaps in service and to find places where that \$3 million can be leveraged against federal investment. It also underscores and aligns with the project already funded through Connect Nevada to set up the local technology planning teams. It is not a body that sits in Carson City or Las Vegas telling the rural community what that community needs. It is an initiative that supports the rural communities coming together and provides education so the communities decide what they need in order to support their economic diversification and employment opportunities.

We ask that this Committee also support BDR S-1241. Between Legislative Sessions, Committee members can participate in local activities, such as broadband summits and local technology planning meetings. Legislator commitment is an important adjunct to legislative funding.

SENATOR MANENDO:

Is the \$3 million appropriation in BDR S-1241 included in the Governor's *Executive Budget*?

MS. DELEON:

Yes.

SENATOR MANENDO:

Are the local governments in the rural counties participating in any way?

MS. DELEON:

We have a representative from Nevada Association of Counties and a representative from the Nevada League of Cities and Municipalities. The appropriation request does not mandate matching funds.

SENATOR MANENDO:

Local governments should be financially participating in this.

MS. DELEON:

That is something the Broadband Task Force can require in the requests for proposals (RFP). The \$3 million is to set up a subgrant program where the Broadband Task Force would establish the parameters and criteria for RFPs.

CHAIR KIHUEN:

Do you have statistics on broadband access to unemployed workers?

MS. DELEON:

We do not. We have anecdotal information at the Nevada State Library and Archives. That agency has an unemployment initiative, funded by the federal government, to look at usage of local library resources by the unemployed. That agency has also been awarded a grant to increase the number of broadband workstations and services provided by the Carson City Library, Henderson District Public Library and the Cooperative Libraries Automated Network. We know circulation and use statistics have grown exponentially since 2007 in all public libraries in Nevada.

CHAIR KIHUEN:

When a person is unemployed and must disconnect his Internet service provider, it makes sense that he would go to the library to use the Internet for his job search.

SENATOR LEE:

Do all counties in the State have broadband access? Do they have the capability to put their meetings and schedules online?

MR. LEGG:

All of the counties have the capability of posting online. The Broadband Task Force has not done a study of the quality or availability of e-government services online. It is something we should consider doing.



ALFREDO ALONSO (Large-scale Solar Association):

The Large-scale Solar Association is composed of 12 utility-scale solar technology companies that have been doing work primarily in the Southwest. Many of them have manufactured abroad due to governmental incentives there. They are now focusing their attention on the United States. I have supplied you with a document entitled "Large-scale Solar Industry: Economic and Fiscal Impact Analysis" ([Exhibit L](#)), originally prepared in 2009 for use by the Seventy-fifth Legislative Session. Since that time, and as a result of abatements enacted by that Session, we have seen a lot of solar technology development. There are more projects planned to come online in the coming year, including the First Solar Silver State North—formerly NextLight—in the Ivanpah Valley. Semptra Generation just finished the Copper Mountain Solar project in Boulder City. This was the second part of the facility it had started approximately five years ago. It is impressive that of approximately 300 employees hired to build that facility, 283 were Nevadans. That will mean over \$2 billion in the ground in Nevada by one company. Other companies are looking to do the same in Nevada.

I have also provided an Executive Summary ([Exhibit M](#)). Over the first 15 years of operation, a 100-megawatt, utility-scale solar energy facility will bring in \$26 million to \$27 million in new revenue to a state. This is revenue that comes from a facility that is probably based on federal land. There is no revenue coming to the state prior to the development of the facility. It would be a large start-up business and provide new construction jobs. Once regular operations begin, the number of jobs decreases and very few services are required from the county. The goal of the State is to get multiple such facilities built so that Nevada can be considered a hub for renewable energy in the United States. As California and other states in the Northwest move closer to the 33 percent portfolio standard, Nevada becomes increasingly important. The large-scale power line planned to connect northern and southern Nevada power lines will put Nevada in an admirable position to export power and attract manufacturing activity related to this new industry.

CHAIR KIHUEN:

Approximately how many jobs were created with the \$2 billion you just mentioned?

MR. ALONSO:

The just-built plant is a 48-megawatt facility. As a photovoltaic facility, it is a little less labor intensive than a solar thermal facility. The \$350 million plant will

require 30 to 50 people to staff. It was built on private land in Boulder City with a long-term view. The City permitted the land in advance of leasing the land to the company to use as a revenue stream for Boulder City. A county that has a lot of federal lands and needs a source of revenue would do well to encourage this type of industry.

ROSE MCKINNEY-JAMES (Managing Principal, Energy Works LLC):

My remarks will cover the presentation ([Exhibit N](#)) which I have provided to you. Nevada has long been a leader in solar policy. Those policies have advanced solar technologies. We continue to come up to barriers and find solutions. We work with industry to understand the business. It is a fact that Nevada has the most significant sources of renewable energy: solar, geothermal, wind and biomass.

In the 1995 Legislative Session, this Legislature established that indigenous resources would be a priority for economic development. In 1997 during the discussions regarding utility transformation, we considered the possibility of including a renewable portfolio standard as a means of ensuring that going forward our power portfolio included renewable resources. A very small increment of 0.2 percent was included in the portfolio. Over the last decade, the portfolio standard has been revisited in 2001, 2005 and 2009. In this Legislative Session, at least 27 bills relate to renewable energy.

In Nevada, there are a growing number of advocates for developing renewable energy sources. Representatives from diverse backgrounds and professions have been collaborating. They are engineers, lawyers, finance experts and more. Our common interest is in developing policy that can drive the market. California has an aggressive portfolio standard; many of us believe that they will not have the ability to meet that standard without looking to Nevada and other Western states to feed that need. That creates the potential for export for Nevada. There are infrastructure and transmission issues to overcome, and the idea of export deserves further discussion.

Business relies on certainty. Business leaders are looking to Legislators and to the Public Utilities Commission of Nevada to be consistent, clear and concise with respect to the policies that you put forward relative to renewable energy.

Vote Solar is a nonprofit grassroots organization whose goal is to fight climate change and foster economic opportunity by bringing solar energy into the

mainstream. The organization is an excellent source of analytics for policy makers. The Website is < <http://votesolar.org> > .

The Solar Alliance is composed of the largest solar developers, installers, manufacturers and financiers in the United States and the world who work with states to develop cost-effective and successful solar projects. The Website is < <http://www.solaralliance.org> > . Participants' products are being used throughout the State. The Springs Preserve in southern Nevada has a solar installation on the parking mat that is an example of distributed generation, the types of applications installed on residential rooftops, commercial buildings and parking structures. There is the potential for a significant number of jobs to be created and maintained as a result of creating a new industry. The economic development component and job creation related to solar and other renewable forms of energy have tremendous potential that depends on Legislators to determine which policies make the most sense for Nevada at this time.

Another aspect of a forward-moving renewable energy industry is net metering. This is when a businessperson or homeowner remains connected to the grid and sites his own wind or solar system to his property and generates power. The excess unused energy is used to receive a credit from the utility company.

The Public Utilities Commission is another important component to these discussions. The Commission develops the regulations that implement the policies developed by the Legislature.

The SolarGenerations program administered through NV Energy sets out a series of rebates available to homeowners and others who use the portfolio standard and net metering to advance solar or wind power.

Energy efficiency must also be a part of these discussions. Solar power is only as valuable as it is efficient.

I offer myself and my network of business associates to provide assistance and support to the Legislature for the remainder of the Session.

SENATOR KIECKHEFER:

On the topic of energy efficiency, can solar energy conservation be considered akin to water conservation and be allocated to another home? When you talk about renewable energy development and the inclusion of energy conservation as a component of the overall fabric of the discussion, I am concerned that as

we use less so we do not need to generate more, we still increase our demand overall when conservation fades away or people's behaviors change.

MS. MCKINNEY-JAMES:

I am not an expert by any means on energy efficiency. If you want to put a solar system on top of a home you want to make sure that home is as efficient as possible. Other than that, you are putting in an expensive system to generate power on a building envelope that does not achieve efficiency. More emphasis on energy efficiency as a marriage with or parallel to power development is appropriate. Reducing demand should be a goal. Energy efficiency is supposed to be a program that results in a reduction of demand. We have to support well-structured energy efficiency programs. There are a number of them available.

ROD JOINER (PYRAMID LAKE PAIUTE TRIBE):

The Pyramid Lake Paiute Tribe is a recipient of a grant for a moderate-scale solar project, and we support legislative efforts to continue developing solar energy. Today, I speak about broadband. The Tribe was the recipient of an ARRA grant. It is an 80-to-20 split with the federal government for a fiber optics line spur from the I-80 corridor. The 40-mile line will run north through Wadsworth and Nixon to Sutcliffe on the northwest side of Pyramid Lake. According to the Tribe's economic and master plans, it will run through an area designated for industrial park development and tie in with the tourist areas of Sutcliffe and Nixon. It will connect 29 existing businesses and innumerable future businesses. In the short term, this project will employ 200 construction workers and a number of engineers, planners and designers. In the long term, with development of business, it is estimated 2,500 permanent jobs will be created.

The unemployment rate within the Tribe is at least 65 percent. Ms. DeLeon and her associates spoke about serving pockets of isolated rural areas. The Broadband Task Force was instrumental in supporting the Tribe on its ARRA grant application, and for that the Tribe is deeply appreciative. This fiber optic line will enhance the Tribe's e-tourism and e-mapping. We urge the Legislature to support the future efforts of the Broadband Task Force.

KAREN PEARL (Executive Director, Nevada Telecommunications Association):

I represent nine telecommunication providers of last resort, including CC Communications of Churchill County, Humboldt Telephone Company in northern Nevada, Beehive Telephone Company in eastern Nevada, Lincoln

County Telephone Systems, Inc. in southeast Nevada, Filer Mutual Telephone in northeast Nevada, Moapa Valley Telephone Company in southern Nevada, Rural Telephone Company in northwestern Nevada, Reliance Connects in southwestern Nevada and CenturyLink-Nevada in Clark County. I speak today in response to the testimony of the Broadband Task Force for which I have the utmost respect and admiration. However, the companies I represent are vehemently opposed to the proposed \$3 million State budget allocation for broadband at this time when our economy is suffering and there is high unemployment.

Connected Nation indicated to you that 98 percent of the populated areas of the State has accessibility to broadband providers. However, 51 percent of the indicated unserved population, composed of unemployed people, senior citizens and economically disadvantaged people, has said they do not want Internet access. The Broadband Task Force is composed of eight public entities and three private entities. That creates an imbalance. If the \$3 million allocation is approved, the Broadband Task Force should not be the recipient of that money, able to make decisions on how it is used because the involved entities have vested interests in the expenditure of the money.

CHAIR KIHUEN:

For the record, the Governor is the one who has included the \$3 million appropriation in the budget he submitted to the Legislature. There is no bill draft request for the money.

MS. PEARL:

Ms. DeLeon stated that they had opened BDR S-1241.

CHAIR KIHUEN:

I am getting a nod from Ms. DeLeon.

SENATOR LEE:

I also thought that this \$3 million was in the Governor's *Executive Budget*. Are you seeing this as a competition to dial-up Internet service providers and thinking it will take customers away from your members?

MS. PEARL:

No, that is not what we are saying. We are already providing Internet access through our lines. There have been instances with ARRA funds where taxpayer money was allocated to businesses to redundantly serve areas of the State.

These were in direct competition with existing private industry. We are not saying that it is wrong. There have been instances where public sectors have partnered with private industry to receive funding with a sweetheart deal. We cannot give our digital subscriber lines away. We might be able to work with you to provide discounted broadband.

MS. DELEON:

The \$3 million is part of the Governor's recommended budget. It is a one-time appropriation request attached to the Department of Administration. The Department of Administration's BDR S-1241 is to implement the Governor's recommendation.

CHAIR KIHUEN:

We will now close public comment and move to our work session on Assembly Bill (A.B.) 144. We heard testimony on this bill on February 25.

ASSEMBLY BILL 144: Makes various changes relating to bidder preferences on state and local public works projects. (BDR 28-64)

SENATOR KIECKHEFER:

I see nothing in our binders regarding this bill.

KELLY GREGORY (Policy Analyst):

I apologize that you have no materials in your binders. I will read the legislative summary of the bill ([Exhibit O](#)).

CHAIR KIHUEN:

As you will recall, on February 25, we had several members of the public testify against this bill because they wanted minority preferences added to this bill. We did explore several options. Our Counsel will address this issue.

BRYAN FERNLEY-GONZALEZ (Counsel):

Based on the Nevada Supreme Court precedent, for a State law providing differential treatment in public contracting based on race to be constitutional, the State must have specific data on past discrimination in public contracting and would have to narrowly target the law to address that problem. It does not appear that sufficient data exists on a statewide basis to support such differential treatment. Even if such discrimination were to be found, there would have to be no race-neutral alternative to the differential treatment. We have not seen any data to suggest the absence of any race-neutral alternatives to the

differential treatment. Race-based differential treatment language would not be constitutional.

CHAIR KIHUEN:

Even if we wanted to include any type of minority preference on some of these contracts, it would not be legally defensible.

MR. FERNLEY-GONZALEZ:

Yes, that is correct.

SENATOR LEE:

Why does the breach of a contract over \$25 million call for a one-year suspension and breach of a contract less than \$25 million a five-year suspension?

MS. GREGORY:

If the cost of the contract exceeds \$5 million, the contractor loses the preference certification for five years. If the project is over \$25 million, the contractor is barred from bidding on any public works project for one year.

SENATOR WIENER:

Does that one-year prohibition also include everything lesser? For one year they cannot bid at all, but is the five-year penalty also part of that? Even though they could bid the second year, they still would not get the bidder's preference because they would qualify for the \$5 million penalty at that point. It would be a natural bar.

MS. GREGORY:

The language says "or," but it sounds like it should be "and." I will check that.

SENATOR KIECKHEFER:

I offer a concept for an amendment ([Exhibit P](#)). I have discussed this concept with the author of the bill, and she agrees to the concept. I have concerns about the identification issues in the bill. Section 5 expands the requirements of information in a certified payroll report to include employee driver's license numbers. I consider this inclusion a possible threat to the security of the worker's identity based on the testimony of Labor Commissioner Michael Tanchek on February 25. I recognize that other State statutes protect personal information, and it is incumbent upon local governments to redact or otherwise protect such information. I also recognize that such rules do not always get

followed. The intent of this conceptual amendment is to change the language of section 5. The certified payroll record provided to the public body awarding the contract that is subject to inspection by the public would not include a driver's license or identification card number; only the State or other issuing jurisdiction holds that information. The public body would be required to keep a second record without the identifying information—the driver's license or identification card number for enforcement purposes. This record would not be available for public inspection. This amendment is not meant to undermine the bill but to ensure that workers are protected.

SENATOR LEE:

I see another possible way to avoid the Nevada automobile registration requirement: everybody shows up at a designated location and uses one truck to get to the job site. This provision will not work in the way it is designed to work. I hope we are not reaching too far into everyone's lives and have to try to determine where people park their cars before they come to the job site. There will be a lot of games played on this issue.

SENATOR BROWER:

Did Legislative Counsel Bureau (LCB) draft this?

SENATOR KIECKHEFER:

This was drafted by the LCB.

SENATOR MANENDO:

The 50 percent requirement to hire Nevada residents should be a higher percentage. Other states do have higher percentages. So should Nevada. I suggest 75 percent to 90 percent if we are serious about putting Nevadans back to work.

SENATOR BROWER:

I have an amendment to offer. I suggest that we formally put this into a work session for another day's agenda when we can have all of the documents and amendments before the Committee. Given the laudable goal of this bill, we should get A.B. 144 out of Committee with a deliberate and thoughtful process. We are not ready as a Committee to vote at this time.

CHAIR KIHUEN:

For the record, since this bill was last considered by this Committee, there has been plenty of time to submit amendments. Because of concerns again raised



today about the bill, we will hold it until our March 9 work session. Any proposed amendments should be brought forward in writing before that meeting.

SENATOR KIECKHEFER:

I ask staff to study the concerns that Public Works Director Gus Nunez raised on February 25 regarding the advisability of using the term "liquidated damages" versus the term "penalty" and offer a legal opinion.

CHAIR KIHUEN:

We will have Counsel and Research Division staff work on that. We will now close the work session and open the floor for public comment.

JACK MALLORY (International Union of Painters and Allied Trades, District Council 15):

At the February 25 meeting, I was disturbed by some of the opinions voiced by the opposition to A.B. 144. I want to set the record straight regarding the ethnicity of my organization.

In southern Nevada, I represent three local unions, Painters Local 159, Floor Layers Local 1512 and Glazers Local 2001. Combined, the three locals have 2,296 total members. Of those numbers, 47.21 percent are Caucasian, 4.57 percent are African-American, 1.44 percent are Asian or Pacific Islander, nine-tenths of 1 percent are Native American and 46.69 percent are Hispanic. Our total minority percentage between the three locals is 52.79 percent. Our total women's percentage is 3.09 percent.

And I'll be perfectly honest with you, there are some of these numbers that I'm not proud of. But where we're making changes within the demographics of our organization is through apprenticeship. Our total minority percentage for floor coverers apprentice is 82.35 percent. Glazer apprentice is still lacking, but part of that is because of graduations. We've had a number of individuals graduate in the last couple of years that are of minority status. Their total minority percentage is 37.4 percent. Industrial coatings workers, which typically work year-round, 43.42 percent minority; painter's apprentices 52.71 percent minority; taper apprentice 79.41 percent minority.

We do extensive amounts of outreach into underprivileged and underserved areas of our community in southern Nevada. We've partnered with numerous programs, including Build Nevada, with the intent of serving those communities within the greater Las Vegas area and giving everybody a fair opportunity. Our members know who we are. We see their children come and apply. But there are numbers of individuals that don't come to us to apply, so we go to them. I just did want to get this information on the record for the Committee's benefit and to try and dispel a couple of rumors that possibly the building trades are an old white man's club. Thank you.

CHAIR KIHUEN:

The meeting is adjourned at 2:43 p.m.

RESPECTFULLY SUBMITTED:

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Leslie Sexton,  
Committee Secretary

APPROVED BY:

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Senator Ruben J. Kihuen, Chair

DATE: \_\_\_\_\_

<b><u>EXHIBITS</u></b>			
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	Ky Good	C4CUBE Economic Growth and Employment
	D	Daphne DeLeon	Nevada's Broadband Initiative
	E	Daphne DeLeon	"Nevada Broadband: Preliminary Overview of Broadband Infrastructure & Adoption in Nevada"
	F	Daphne DeLeon	Nevada Broadband Task Force
	G	Daphne DeLeon	Nevada Broadband Task Force Accomplishments
	H	Daphne DeLeon	Connect Nevada Programs
	I	J. Brent Legg	Connect Nevada Unserved Map
	J	J. Brent Legg	Connect Nevada Report Fact Sheet
	K	Daphne DeLeon	ARRA Awards
	L	Alfredo Alonso	"Large-scale Solar Industry: Economic and Fiscal Impact Analysis"
	M	Alfredo Alonso	Large-scale Solar Industry Executive Summary
	N	Rose McKinney-James	Presentation to Committee
A.B. 144	O	Kelly Gregory	A.B. 144 Legislative Counsel's Digest
A.B. 144	P	Senator Kieckhefer	Conceptual Proposed Amendment to A.B. 144