

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

**Seventy-Seventh Session
March 20, 2013**

The Committee on Government Affairs was called to order by Vice Chairwoman Dina Neal at 8:08 a.m. on Wednesday, March 20, 2013, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at nelis.leg.state.nv.us/77th2013. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (email: publications@lcb.state.nv.us; telephone: 775-684-6835).

COMMITTEE MEMBERS PRESENT:

Assemblywoman Dina Neal, Vice Chairwoman
Assemblyman Elliot T. Anderson
Assemblywoman Irene Bustamante Adams
Assemblyman Skip Daly
Assemblyman John Ellison
Assemblyman James W. Healey
Assemblyman Pete Livermore
Assemblyman Harvey J. Munford
Assemblyman James Oscarson
Assemblywoman Peggy Pierce
Assemblyman Lynn D. Stewart
Assemblywoman Heidi Swank
Assemblywoman Melissa Woodbury

COMMITTEE MEMBERS ABSENT:

Assemblywoman Teresa Benitez-Thompson, Chairwoman (excused)

GUEST LEGISLATORS PRESENT:

Assemblywoman Maggie Carlton, Clark County Assembly District No. 14

Minutes ID: 567



STAFF MEMBERS PRESENT:

Jennifer Ruedy, Committee Policy Analyst
Jim Penrose, Committee Counsel
John Budden, Committee Secretary
Cheryl Williams, Committee Assistant

OTHERS PRESENT:

Jack Mallory, representing Southern Nevada Building and Construction Trades Council, AFL-CIO
Danny Thompson, representing Nevada State AFL-CIO
Patrick Sanderson, representing Laborers' International Union Local 872/AFL-CIO
Robert Conway, representing Ironworkers Local 433/AFL-CIO
Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO
Janine Hansen, representing Nevada Families for Freedom, State Affiliate of National Eagle Forum
Darren Enns, representing Southern Nevada Building and Construction Trades Council, AFL-CIO
Fred Reeder, Private Citizen, Sparks, Nevada
William Wellman, representing Las Vegas Paving Corporation
Yolanda Jones, Manager of Purchasing and Contracts, City of Las Vegas
Ray Bacon, representing Nevada Manufacturers Association
Mike Torvinen, Deputy Director, State Public Works Division, Department of Administration
Mark Davis, Chief of Planning and Development, Division of State Parks, Department of Conservation and Natural Resources
Chris Ferrari, representing Associated General Contractors
Frank Hawkins, Private Citizen, Las Vegas, Nevada; and President, NAACP-Las Vegas
Bruce Breslow, Director, Department of Business and Industry
Mendy Elliot, Private Citizen, Reno, Nevada
Richard Boulware, Vice Chairman, Nevada Commission on Minority Affairs, Department of Business and Industry
Edward C. Vento, Chairman, Nevada Commission on Minority Affairs, Department of Business and Industry
Wendell P. Williams, Private Citizen, Las Vegas, Nevada
Everett Louis Overstreet, Private Citizen, Las Vegas, Nevada
Garrett LeDuff, Private Citizen, Las Vegas, Nevada
Leonard Hamilton, Project Director, Minority Business Development Agency, Las Vegas

Ernest M. Fountain, President, Black Business Council, Las Vegas

Vice Chairwoman Neal:

[Roll was taken and housekeeping matters were explained.] We are going to hear two bills today. The first bill is Assembly Bill 247 presented by Assemblywoman Carlton.

Assembly Bill 247: Enacts the Nevada Buy American Act. (BDR 28-190)

Assemblywoman Maggie Carlton, Clark County Assembly District No. 14:

I am here today to discuss and present to you Assembly Bill 247, which I affectionately call the "Buy American Bill." This is probably one of the most self-explanatory bills that I have ever had the privilege to work on. When we think and talk about "buy American," I would like to start back to the beginning of our session when you all received your session pins. Over the last decade, every pin that has been distributed to you was made in China, and that bothered some of us for a number of years, but we were not sure what our options were. In working with Leadership on the Senate side this last session, and the Minority Leader here in the Assembly, we made the decision to see if we could get a pin made either in America or here in Nevada. We were lucky enough that we found a place to get the pins. They were actually made in Dayton, Nevada. Then came the discussion of the cost. It was a shock, we will admit, when we compared the cost to prior sessions. We all thought about it and went back and negotiated with the vendor. We decided that if we truly wanted to keep our business in Nevada, then it was time for us to put our money where our mouth was and get the pins that were actually made here in the state of Nevada. I just wanted to share that discussion with you because, as we move through this bill, I think you can keep that in the back of your mind as we discuss how we are going to approach not just buying here in the state of Nevada, but buying in the United States, and how important we feel it is to support American workers.

In the interest of full disclosure, this is a piece of model legislation. As president of the National Labor Caucus for these two years, representing over 800 labor elected officials across the country, this was a piece of legislation that we thought was important. It was drafted by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO). It is part of their model legislation packet, but you will also notice in the bill the word "union" is not there at all. This is really about buying from American companies and supporting American workers.

A number of concerns have come to me over the last couple of days, and I have just pointed everyone to section 4 with the exemptions and the waiver. If there

were more than a 25 percent cost increase—if you hear that nuts and bolts cost twice as much here in the United States as they do out of China—that is a 50 percent increase. It is beyond the 25 percent increase so it would not apply. You also see that there will be a process established here within the state, through our regulatory process and through open workshops and discussions with the industry, on how we can deal with a product that is not available or is not in sufficient supply.

I believe we have addressed a number of the concerns that could be brought along with this bill. We do not want to set up a process in which people cannot do it; we just want to incentivize and inspire those folks who are doing these projects here in the state to buy American products from American companies.

There is also a penalty in the back of the bill and some folks were concerned about that. I believe that if you do not comply, if you break the rules, then there should be a provision for that. Therefore, if you mislabel something as manufactured in the United States and it is not, there should be a penalty involved in that. That would just be like not bidding; you could be tossed out of the bid process.

Madam Vice Chairwoman, I am not sure if you want me to walk folks through the bill. As I said, it is quite self-explanatory. It is not that long. I do not want to take up more of your valuable time. I know that there are a number of people who want to testify on this. I will be more than happy to attempt to answer any questions that you and your Committee have for me.

Assemblyman Elliot Anderson:

Thank you, Assemblywoman Carlton, for bringing this bill forward. I am happy to be a cosponsor. I have a couple of technical questions that I want to ask. There is language in a couple sections about the requirements being inconsistent with the public interest. What would be consistent with the public interest? What would be inconsistent? I also have a question about the penalty. Did you consider putting in a knowledge requirement? For instance, if a person knew that the steel product was not manufactured in the United States and they intentionally put it on there, they would be in violation. Someone in good faith might assume it is manufactured here. Maybe a knowledge requirement might tighten that up a little bit.

Assemblywoman Carlton:

Thank you for the question, Assemblyman Anderson. If you look on line 35 of page 5, right above the "Made in America," is "intentionally affixed." I believe these two would address your concerns. If there is a little more that we would need to do, I would be happy to have that conversation with you. As far as

being inconsistent with the public interest, I guess that is truly in the eye of the beholder when you build in all the other provisions of the 25 percent and the availability of the waivers. When you get into the regulatory process and the workshops, I believe we could address what is truly in the public interest. I do not think you would want to define it too narrowly. I think you would want to be able to allow the folks who understand these bidding processes and how this work will be done to evaluate the project as a whole.

Assemblyman Elliot Anderson:

I guess the language I was thinking of for the penalty was keeping "intentionally" and then somehow putting in "knowing," or "should have known," that the product was not manufactured here. Because, let us say that I really believe in good faith that a product was made in America, and I put that sticker on there—that satisfies "intentionally." Someone might really believe it was made in America and is not trying to skirt the law. I know with a lot of penalties in criminal law, you have to have knowledge before you can be found guilty, so it is just a suggestion to tighten it up a little bit. I am not sure what you think about it, but we can just talk about it, maybe with someone who understands criminal law better than I do.

Assemblywoman Carlton:

I have never been on a judiciary committee. I am not a lawyer. I do not want to be a lawyer. Perhaps a lawyer would like to address this to tighten it up a little bit more. I believe the intention behind this was if somebody slaps a sticker on it to skirt the intent of this law, then ding, they are done. I thought the intention was good, but if we need to put a little more in there to really send the message, then I support the Committee's judgment on however they would like to address that particular issue. We would not want to unintentionally grab someone.

Assemblyman Stewart:

Thank you for bringing this up. I am very supportive of buying products in America. I have never owned a Honda or a BMW; one, out of principle, and the other probably out of financial means.

Assemblywoman Carlton:

I can relate, Assemblyman Stewart.

Assemblyman Stewart:

Thank you. In the process of making a product, if one part of the process is a product made outside of the United States, for example, and if they shipped it to Mexico for a period to perform part of the production process, would you

take that into account? Would that still be considered made in America, if most of it was done in the United States?

Assemblywoman Carlton:

I believe what you are addressing is the manufacturing. The actual definition of "manufactured" in the United States is under section 3, subsection 1. We get into different metallurgical processes. If that is what you are addressing, that is delineated in the bill.

If you are going to get into fabrication, I am going to need to call one of my guys up to talk about fabrication, because nobody lets me get near a blowtorch or a welder. They are afraid I will hurt myself or someone else. I think you would want someone who truly understands to get into that and discuss how the processes have been done in the past. I believe we have addressed that in that section.

Assemblyman Livermore:

I also cosponsored the bill because I believe in made in America. I just wanted to get that on the record. One of the things I want to clarify in the bill is the waiver. How would that happen on a bid process? Would it happen before the bid is assembled, or does it happen once the bid is awarded?

Assemblywoman Carlton:

I believe in our regulatory process and we could set up an efficient waiver process through the different workshops we could do. I believe it could be done at the beginning and continue through the process. If you did put in a bid on a project and you ran across a smaller item or a particular part that you could not get, I believe we could put in a very efficient waiver process to allow you to submit the documentation on that and be able to move forward.

An example was brought to me yesterday afternoon that there is a certain component in stoplights that is not available in the United States. If you are a road contractor and you know that you are going to be putting stoplights in, you know that a certain component does not exist here in the United States. You could take that into consideration and put it into the bid process at the beginning, because as it is your livelihood you would know it is not available. However, if you encountered an unavailable component later on, I believe we could set up a process, as is being done in other states. We are out in front, but not on the cutting edge on this, so I do believe there will be examples and other models to follow to make sure that we do not have too many change orders, and we do not delay the process, but yet, we have accountability and transparency on the cost of the products and whether they are available or not. A lot of this can be done electronically, from what has been shared with me.

Assemblyman Livermore:

Would the waiver be to the agency presenting the bid? Who would the waiver go to? That is what I am confused about. How does the waiver work?

Assemblywoman Carlton:

If it was a public works project and they were putting it out to bid, we would put it through the appropriate process. There is a bidding process set up, and I do not want to get out in front of my skis on this because I am not as well-versed on the bidding process as a number of other people behind me are, so I think those are probably some of the questions they could help answer. My goal was just to make it as transparent and as efficient as possible so that we get the correct products at the correct price and support American companies and American workers.

Vice Chairwoman Neal:

What we are going to do is take our last two questions from the Committee and then move into support.

Assemblywoman Bustamante Adams:

Assemblywoman Carlton, can you expand a little bit about what you mentioned in your last statement about this being model legislation? Are there other states having a discussion this year about implementing this in their states?

Assemblywoman Carlton:

Yes, there are. I had a conversation with some colleagues in different states, and I believe this has been introduced in about five other states. That may have changed. That conversation was a good couple of weeks ago, on a conference call of labor legislators. The Nevada bill is not verbatim from the model legislation, because Nevada is a little bit different. We do not have the manufacturing in our state. Section 2 basically states that when taxpayer dollars are used to support American businesses, that money stays here in America. It goes to American workers, and hopefully, those American workers will either come to Las Vegas or Lake Tahoe for a nice long weekend, using that money, and it will make a full circle right back to Nevada. I hope that answers your question. If you need more details, I would be happy to go back and check with my other colleagues in other states to see where they are.

Assemblyman Daly:

I also signed on to this bill, but I do have some concerns that I will express. You know my background. I do support buying American. Two years ago, when I was first elected, I was trying to buy American-made suits. I had difficulty, but I found some.

When I read the bill, the 25 percent or more requirement was not clear to me that it only applied to the individual components. To me, it could be construed to apply to the entire job. If bolts are twice as much, too bad. Buy them because it is not more than 25 percent of a \$20 million job, which is \$5 million dollars. I think that needs to be clearer. We can run into problems, as much as we try, as you will hear from some of the other contractors as well.

If there is only one source, then you are going against some bid specifications that are already in the law that say you cannot have a sole-source contract. There are some things that need to be cleared up. I was just reading this morning about the good intentions, et cetera, regarding regulations on low-income housing. If you are a contractor, there are rules for low-income housing that you have to try to hire low-income people. Whether or not they have the skills is irrelevant; whether they do that or not is irrelevant. So we have this contention to try to hire people to build low-income housing that are low-income people, and no real way to do it. That is why, with the regulations you talk about, the devil is in the details. What is really there? How is it going to be done? Is it job item by job item? I think we need more definition on what a manufactured item is, and how far down we want to go. Just like on prevailing wage, we cannot say prevailing wage applies to the people who made the nail just because it can be used at the work site. So I think some definition needs to be added in there as well.

I will stop there. I just have concerns. I do want to buy American, and I understand this, but we can create more problems than we are going to fix if we do not get the regulation right.

Assemblywoman Carlton:

I apologize if I was not available when you wanted to share those concerns with me prior to the hearing today. On the 25 percent, I do not read it that way, but I believe we could either have Legal or staff look at it. I believe the sole source could be part of the regulation because we do not want to give someone an unfair advantage. No one would ever want to do that. If we have state law that addresses that now, I believe that state law would be incorporated in whatever process that we would use to move forward. As in most things with the regulatory process, you are correct that the devil is in the details. Despite actually having a life when we are outside of the legislative process, I have been known to be a dog with a bone when it comes to the regulations that apply to legislation that I put my name on. People are barely surprised when I show up at regular workshop hearings on things like that. I take this bill quite seriously. I believe we can do the right thing for Nevada, and the right thing for the country, and do it correctly. We are not the feds—we are Nevadans—and I believe we can do it better than they have in the past.

Assemblyman Daly:

I meant no disrespect by having this come up at the hearing today. Everyone reads their bills when they get a chance. I know I talked to you yesterday, but I was not thinking about that. I apologize for not having that discussion earlier, but I meant no disrespect. I do support the concept, but the details really need to be worked out.

Vice Chairwoman Neal:

We will now move on to support for A.B. 247. I am going to ask people who signed in as in support of this bill to fill all three chairs. Whoever would like to go first, you may begin.

Jack Mallory, representing Southern Nevada Building and Construction Trades Council:

We are in full support of this legislation. We believe it could actually be more expansive than what Assemblyman Carlton has introduced, but we think that it is a good place to start. In doing research for support of this bill, I came across an article that I read a couple years ago. It was an American Broadcasting Company (ABC) report from October of 2011 about a homebuilder who was previously an economist. He decided that he was going to take on the task of trying to build a house in Bozeman, Montana, that was sourced 100 percent with U.S. manufactured products. He was successful in doing so. Granted, there were some products involved in that construction that cost more. For example, a box of nails that was U.S. sourced cost \$5 more than a box of nails that was made in China. A bundle of steel was \$146 more. However, what he found through the development process of this home that he built, was that the overall cost of building this home was 1-2 percent higher than what it would have been using foreign sourced materials. So, it is something that can be done.

In this article, at the time of the report, there were 120 building products that were being manufactured in 33 different states. They actually had a link to a website, and I would be happy to provide that to the Committee, that showed where all of these things are manufactured—everywhere from California to Wisconsin, Indiana, Montana, Idaho and Utah. These products are out there and they are available. There is a sheetrock plant near the corner of Highway 159 and Highway 160 right outside of Las Vegas, just above Mountain's Edge. These things are available in the United States.

Looking at another perspective, Element Electronics decided they wanted to bring jobs back to the United States, and to do so in a competitive manner. They are building flat screen televisions at a plant in Detroit, Michigan. They put 100 people to work. It is a small operation, but they have the ability

to grow. What they are doing is assembling high-definition televisions at a competitive cost within the United States. These things are possible if there is emphasis placed on it. That is why we support this bill, and why we think that it is important that you, as legislators, adopt these types of provisions. I would be happy to answer any questions.

Danny Thompson, representing Nevada State AFL-CIO:

A long, long time ago, I was a steel worker. In fact, I was president of the United Steel Workers Union, and I was working on a job where we were welding six-inch pipe. Six-inch pipe is probably about a quarter-inch thick. We ran out of flanges, which are needed to bolt the pipe together. A box of these things came and we started welding them to the pipe. Welding is kind of a boring job because, once you start, it is kind of like sewing or something. So I am going along there, and the metal just disappeared. A piece of metal literally fell out of the flange. I raised my hood up, I looked around, and other people were going like, "What? What is this stuff?" Well, we went to the box, and it was made in China. I had never seen, prior to that, a flange, or any pieces like that from China. In fact, it was at a chemical plant and chemicals were running through those pipes. With all the stuff that was put in there, I oftentimes wondered what kinds of things people were exposed to as a result of potential failure.

We support this bill. The steel industry has long been, or used to be, one of the mainstays for our economy in America, and we think this is good for America. It is good for Nevada, and I think it is the right thing to do.

Assemblyman Daly:

Thank you for your comments Mr. Thompson. Is part of the labor platform going to get us to bring a resolution? Because all we could do to Congress is beg them, right? Tell them to fix some of the loopholes and problems and explain why it is profitable for companies to move jobs and manufacturing overseas where it is done without the work standards that we have, without the safety standards that we have, without the environmental standards that we have. That is the problem. This is going to be good to try to do, and to the extent that we can, get the details worked out so that it is not so onerous that it cannot be done. Are we going to have a resolution like that coming from the labor caucus? I hope so.

Danny Thompson:

I recall doing a rally one time where we were complaining just when all of the goods started to flood in from the Chinese market. We had a Chinese dissident who had escaped China. We were in front of a store in Las Vegas where he

went into that store and picked out a pair of binoculars that he made while he was in prison. The whole idea was that American workers cannot compete with that. You cannot compete with countries where they have no child labor laws, where they have no safety or environmental laws, and where they have no rules of work.

I think that would be a great idea, because American workers are truly at a disadvantage when we are sending raw material to China, products are coming back, and people are buying them not knowing who is making them or how they are made. I think that is a good idea and I support that.

Patrick Sanderson, representing Laborers' International Union Local 872/AFL-CIO

I would just like to say that I am proud to push this bill toward a commonsense ending. There are a lot of things that have to be worked out. I have a lot of contractor friends behind me who are going to tell you how it is, and that it is a good idea. However, as soon as I leave here, I am going over to Prison Industries to try to keep them from building things where our contractors cannot compete. It is a give-and-take. I have always bought Made in America, but it is getting harder. This is a very good first step. My parents assured me that I was made in America so I have always tried to do this. I hope we move this forward, and if we have any discussions, we can work it out in the subcommittee.

Robert Conway, representing Ironworkers Local 433/AFL-CIO:

We strongly support this bill. Union ironworkers have been building America here since the late 1800s. The more we can do about trying to make sure all the material comes from America the better. As Mr. Sanderson just pointed out, we are having a pretty hard time just keeping the prison industries under control in regard to doing our work. It was China; now it is the prison down the street. Any help in this regard would be greatly appreciated. Again, we support this bill. Thank you.

Paul McKenzie, representing Building and Construction Trades Council of Northern Nevada, AFL-CIO:

We are also in favor of this legislation. Most of you have been around long enough to witness the decline of the United States economy. That economy has declined because we import instead of export. This is a little piece of the master puzzle to reverse that decline of our economy. Nevada's economy is not going to recover until the rest of the country's economy recovers, as long as we continue to depend on gaming to support our state. To help other states to create their manufacturing base again, or broaden their manufacturing base again, this may cost us a little bit on the front end, but it is something that is

going to eventually help us recover our economy under this gaming-based budget that we have.

I think those representatives from Washoe County who represent workers and people from Washoe County can see this pretty clearly, as we had a manufacturing plant in northern Washoe County that actually closed because of the importation of materials from China. The gypsum plant in Fallon manufactured wallboard and they were actually put out of business because of Chinese importation of sheetrock. So this is closer to home for us than we realize. I think it is an important piece of legislation to help us try to recover the economy in this country. I would be happy to answer any questions.

Vice Chairwoman Neal:

Does the Committee have any questions for Mr. McKenzie? Seeing none, I am going to move to Las Vegas for testimony in support of A.B. 247. [There was no one.] Is there any further testimony in Carson City in support?

Janine Hansen, representing Nevada Families for Freedom, State Affiliate of National Eagle Forum:

I am the state president of the Nevada National Eagle Forum, which has long supported this concept and I would like to support it today. I understand there may be some details that need to be worked out. I especially appreciated Assemblyman Daly's comments, because when we look at the problem that has developed in America, we know it developed by promotion of fair trade through North American Free Trade Agreement, General Agent on Tariffs and Trade, World Trade Organization and other trade agreements. Most recently in the agreement with South Korea, we lost \$1.2 billion, as well as hundreds of thousands of jobs.

I think it is important to realize that we should have fair trade when we trade with other nations. What has happened as a result of our national policy is that many important jobs in America have been shipped overseas, even to countries where they engage slave labor. It is very important that we place an emphasis on jobs here at home. That will not happen until we recognize how important it is to support industries at home, as this particular piece of legislation tries to do.

I think it is very difficult to buy American. Any time you go to the store you can see that is the case. That is because these jobs and the manufacturing have all been outsourced to other nations. It is good that Nevada is trying to address this, but the real problem is with the policies our nation has in terms of so-called "free trade" which put Americans at a disadvantage and ship our jobs overseas.

During World War II, in 1944, our manufacturing base was able to produce a warplane every five minutes, 150 tons of steel every hour, and eight aircraft carriers in a month. America is not even in a position to defend itself with our own manufacturing base anymore because it has been shipped overseas. We do not have the parts or the necessary equipment to do this. This puts us in jeopardy not only in our jobs, but it also hurts our families who suffer because of a loss of jobs.

I particularly like the statement on page 7, lines 4 through 7, which says, "The economy and general welfare of this State and its residents and of the United States are inseparably linked to the preservation and development of manufacturing industries in this State, as well as the other states of this nation."

Nevada needs to step up to the plate and recognize that we have been put at a disadvantage in our jobs by the policies of the federal government, which have continually outsourced our manufacturing. We certainly support the concept with the understanding that there may be some details that need to be worked out. We would appreciate your supporting this. Thank you.

Vice Chairwoman Neal:

Are there any questions? [There were none.] Are there any other members of the audience who are here in support of A.B. 247?

Darren Enns, representing Southern Nevada Building and Construction Trades Council, AFL-CIO:

I had not intended to speak, but something came to mind that I felt worthwhile to say. I have been reading that there is a trend in the United States and this trend is predicted to grow and become stronger. That trend is that more and more manufacturing is happening in the United States. This is very new, but we are starting to see that this trend really is starting to grab hold. I think there were a couple of mentions made of flat screen televisions, for example, as well as solar panels and the like. I believe that this trend will continue to grow, and I think a lot of economists say that will happen as a result of rising fuel prices. It is getting more and more expensive to ship things from overseas to the United States. For Nevada, I think this bill would complement that trend and it would put us in a position to be able to maybe get some of those manufacturing jobs here in Nevada. For that reason, we are in full support of this bill.

Vice Chairwoman Neal:

Thank you for your testimony. Are there any questions for Mr. Enns? Seeing none, we are going to shift to opposition of A.B. 247. If you are in opposition in Carson City, please come to the table.

Fred Reeder, Private Citizen, Reno, Nevada:

I would like to compliment the drafters of this bill. It sounds good on the outside. I do not want to come off as an un-American guy, but I have had to live, and I have had to perform these projects, so I hope I can bring a different perspective from the people who have talked about the great deal this Buy American Act is.

I have done a number of these projects. The Buy American Act does nothing but bring delays and extra costs to our projects. The public agencies we deal with have limited funds these days, and they have a big challenge ahead of them.

I sit on the State Public Works Board. We had over \$800 million worth of jobs come in front of us and I know there is only about \$80 million that is going to be done. It only makes sense. We have three components to a project: labor, equipment, and materials. If you drive up the material cost, something has got to give; we have got to cut labor and equipment, then your project goes from this big to this big. You lose the size of your projects. I cannot see it being good. Just some of the testimony I have heard before, the statement has been made of the exceptions that can be made if we find we cannot get a project to where it is 25 percent. That sounds great, but realistically, when you are working in the bid environment in a small office—I have myself and another guy that helps me with my estimating—you have a two- to three-week bid period, and I might have three bids in that time. If I am appealing one item, or going through the things, I usually have three to four days to get a bid put together and out the door. I just do not have time to take that chance of bidding work that I know could possibly be rejected.

I am going to bring an example of a project I did for the military. I was working a job at the Mountain Warfare Training Center outside of Bridgeport. Part of my job was to remove a motor on a pump and replace it in kind. It was specified as a GE pump I was supposed to install in kind. I got pricing for the GE pump when I bid it, and, when I went to put it together, I got the submittal back and it said it was assembled in Canada. After a three-month delay, threats of liquidated damages because I could not get that item installed, a letter-writing campaign with the Naval Facilities Engineering Command in Long Beach, California, I finally got it accepted and we installed the GE pump, but not without delays and extra cost to the project.

We live in a global world. I look around this room and I see laptops, electronics, televisions—everything is imported. We just cannot get the materials in a timely manner and we are raising the costs. If I tell you, "Okay, all you guys can supply me in material for this job," but then I protect only two people, and I say,

"Only these two people are going to be eligible," what do you think those two people are going to do to the price of the project? They are going to increase the cost. If you are the only bidder, you are going to raise your cost. It is just the nature of the beast.

I applaud you, but I think we have some false logic and thinking going on here, and I cannot see how it is going to help us.

Vice Chairwoman Neal:

Does the Committee have any questions? I have one question. In regard to section 4, subsection 2, I understand the argument that you are making about the cost. However, could you speak to this section which allows a waiver if the product or good is not sufficient, or reasonably available in the quantities, or of satisfactory quality? How do you feel about that section of the bill?

Fred Reeder:

Yes, you can allow it, but there are many parts. I do horizontal construction, so I am not going to be affected as much as a vertical builder. A lot of our products are concrete, sand, gravel, asphalt, and things like that. But we do have a lot of products that you just cannot get. Do you know where manhole lids come from? India. Castings, any of your valve boxes, a lot of things are not manufactured in the United States. Yes, we can get exceptions, but I also run that risk of a very difficult administrator for the contract saying, "No, you can get that." And yes, there are places I can get manhole castings. I can get them out of Birmingham, Alabama. Unfortunately, that plant shuts down for three months a year while it is retooling every year. Sometimes, I cannot get them, and they really do not care about the four manhole lids that I need for this project in Nevada. They are not going to jump through hoops for me for that, so I am going to be at a disadvantage on every job. It is going to be very difficult to bid a job. We are going to have to spend a lot more time acquiring materials, and I think the public agencies are going to have to spend a lot more time making sure I am in compliance. As I see it, we are going to lose jobs because we are going to be doing less work with our dollars.

Assemblyman Daly:

I just want to touch on that a little bit more. Some of my experience, and what I have seen as well, is that we have good intentions. We put the words in law, we provide the waiver, but then there is a bureaucrat, a guy with his turf to protect behind that. And you just touched on that. He is going to say, "Nope. You cannot do it. You can get this, and you will get this. I do not really care about your problem, and if you do not get it done in the allotted days, here is your liquidated damages bill, as well."

I know we have other programs. The very thing I was talking about this morning, and the federal regulations I was reading about lower income people. I know we have affirmative action and other programs we try to meet. Has your experience been that there is any leeway on that? They say they are not quotas. They say that they are goals. You want to try to meet this, there is a waiver, but really there is not. Can you give me some of your experiences on that? You have got to meet it. If you do not, you are off the job, or you are not going to get the job.

Fred Reeder:

Exactly. We have done many jobs where you have quotas and goals, and you always have that out of good faith testimony, or a good faith effort to solicit those goals. Define that? Is it good enough? It is never good enough? Is it really good enough? You do not know, so you always run that risk of being booted or penalized once you get on the job and you cannot meet those goals. You always have an administrator who is interpreting that. It is a difficult hoop to jump through. If you do not meet those goals, you probably will not get the job.

Assemblyman Daly:

The next thing I am going to bring up is a touchy subject. You can have an inspector who has a relationship with the particular supplier. Have you ever experienced those particular issues where they are saying, "You can meet it. Go to this guy?" I have seen it, and I am just curious if you have experienced it.

Fred Reeder:

Well, you get those that will disallow that supplier. They may be friends with supplier A, and supplier B is disallowed because it just does not quite meet specifications in their judgment. Exactly, Assemblyman Daly.

Assemblyman Stewart:

In your experience, is the waiver process going to be a big delay? Is it going to cost you time and money?

Fred Reeder:

What scares me about the waiver process is the risk. You go into the bid, and at bid time I cannot find manhole castings, or an electronic thermostat, or something like that which is made in America. What happens is when I get involved in the job and I have two weeks to put my bid together, and the contract administrator is digging, and digging, and digging, and he finally finds one from an obscure little plant in Ohio, and it is three times the cost. I am going to have to buy it.

Assemblyman Stewart:

Sometimes you order a product or a piece from an American company and you find out, like the example you gave before, that it was actually made somewhere else, and then that causes another series of problems for you.

Fred Reeder:

I forget who raised the component question, but I did not get a clear understanding of your definition of what is an American-made product. If the components are completely foreign manufactured, and the material is made here, the final product is made in America, is that American made? I did not get an answer on that.

Assemblywoman Pierce:

It just seems that as we move forward with this kind of thing, do we not develop a body of knowledge? Does purchasing not develop a body of knowledge? Over a certain amount of time you are not starting from scratch every time. You have some information about what you can find made here and what you cannot.

Fred Reeder:

Yes, you may get to that point. You have now sole-sourced yourself to specific suppliers. I think you have cut out a lot of suppliers and you have limited competition. Limited competition always reflects into increased prices. It happens in the contracting world. If I have ten bidders, then next week I have three, I have got limited competition. I have got a better shot. I have a one-in-three chance of getting it instead of one-in-ten. So, what happens? Less competition, they have enough work, they raise their prices.

Assemblywoman Pierce:

I am not sure it is quite that simple, but anyway, I will not go down that road. Thank you.

Assemblyman Oscarson:

I appreciate the challenges these kinds of things present to contractors, small and big. I also appreciate the fact that we need to start supporting our own country by purchasing goods and items that are here. When you say sole source, and all those kinds of comments that I just heard, I think it would make that process easier because people would know what they need to have and how they need to have it. You would be on more parity when you are bidding projects with these different vendors that have the products, as opposed to less parity. It just would seem to me that it would be a much easier process than having to go all over the place. Also, people would know, like my colleague said, that those are the products they need to use, and then perhaps

it would incentivize the vendors locally, and within the United States, to provide those products that are made here in America. I think there is a whole gambit of things that this can support, and it would do well for us.

Please, do not mistake what I am saying. I appreciate the challenges, but I think the challenges are worth the benefit that it will provide for our country.

Fred Reeder:

I am not really following your logic. Our public agencies have limited funds. I have said that before. When you increase the cost of the material, they are going to have to get hit somewhere. Yes, it would be easier for me down the road when I only have a select couple of vendors to deal with, but when those select vendors are getting 100 percent of the work, they are going to increase the cost of their price. It is just the nature of the beast. I do that if I have plenty of work. Back in 2004 and 2005, we worked on a higher margin. Today, we do not work on a margin because there is less work to go around. I think that is going to happen to our vendors, too.

Assemblyman Oscarson:

Again, I appreciate that and I understand, but I think it puts everybody on more parity when you are bidding those projects and utilizing those services from people whom you know. It also gives them the opportunity to stock and have those products in place for you. Again, I recognize the challenges it poses, but I think there is a medium here that we can reach so that everybody can be satisfied. I would encourage you to share those concerns with the sponsor of the bill and see if you cannot come up with something. I have to tell you, unfortunately, I did not have an opportunity to sign on to this bill, but I certainly would have. I certainly do support it.

Vice Chairwoman Neal:

That was going to be my suggestion, as well. If you have something for Assemblywoman Carlton in terms of her ability to flex some of the language or concerns, you definitely should talk to her and see what she is open to. There might be an agreement you can work out. Do you totally just hate the entire bill, or do you just have problems with certain sections?

Fred Reeder:

I did not say I hate it. As a contractor, I do not know how much it is going to hurt me. Yes, with our projects, we will probably have one less employee per job. Yes, we are going to lose some jobs because our costs are going to increase. That is a known fact. I have seen it. I have lived it. I have breathed it. I heard a lot of laborers stand up here and I do not think any one of them ever had to bid a job, or build a job, or make the payroll for that job and

understand how the whole process goes together. I do. I started as an estimator in 1981 and I have been doing it since. I own my own company now. I have lived and breathed this business. As I see it, we are going to increase the costs, we are going to delay our projects, and in return our public agencies are going to have to limit their jobs. They do not have the advantage of a federal government that prints their own money; they have limited funds. Maybe that job will be saved because there is going to be an administrator on the other side, the public works side, who is going to have to keep up with the compliance end of this thing.

Vice Chairwoman Neal:

You sparked something in Assemblyman Ellison, so I am going to allow one quick question to you, and that will be the last question to you on this particular subject.

Assemblyman Ellison:

Assemblyman Oscarson is correct with what he had to say. How much do you think this would raise the cost of construction in your industry right now?

Fred Reeder:

That is a real hard number to put down. Maybe it is 1 or 2 percent, like I think one of the people from the AFL-CIO said. I cannot say. I know, for instance, an American-made manhole lid is more expensive, by about \$150 to \$175. However, my issue is the delay in finding it. If you look around this room, every one of you probably has a foreign-made laptop in front of you. This would also apply to state procurement, I understand. So, everybody is going to be hit hard. I mean, you have really got to think this one through. Go to a construction site, or walk around this building, and everything you touch, look at it. From carpet, to granite, to lumber, that is from Canada. We get a lot of products imported.

Assemblyman Ellison:

I think that is why this bill is so important, but we are going to have to tweak that. I am in the construction industry.

Fred Reeder:

I understand that.

Assemblyman Ellison:

Believe me, trying to get electrical distribution that is made in the United States is impossible; it does not exist. However, Mr. Oscarson and I met with a factory representative the other night that is moving some distribution back into the United States, and that is a good sign. That is what we have got to do. We have to reverse this trend; if not, the United States is going to cease

to exist. We have to put the American people back to work and it has got to start with industry.

After World War II we were the number one country in the world; now look. We have got to do something, and maybe it is like eating the elephant one bite at a time, but I think that is what we are going to have to do. I am in the same boat as you. I cannot get product that is made in the United States anymore, as far as electrical distribution. You cannot do it. Wire and conduit and stuff like that, sure, but as far as panels, switchgears, transformers—forget it. That does not happen. But the trend is moving back. That is why I was pretty proud of the company that says they are moving some of this stuff back to the United States. That is a good trend. We have to start somewhere, and I am hoping you will work with Assemblywoman Carlton to see if we can come up with some better ideas.

Vice Chairwoman Neal:

Thank you. That was great dialogue. Now we will move to our next person in opposition. Please state your name for the record.

William Wellman, representing Las Vegas Paving Corporation:

Boy, I would like to answer some of these questions here, if they can come back around. Anyway, although the intent of this bill is reasonable, and its components are worthy and merit consideration, the language, as drafted, would likely challenge the legitimate contractors in submitting proposals for any kind of public works projects, depending on the extent of the penalties of the bill and the product availability. All of those things potentially compromise the competitive bidding process, which I think is very, very important if you want to talk about putting people to work.

Buy American is not new to this industry at all, but 100 percent is. It is being challenged in this building in recent weeks with Assembly Bill 172 regarding bidder preference with the 25 percent of "Buy Nevada," if you will. I do not have any problem with it, but other contractors seem to have a big issue with that, and it is being discussed as we go along. When imposed on uniquely federally funded projects like American Recovery and Reinvestment Act (ARRA) projects, those were all Buy American projects, and they actually had exemptions as well. All electrical components, as Assemblyman Ellison said, are not available, and those themselves were exempted. I met with the Assemblyman briefly last night to talk about the bill, and we talked about pushing out the traffic signal stuff.

We are not opposed to the intent of this bill, but I think it is a baby-steps type of process to get it going and say, "Let us buy American." If it is steel, it is

steel. We see that a lot, and that is not as challenging as 100 percent of everything has to be and every widget or gadget that is a component of everything in any way, that is what is really very difficult for us to swallow, all of which is nothing more than compromising the competitive bidding process. The waiver application may sound reasonable and fair, but a legitimate contractor cannot guarantee where every component comes from; thus, this would set a stage for a multitude of claims, frivolous change orders, challenges, and undue delays that are not calculable as we go along. I think to answer that may be the waiver application process, and not to throw the public entities under the bus, but that is really something that probably should be done prior to the project being advertised for bid. They are going to know what components are in that project, or are required, and they can go out and see if those components are available. If they are sole source, then they can make that determination if that is what they want to do. That happens on occasion, but the reality of it is in a three- or four-week bidding process, we do not have the time to apply for a waiver. The time frames in this bill of 30 days to post and advertise, let everybody know that we want something like this and find out who has it, it just does not work. Then, if we go out and bid this particular project knowing that we cannot get it, and then we apply for the waiver after the fact, the competitive bidding process has just been compromised because of the legitimate contractor who did go look for the stuff and could not find it, and was not successful after following the rules. Then we find out what the penalty is. The only penalty that I have read in here, and maybe I am missing it, is if you put a sticker on it that says "Made in America"—then something happens. Other than that, there is no penalty.

Assemblyman Daly:

If I remember correctly, in this bill you are asking for a waiver that adds a 30-day period for public comment and such. I know what that will do to the whole bidding process. You will have people from all over the place saying to get this here, or there, or the other place.

I think the one problem that you pointed out, if you could comment on it, is if the contractor does everything he is supposed to do, and he says, "I am going to do A, B, and C." You go out, you find the American products, you put all that in your bid, and you are the high bidder. You are number four out of six bidders. The number one bidder says, "I tried. I went and did this." Then he is going to ask for waivers after the fact. I think if you do not do this right, you are going to have an incentive not to put the information in, and ask for waivers. Because if you put it in, you are not going to be competitive, and it does not matter if you did it or not, because you are not getting the job. Can you comment on that, as well as the 30-day comment period?

William Wellman:

That is exactly right. Again, if I bid on the project and meet the obligations, and I am the high bidder because I bought everything American-made, or found it all, and the contractor who was low did not, then how is he penalized if he is given the waiver? That is what I was talking about early on. That really compromises the competitive bidding process. Everybody has got to be on a level playing field, or should be.

The 30 days after the bid has the potential to delay the start of that project indefinitely, depending on how many waivers you have to have. Is it a waiver for one component? It is likely for many components. That is why I said that something like this waiver thing should probably be done prior to the project itself going out to bid. That is really what the feds have done with their ARRA projects. They decide to have 60 percent "Buy American," and all of the steel product is "Buy American." The electrical stuff is exempted. They are not going to worry about the waiver on that because they already know it is not available.

Vice Chairwoman Neal:

We are going to shift to Las Vegas and we are going to have Ms. Yolanda Jones come to the table, and then we are going to move into neutral. Ms. Jones, are you still down there in Las Vegas?

Yolanda Jones, Manager of Purchasing and Contracts, City of Las Vegas:

Yes, Madam Vice Chairwoman. Thank you for the opportunity to testify. I just want to clarify that we are opposing this bill not because we do not support "Buy American." We wholly support the concept. As you well know, our city council also supports the local Nevada businesses, but our concerns were many of those that were addressed by Mr. Wellman. One such concern was the waiver and the 30-day delay of the projects. Our suggestion was to have them submit the waiver at the time of bid.

In addition, with the experience that we have, we would suggest maybe having an affidavit from the contractor stating that they have researched those products and that they are made in America. Of course, administratively, it would be additional work for the agency. Inspections would also be difficult for us because we do not have the resources to really have an inspector all the time at a job to inspect those products that are being installed to ensure they are American made.

There are a lot of issues that need to be clarified. Also, our concern was having to advertise the results of the public input in a newspaper. Of course, that will add additional cost to the project, when we can easily post those

on our website. Our recommendation is, and we would like to work with Assemblywoman Carlton, to look at some of those amendments and make this bill more reasonable for both the agencies and the contractors. Thank you.

Vice Chairwoman Neal:

Thank you for your comments. I am glad that we had hashed out some of your issues before you came to the table. We will shift into neutral. Who is in neutral for A.B. 247?

Ray Bacon, representing Nevada Manufacturers Association:

Welcome to my world of confusion. Normally I tend to be very brief with my comments. However, this will be one of those rare occasions when I am going to be longer than my normal "three minutes and I am out of here," because this is a complex issue. First of all, psychologically, policy-wise, and things like that, this is exactly what the country needs. This is exactly what my sector needs. From a detailed standpoint, there are challenging issues in this bill. Mostly, they are challenging for the contractors—not necessarily for the manufacturers—but we are still going to wind up being involved in this issue. In many cases we had the same issue that was mentioned on the electrical boxes and things like that. Some of the components in some of the stuff we make absolutely do come from overseas someplace because they are no longer or, in some cases, were never made in this country. Especially when you get into the electronics area. Some electronic components have absolutely never been made in this country yet. They may have been developed in this country, but they were never made here.

This bill focuses on steel. Quite frankly, I wish it were broader than that. There are things that are actually made in the state of Nevada and should be included in the bill, for example, cement. I am not saying it would work in southern Nevada, but Nevada Cement takes it out of the ground, runs it through and makes it into cement. It goes to the contractors. That should be included in here. That is not only U.S.-made, that is Nevada-made. We should be getting those things. As for wallboard, U.S. Gypsum closed their plant in Empire because, basically, the housing market was down and they were in a situation where they had not been terribly competitive anyway. If we are still using U.S. Gypsum in this state when we have two other wallboard plants in the state, that is probably not a good idea. We should probably be using Nevada-made stuff as much as we possibly can.

There are other things; paint, for example. We have both Sherwin-Williams and PPG Industries making paint in this state. It would be wonderful to include them. So, I would like to see it expand. Now, let us put some numbers on the board, just so that everybody knows. The United States is still between

20 and 21 percent of global manufactured goods. We are 4 percent of the world's population and we are 20 to 21 percent of global output. That is a number that, generally speaking, does not come across, but you need to know that number so that you have perspective. We make our living off of being a world trader. There is good and bad with global trade, but generally speaking, for this country it has been incredibly good over a very long period of time.

The other comment that was made on the "by item" or "by the contract" and things like that, allow me to suggest a minor idea on that. If somebody is not going to be able to find an item, or does not feel that the item that they can find which is U.S. made is competitive, when their bid is submitted there is a list of items that are not going to be used as U.S. manufacturers. That solves that problem with the waivers right up front. If the contract is accepted, you do not have to monkey around with the waiver because it is already done. At least the public entity sees what they are dealing with: "Here is a list of 20 items that are not going to have a U.S. contact to them." They can either say, "No. We are going to pass on that because this guy has only got 12 that are not U.S. contact, and this bid has got 20," or whatever. But it is up front and you do not monkey around with a whole lot of paperwork or the delays that Mr. Daly was talking about. That may not be a perfect solution, but it is certainly a solution in the right direction.

Part of my job for the last five years has been helping people close their plants. I have helped people close about 80 manufacturing plants in this state. There were about 10,000 manufacturing jobs that were lost in this state. That is about 24.5 percent of the total manufacturing jobs in the state. We are second to construction. That is a huge number. We have stabilized. We are not coming back rapidly. There is some growth and there will be some people who escaped California and came from over there. This is not going to be easy to deal with.

Last month, the state of California lost 2,900 more manufacturing jobs. The issue of job creation in this country is still not easy in manufacturing. In many cases it is going to wind up being automation, and it is not going to be a huge number of jobs; it is going to be more highly skilled jobs. That still does not mean that this is not the right thing to do.

Just as a side note, most of you have seen the "Made in America" clips that have been on ABC News for the last 18 or 19 months. When they started off that was going to be a two-week clip and then the program was done. With the number of emails that they got from that thing, they cannot turn it off. It is going to be on every month until they run out of material, and they will not run out of material anytime soon. So, there is a strong tendency on that.

One of the other issues that this will get into is steel. One of the things that I will make a very strong suggestion for doing with this bill is putting a sunset clause in it. The nature of the business is going to change dramatically. I think the sunset should not be more than ten years; preferably less, but ten years is probably a reasonable number. Right now, the largest portion of construction steel comes out of reprocessed steel through the mini-mills which are local. Those plants are basically taking scrap metal, mostly used automobiles, used appliances and things like that, running them through the process to turn out rebar, or whatever level of construction steel that you need. The automobile selection of used steel is going to change as we start going toward more carbon fiber products, more aluminum, and things like that to get the fuel standards up, to get the mileage up. However, that is going to mean that the scrap steel supply starts to change. I think in ten years we will see a different picture. I have no clue what that is going to look like, but we should at least put a ticker on this thing that allows us go look again in ten years to make sure that we do not have something where we are dramatically escalating the cost of our construction projects because it is no longer realistic.

The other thing that you get into when you start talking about scrap steel that is going to go through the mini-mill in Salt Lake City, Utah, or wherever you find one, is in that steel batch, you might find a dozen Toyotas, a half-dozen Fords, a few Chevys, a couple Mercedes, and a BMW: is that U.S.-made, or not? I have no idea, and I do not think anybody else does either. We do not want to get into that level of detail. If it comes out of a U.S. manufacturing plant, we need to call it U.S.-made, or U.S.-assembled. The actual source of the raw material, in most cases, is going to be dramatically different. Right now, you can say very safely, and I will say as I have said many times, that China is being built on U.S. scrap iron. Those buildings in China that are going up at an awesome rate are being built out of U.S. scrap iron because our scrap metal is going over there for their mini-mills to build their construction. I think that covers the major points that I have, unless you have questions. Thank you.

Vice Chairwoman Neal:

I appreciate that you brought forth a lot of solutions. Those are definitely solutions that Assemblywoman Carlton needs to have the benefit of hearing. We need to move into our next bill. Are there any questions for Mr. Bacon clarifying any of the points that he made? Seeing none we will move on.

Mike Torvinen, Deputy Director, State Public Works Division, Department of Administration:

I am here to briefly summarize the comments of Gus Nuñez, the administrator for the State Public Works Division. Very briefly, he has had some experience with the ARRA projects, and he found that the requirement did increase cost,

and in his work in reviewing this bill and in working up estimates of potential fiscal impacts, contractors have told him that, at a minimum, it will increase the cost of their jobs by about 10 percent. For the currently considered capital improvement plan (CIP) projects, that could reach \$10 to \$20 million ([Exhibit C](#)).

I will provide a copy of Mr. Nuñez's prepared remarks to the secretary and I am open to any questions. [Mr. Nuñez's prepared remarks were not provided.]

Mark Davis, Chief of Planning and Development, Division of State Parks, Department of Conservation and Natural Resources:

We are here to testify on a neutral basis. I did actually communicate with Gus Nuñez and a number of my peers throughout the state to discuss what their experiences have been, and to add to my own. At the Division of State Parks, our concern is that basically our budgets are put together with bubblegum and shoelaces. We have a very limited budget and we are reaching the bottom of the barrel. We are carefully considering everything that we do just to make sure that we can make ends meet and take care of our emergency and critical projects. The effective date could possibly impact us negatively as it relates to those budgets, as some of those budgets are based on grants and things like that which are already in place.

Chris Ferrari, representing Associated General Contractors:

I had signed in as opposed to the bill as written, but I missed my time to come up. Our position is more one of neutrality, but I wanted to express a couple of concerns, and I think they were addressed by several of the members on the panel. We want to make sure that in the practical application of the bill, in terms of its rollout, our members are aware of how to communicate if there is some type of change. If they qualify on a job under the Buy American provision, and something comes up that cannot be purchased, obviously a 30-day delay, or anything of that nature, would stop people from working, delay a project, increase costs, et cetera. We met with the bill sponsor yesterday to express that concern and she discussed the regulatory process. Know that we are happy to work with her and see how that works. We also had a question. We were trying to understand who would promulgate those regulations. Will it be done on a case-by-case basis with each of the municipalities in the Public Works Division, Nevada Department of Transportation (NDOT), et cetera? Also, we want to make sure we understand the definition of the product in the bill to make sure that all things we declare as American are indeed American.

We just want to express our willingness to work with the bill sponsor, and thank her for bringing this forward.

Vice Chairwoman Neal:

Are there any questions for Mr. Ferrari? [There were none.]

Frank Hawkins, Private Citizen, Las Vegas, Nevada:

I am also a general contractor. I would like to pose some questions that maybe you can have answered during this process. The first one is, and I can appreciate Buy American, but I would ask the question: Why is it only limited to steel? Why is it not across the board? Second, I think in the bill it states that it will increase costs by 25 percent. That seems a little bit contrary to the lowest responsible responsive bidder that all agencies are applying now. I think the procurement agencies, either on the local level or the state level, should be required, and they should require, that their design professionals assist them, to know ahead of time, before it goes out to a prime or general contractor, and then he bids it to his subs to see if, in fact, they can buy that steel or cannot buy it.

Another thing you may want to look at is how does it apply? To use steel as the example, the more steel that you buy, the better price you get. If I am the largest steel buyer, I might get a 5 or 10 percent savings that my competitor may not get. I do not think the intent of the bill is to hurt competition, so I would ask you to look into that.

My next question is: is this going to apply to all vertical construction? Does it apply to all contracts in NRS Chapter 338?

We all want to look out for the general welfare of all Nevadans, and last but not least, I would hope that this also applies to the design-build, and to the construction manager at risk process.

Vice Chairwoman Neal:

Thank you for your comments. Are there any questions for Mr. Hawkins? Seeing none, we are going to close the hearing on A.B. 247.

We are going to take a short recess and then we are going to open the hearing for A.B. 270. I did want to mention that Chairwoman Benitez-Thompson is absent as she had an appointment today.

[The Committee recessed from 9:29 a.m. to 9:35 a.m. Assemblywoman Pierce assumed the Chair.]

Acting Chairwoman Pierce:

I am going to open the hearing on Assembly Bill 270. Assemblywoman Neal, you may begin.

Assembly Bill 270: Revises provisions governing minority affairs. (BDR 18-130)

Assemblywoman Dina Neal, Clark County District No. 7:

This is going to be an interesting bill hearing. There is some legislative history that I am going to discuss briefly, but it was not put into the minutes. This bill has had a weird journey. I brought this bill because there was a need to strengthen the Nevada Commission on Minority Affairs. During the interim, I found out that the Commission had been underfunded, or not funded at all, and that the reports had never been submitted to the Governor. There was a requirement that a yearly report be submitted to the Governor dealing with the social and economic welfare of minorities. A policy report was supposed to be submitted. There were different occurrences that happened legislatively in terms of our budget. In 2009, the funding for the ombudsman position that was set up for the Minority Commission was basically taken because we were in a financial crisis. Then, in 2011, Senator Moises Denis, who happens to now be Senate Majority Floor Leader, reinstated the ombudsman. Now we are moving forward with trying to make the Minority Commission a real commission that is going to engage the issues of minorities.

I wanted to start off with this legislative history. It was presented as Assembly Bill No. 7 of the 20th Special Session. It was passed as a constitutional emergency. It appears there was a sine die situation where it did not make it out by the last day, because I found minutes with Senate Bill No. 249 of the 72nd Session (2nd Reprint), that Senator Raggio had carried that created the Nevada Commission on Minority Affairs (Minority Commission). In the minutes that I found from 2003, he stated that he supported this bill and that it was important because we had a growing population of minorities, particularly Latino, and certainly African Americans. He felt that this particular Minority Commission should give them a voice to discuss their issues and be formally recognized by the Legislature.

Assembly Bill No. 7 of the 20th Special Session then merged the Minority Commission with the Regional Business Development Advisory Council (RBDAC). You had a bill that merged itself, creating the Minority Commission and RBDAC for Clark County.

This did two things. There was a need for what was established in what was Assembly Bill No. 174 of the 72nd Session (1st Reprint), which died, but then became A.B. No. 7 of the 20th Special Session. You have to think two bills became one in a special session. They had cited in the record that there were combined quantitative and qualitative evidence of marketplace discrimination against minority and women-owned firms, and local construction, goods,

professional services, and other service sectors. They were trying to seek a remedy for that. These were the concerns that were brought forth in 2003.

Then, you have this A.B. No. 7 of the 20th Special Session, which came about in special session and created what we currently have in front of us, the Minority Commission, which I am amending. What I put on the record are four exhibits. The reason why I put those four exhibits on the record is because even though this passed as a constitutional emergency in the special session, there was no work done.

Here we are in 2013. We had reports and studies of what was happening in Nevada, and nothing was being reported to deal with the policy decisions that would affect these groups. The Minority Commission is made up of not just African Americans; it is made up of Latinos, Asian Americans, Native Americans, and I believe we now have an Indian from India on the Commission. It is not necessarily classified as Native American, so it is a very diverse group. It was set up to try to examine and deal with the issues concerning those groups, whether it is business or different areas.

I wanted to cite to the first exhibit, the Assessment of Civil Legal Needs and Access to Justice in Nevada ([Exhibit D](#)). The reason why I wanted to bring this up is because when people try to deal with whether or not there is a need to have a policy discussion and finally get an official report in 2013 to the Governor, we have a lot of information that came during that period of time when we were not allowed to discuss our issues, but yet a report was delivered from a body. Now, this was the Supreme Court Access to Justice Commission. I am only going to cite to a couple of pages.

On page 24, in 2008, the Supreme Court did this study and the survey on page 24 cited to the percentage of households that experienced some kind of housing-related legal problem. So what you had was a percentage of unsafe or unhealthy conditions in a rented place—10 percent. You had 6 percent with a major problem with a landlord or public housing authority. You had 3 percent that had discrimination in trying to rent housing, and 2 percent in discrimination in trying to buy a home.

When the report laid out who was being affected, we got a chance to see what racial groups were a part of that study and where they were building this information and what they were trying to capture. I thought it was relevant. I wanted to cite to that because my frustration is that if you know that there are problems that exist with specific groups in Nevada, but yet you are not dealing with their policy concerns or policy issues, and you are just letting it fester, then what are these people left to do? Who is their advocate? Where do they go?

If they went to the Nevada Commission on Minority Affairs, they would have found themselves in 2008 not having a remedy at all, not having a voice, not having an ability to go over because there would not have been an ombudsman, number one. Who would have taken their complaint?

On page 42, ([Exhibit D](#)) the Supreme Court set out, in table 20, experiences related to illegal employment practices. Due to race, you had 4 percent of the households that experienced an illegal employment practice. You had 3 percent who experienced an issue due to nationality, origin, or ethnicity. Although those seem like small percentage numbers, when you think about the numbers of African Americans, they represent about 13 percent in this state. So, when you think about who might have been encompassed in this 4 percent, or this 3 percent, you find not just African Americans, but there were Asians and Latinos who faced this as well. We need an avenue for them. The Minority Commission is really set up to do the business of collecting the data and studying the data. That is what they do. They have never had the opportunity to do that.

I will not get into all of those exhibits, but I want you to review them because I wanted to set the framework that is needed. It is necessary that we start enabling this Minority Commission to study. What this bill adds to the Minority Commission, if you look in section 1 of the bill, is an investigator. Before, they could gather the data and think deeply on that data, what could they do after they received it? Now you have an investigator who will have the ability to go out and say, "Okay, what is really happening?" The investigator can bring back some information, and then the Minority Commission will do the analysis and say, "Okay, we now have three or four hotbed issues that we can put in our yearly report to the Governor, and suggest policy that needs to be discussed at the state level."

In section 2, the business activities were added in because the current Minority Commission, in which 5 members were replaced just this summer, has decided to focus on business and procurement. This was the addition. But if you look at section 2, subsection 1 it still has the broad category of studying matters affecting the social and economic welfare and well-being of minorities residing in the state of Nevada. That is your first global approach.

The second is where they wanted to get deeper into employment and business activities. In the information that I gave you on unemployment data of Native Americans ([Exhibit E](#)), which has a high rank, in one of the studies I show that 20 percent of Native Americans in Nevada are earning less than \$10,000 a year as income. That was in 2010.

When we talk about employment opportunities for Native Americans or African Americans, we need to at least carve out and know that this is one of the issues that is of deep concern because we have significant poverty rates in those communities, and we want to have the flexible language in order to deal with those issues and present a report. I do not remember the last state report that I have read on Native Americans in this state that discussed their unemployment or that discussed their poverty. This Minority Commission was set up to do that. It was set up to do that for Latinos. It was set up to do that for Asian Americans who may face housing discrimination. I know for a fact that there are Filipino Nevadans who have faced language barrier discrimination. They have an engineering degree and have yet been able to find a job, and they are working at Big Lots because their degree is not accepted. Somehow, because they speak in a different dialect, they are looked at differently and treated differently. I have a lot of Filipino Americans in my district. I have a lot of Asian Pacific Islanders in my district, and I felt, oh my God, if I do not try to strengthen the Minority Commission to at least get the investigative capacity, we are going to continue to have this ten-year drift where our issues are not brought to the table by a body who cares.

I will just put a thumbtack there, and if there are any questions from the Committee on the bill. Before I go there, I did want to discuss the amendment ([Exhibit F](#)). The reason why I offered the amendment is because I realized that the Legislative Commission was receiving a lot of information on minorities. They were receiving this information from the Regional Business Development Advisory Council for Clark County, which is called RBDAC. They have been receiving reports for about eight or more years. Then I was like, well who reads it after that? Where does it go? It pretty much just sits. So I was like, well would not the best connection now be to have a sharing relationship between the Legislative Commission data that they are receiving every month or every year, and the Minority Commission? Number one, to reduce the burden of gathering the information and to allow the Minority Commission to actually review the history of what has been given to the Legislative Commission.

So, I put the state agencies in there because I found out that they were like, "Well, I am collecting the information. It just kind of sits in my file cabinet because no one told me what to do with it." So, now I can give them an avenue to send this information to a Legislative Commission where we have people working who have a deep interest in wanting to read that information and then produce a report to the Governor. So, that was the basis of that amendment ([Exhibit F](#)). I needed a place for it to go, and I needed to make sure that the language discussed who should be sharing what. So, that was the purpose of the amendment. Now I will open myself up to questions from the Committee. [Assemblywoman Neal also submitted ([Exhibit G](#)) and ([Exhibit H](#)).]

Assemblyman Livermore:

Assemblywoman Neal, I love your passion. I have some questions on the bill. There is no fiscal note in it. I have not been able to find it, but part of the bill says here on page 3, lines 22 through 23, "Employ such staff and personnel as necessary to carry out its duties. . ." That is wide open. How much staff do you think might be needed? I mean, when you make a budget, the budget is going to have to say how much money you have allocated for this.

Assemblywoman Neal:

Well, I might have to bring Director Breslow to the table, but currently we are already funding the ombudsman. What we are asking for is one investigator, and we might get one staff person to help the ombudsman. So, we are not talking about a wide chasm, and the language is permissive. The language also says "dependent upon funding." We were trying to make sure that there is at least some money to do something. However, if there is no money, and we find ourselves in a financial crunch where the director is not able to fund the Minority Commission, what we decided to do was to do some split of Consumer Affairs and Minority Affairs. We would be able to possibly capture more dollars to deal with the investigator, but I would rather have him speak to that.

When we had our new members come on board to the Legislative Commission, there were people who are now on the board who have the capacity. We have an attorney, we have a master of public administration—we have several very qualified people. Even if we did not have an investigator, even if we did not have a staff person, they can do the work of five or ten people. They are motivated. They know exactly how to go in, get information and deliver a report. Literally, as soon as those new members were placed on board, within two weeks they were preparing the report for the Governor, and that would be the first report that the Governor has ever received.

The bill also allows for the Minority Commission to bring in volunteers, which is very important. I know for a fact that Senator Denis and I have this deep passion in how they engage, and that helping them to find volunteers who can help them do the work is the caveat that gets this cost down. So, you can call on him.

Assemblyman Munford:

I just want to comment on how I appreciate this, and I thank the Assemblywoman for bringing this bill forward because there is nothing more grave, nothing more necessary than to make available an opportunity or chance for any of the minority groups to have the opportunity to get a fair shake. It is important to give them direction, to give them an understanding of where they

can go if they have some concerns about them having that opportunity to advance and elevate and improve their lives, and this is one piece of legislation that will help that. I do not know if you mentioned any particular agencies, or any types of state government agencies, but I think a little bit should be focused on the school district, too. I do not see anything, you know, in terms of opportunities there for some of the minority residents of the state of Nevada. Again, I think it is a good bill.

Assemblywoman Neal:

I can address that. I added the language, "If a state agency may be receiving that information," because not all are. So I wanted the permissive language that if you are, and I know some who are, to start sharing. But the reason why I excluded the school district is because the prior Minority Commission literally spent hours discussing early childcare and pre-kindergarten, and still had not come up with a solution on what they were going to do, and I am like, "There are other issues." I was disturbed by this. I know education is a huge issue, but we have at least five to six different Legislative Commissions associated with education, doing the work revolving around education. You cannot stay stuck on education when the rest of the issues that are associated with minorities really need to be dealt with. What you should be doing is using your report if you wanted to cite to an issue that is not being addressed within the other bodies, then yes. The caveat to address an under-utilized issue, yes, but, not as a central focus. We have way too many agencies already dealing with education, and I did not want them to get burdened and bogged down. They were bogged down for at least two years, and they never came out with a report. I was just of that deep opinion, and I shared it with them. I went to their meeting and I said, "You know, I really need you to focus on real issues. Get off education. Send it over and address your concerns with the bodies who are already doing this work." We have two Legislative Commissions, interim committees who deal with education, and yet, those issues had never been brought to the table. I felt like we already have a venue.

Assemblyman Munford:

I agree. Thank you.

Assemblyman Daly:

If I understood right, and I support the Minority Commission and that is what has been established in the history you were talking about on A.B. No. 7 of the 20th Special Session, I believe you said it was. It appears from what you have been saying that the Commission has been underfunded, and has not had the necessary staff and various things. Maybe that is an issue that needs to be addressed, but what I am seeing with the main part of the bill here is really it is

a bill to fund a position, and it is a rather unique way to do it. So, I am just going to ask this soft and easy question. Have we ever done the funding of a position in a Government Affairs Committee? Does this really belong in Ways and Means?

Assemblywoman Neal:

I do not think we have. What I think we have done is we have added, we have given, because technically we are giving Business and Industry the ability to add a staff person to the Minority Commission. Now, it is an appointment. I think we have had bills that have been borderline, and this may be borderline, like to the furthest line of border. I swear to you, and I know we have seen it, but if this goes into Ways and Means, I am in trouble. I would like to keep it out and keep it on the border, but maybe this is a good time to call Director Breslow to the table. We were going to call him for testimony in neutral, but I want Director Breslow to come to the table to help discuss this issue, not getting into funding, but getting into the issue of how this works.

Bruce Breslow, Director, Department of Business and Industry:

I support the Governor's budget. The Governor's budget has a component, and I do not think many of you understand how small Business and Industry is, or the Minority Commission. The Minority Commission has no funding. The Minority Commission has no employees. It was set up as an advisory commission. The ombudsman for the Nevada Commission on Minority Affairs is the secretary for the Commission, but also works full-time on minority issues, such as translation, investigation, outreach, solving customer problems, small business, and outreach. The ombudsman goes to minority functions and tries to be fully involved. We are going to be interviewing six qualified candidates on Tuesday for the ombudsman position.

The way this bill was drafted, it appears that the investigator who would work with the ombudsman would be in the director's office. Our director's office consists of four people in southern Nevada: the deputy director, an executive assistant, a public information officer who works for all 14 agencies, and the ombudsman for the Nevada Commission on Minority Affairs. It is a very small office. The current Governor's recommended budget contains three additional positions for the Business and Industry director's office in Las Vegas, funded for a two-year period by mortgage settlement dollars. The funding is directed to bring back Consumer Affairs. As I have testified in other committees, the three people, as designated in the budget using mortgage settlement dollars, are two administrative assistants and an investigator. That will not suffice to bring back Consumer Affairs—one investigator for the whole state, and two administrative people to answer the phone when everybody calls with complaints.

However, those three positions certainly would help bolster the office, the functions of the ombudsman, et cetera. Since it is funded by mortgage settlement dollars, we have tried to get our arms around it because obviously we cannot bring back a full Consumer Affairs Division—that would be 30 to 50 people—to try to focus on the mortgage issues, real estate issues, housing issues, et cetera, so that it ties to the mortgage settlement. Certainly, the investigator that goes with that would be looking into issues that the consumers call in which usually have to do with small businesses and minority affair issues, and would be working hand-in-hand with the ombudsman. Again, there are four people in the office; everybody works on everything, and tries to help each other completely.

The issue of the Minority Commission is separate. They have no funding, and they have no staff at all. Both Terry Johnson and I appeared before the Minority Commission to ask them to please submit an annual report to the Governor. As you said, that had never even been submitted before in all the years until this year. This group is full of energy. This group is active. They want to get things done. Their next meeting is Tuesday, and they have a strategic plan to vote on which would give them some direction to focus on for the year. However, the only person who is even affiliated with the Minority Commission is the ombudsman position, which is the secretary for the Commission. That position sets the meetings, takes the minutes, and helps to guide the Commission, but that is the only funding the Commission has.

There are two separate issues. The way this bill is written, the investigator would be working with the ombudsman, which would make the investigator a position within the director's office. As stated, that is already part of the Governor's recommended budget, to add an investigator and two administrative people to focus on consumer affairs as they tie into mortgage settlement and small business.

That is about all I can add. People hear about the Department of Business and Industry, and yes, we regulate 14 agencies, but we have a total of six people who are not just budget folks to do that, two in the north, and four in the south. So, we could use all the help we can get.

Acting Chairwoman Pierce:

Does that answer your question, Assemblyman Daly? Did you have a follow-up?

Assemblyman Daly:

I can understand why. I do not want my bills to go to Ways and Means either.

If I read and understood this, if there is a position in the budget already, how much of that can be put over or used to do the investigations and the things that the sponsor of the bill wants? The way I am seeing it, you are going to take away a part of a position from the other 14 agencies to fill this position, which means somebody has got to transfer a position. People cannot have nine-fifths of a person. That is where it is. We want to try to get someone to do this work, especially with the need that we see in the 118-page report ([Exhibit E](#)). Thank God the sponsor of the bill read this stuff. I am just curious how that might work, and how we can get a person.

Bruce Breslow:

The position in the Governor's recommended budget is for an investigator for Consumer Affairs, so it is for all people. It is for anybody that calls, be they minority or not. Again, we are such a small office that everybody else works on customer issues and small business advocacy issues. It is not just like one person off in the corner who just does this. We cross boundary lines within our agency because we are so small that we have to. So, in the Governor's budget, the three positions that are funded through the mortgage settlement dollars, would be all working on this. I mean, every time a phone call comes in everybody takes turns answering them because there are so many phone calls that come in. Obviously, those positions would help any minorities that call with any consumer issues. The investigator, specifically, is there to investigate consumer affairs issues. The ombudsman would be translating if someone can only speak Spanish. We would find somebody who could translate another language if needed, but the investigator is just the investigator. There is only one, and they would be there to investigate all issues having to do with consumer affairs. But I caution you that if we open the door to consumer affairs in general, we will never be able to meet any performance measures because one investigator statewide is not going to do it.

Assemblywoman Bustamante Adams:

Mr. Breslow, according to *Nevada Revised Statutes* (NRS) Chapter 232, there are supposed to be nine members. Can you tell me, is the Minority Commission fully staffed?

Bruce Breslow:

Nine members of the Minority Commission? Or staff?

Assemblywoman Bustamante Adams:

Right. For the Nevada Commission on Minority Affairs, NRS Chapter 232 says there are supposed to be nine. Is it fully staffed?

Assemblywoman Neal:

There are nine; five were replaced, but there are four original members.

Assemblywoman Bustamante Adams:

Can you tell me who those nine are?

Bruce Breslow:

No, I cannot. But I can get you the information.

Assemblywoman Bustamante Adams:

I would appreciate that.

Bruce Breslow:

When you said fully staffed, all nine appointments are currently valid.

Assemblywoman Bustamante Adams:

My other question is, and I did not read it in NRS Chapter 232, but does the Governor appoint all nine?

Assemblywoman Neal:

No. The Legislative Commission appoints the members. That is my understanding, and we do have members of the Minority Commission, I believe there is one in Las Vegas who can testify as the Vice Chair, and I believe we have the Chair here in Carson City who can answer your first and second question. My understanding is that it went through the Legislative Commission during the interim last summer, to a point.

Assemblyman Stewart:

I think with nine members on the Minority Commission it seems like there would be plenty of manpower to do investigations. I think all of us here are ombudsmen. When I get an email or a phone call or a letter, I do not research to find out what their ethnic background is, I just try to help them. So, I think in these times of economic belt-tightening with a nine-member Commission, you have plenty of manpower and firepower to do an investigation. Perhaps instead of hiring a new staff person they could outsource it. Is that a possibility to do the report, or a specific thing?

Assemblywoman Neal:

I will address, and if Director Breslow would like to as well, this is one of the few unpaid commissions; we have had the benefit in this Committee of hearing people who want to get paid for doing their work. This Commission does not get a per diem. This Commission does not get travel. This Commission does not even get mileage. They are a volunteer Commission. We just recently

heard a bill where we heard the argument that people do yeoman's work and are getting paid \$80 a day, and wanted it shifted to \$150 because they felt they were doing the work of an attorney. They were like, "I am retired, and this is an expense on me."

These nine people are not only superheroes to me, but they are volunteers who are not getting a hot dime from this state to do work that we are asking them to do, and submit a report to the Governor. So, to give them an investigator, which in the bill says the ombudsman of Consumer Affairs, and to allow some help, paid help, out of the director's budget, I do not think is stretching or hurting the state in terms of this one additional person which would give you what? Five people in your office versus four to do a huge job that this state has in front of them concerning consumer issues that may affect minorities, and then also issues that are just minority-specific. So, that is my response to that one. Director Breslow can offer anything additional.

Bruce Breslow:

I will be brief. Again, the Governor's budget does contain the Consumer Affairs investigator position, which will be working with the ombudsman for Minority Affairs, along with the deputy director, and anybody else of our four who answer the phone and has a consumer issue when it rises to the level of an investigation. If there is an accusation that somebody is doing something illegal, that person would be going out to investigate. That person would also be working on any minority issues that come up. This bill asks for a specific position just to work with the ombudsman. Any other calls that come in would not be handled by this person with the way it is written. Again, it is a volunteer commission, and they have never had staff that I know of, and they have no funding. So, it is up to them to get together. You can understand why they have not brought agendas and action plans forward. They meet every once in a while and everybody shares their ideas and concerns, but there is nobody to keep it going in the interim because the Legislature did not ever have the funds for it. So, there is no money.

Acting Chairwoman Pierce:

Thank you very much. I am glad we found the nine people who are so enthusiastic considering they are not getting any remuneration for this.

Assemblyman Munford:

When someone has a complaint or a grievance or a problem, do they go right to the ombudsman? Are they going to be speaking on their behalf? Are they representing them? When there is a hearing that takes place, who actually determines the outcome of the hearing? Who determines who wins or who loses, who gets compensated, or whatever the case may be? The ombudsman

is more like what, a spokesman, or an attorney for the person who is filing their complaint, or having a problem? That is basically what I am asking.

Bruce Breslow:

Our executive assistant answers the phone all day. There are complaints that come in all the time, be they from minorities or other people. If they are about insurance, we track it and refer it to the Insurance Division. They are responsible for resolving the issue. We track it and every quarter we send the results of all the complaints to the Governor's office. I instituted the same tracking system we had at the Department of Motor Vehicles (DMV). If it is a complaint about housing we ask the Housing Division to investigate it and follow it up. If it is a complaint specific to how minorities have been treated, the ombudsman for Minority Affairs looks into the matter and tries to resolve it. We do not have hearings.

Assemblyman Munford:

Oh, you do not have hearings?

Assemblywoman Neal:

No. There is not a formal hearing process associated with the ombudsman. The ombudsman is a person who collects the information, reviews it, and then the commission is told about it. My understanding is that it could be something that they discuss. Now, if this bill passes, they would have a shared ability to then go and find out through an investigator what is going on. I mean, under the Department of Business and Industry there are 14 different agencies. This was carved out because there was a growing need for minorities to have some kind of avenue or place within state agencies to then discuss or vent their issue with someone. So, the ombudsman was there, and as Director Breslow stated, the ombudsman is the secretary for the commission. So she takes the minutes, takes the information, and says these are some of the things that came to the table. The commission can also direct the secretary and say, "Is it possible that we can get a report from the Division of Insurance that may be associated with this particular issue so we can review further?" That is what they have the ability to do. There is no formal hearing like with the Labor Commission where they review and do additional things. That is not in the Minority Commission's purview, and they do not have the capacity to do that.

Bruce Breslow:

If there are criminal activities that the investigation suspects, or if one of the agencies determines something criminal has gone on, we bring it to the District Attorney. We bring it to the police, et cetera. If it has to do with something internal, like state employees, we bring it for an investigation with

the Attorney General's Office. So we do not have a court set up for complaints. We are basically trying to resolve as many customer issues as we can. That is what we do in our office.

Assemblyman Munford:

Just one follow-up, and this is sort of a sensitive question. Since the focus is on minorities, and trying to give them some direction, or some track to follow if they have a complaint, should the ombudsman be a minority? I know that is sort of a tough question.

Bruce Breslow:

A requirement in the application was to be multilingual. We are looking because we want to reach as many demographics as possible. The requirement is that they be fluent in Spanish, both speaking and writing. So the minority can be a Chinese-African-American woman, so long as she speaks Spanish. That is what we are looking for. We are trying to represent everybody. All six candidates for Tuesday can read and speak Spanish fluently. There is nobody else in our small office who can, so when calls come in we have to have somebody who can.

In addition, the ombudsman had been doing translation for some of our other agencies. I have directed our other agencies to do the same thing I did at DMV. We have to be able to communicate with Nevadans. I have asked all of our department heads to please use opportunities, when there are positions available, to look at a multilingual list. I am not saying you have to hire a minority, but we have to be able to speak in the languages of our constituents. At DMV I believe we added more than 20 people who could speak Spanish, and we are recruiting for somebody who can speak Mandarin. I hope that gives you a flavor of what we are looking for in a candidate, but all of the finalists can speak Spanish.

Assemblyman Livermore:

Does the Minority Commission you just described function with or work with the Nevada Indian Commission? Or are there members of the Indian Commission in the makeup of this group of nine?

Bruce Breslow:

In looking through the minutes of past meetings, the Commission has an open agenda. It can ask other agencies to come visit. It has asked people from the Insurance Division, from education, from the school districts; it can bring in experts and have discussions on issues. It can do whatever it wants to do. The problem has been finding a direction and a business plan and being able to define what an agenda is so they can accomplish something. It is frustrating to

be on a commission. You all volunteer on a lot of commissions and you know the ones that I am talking about, where you go to meetings but there is not a lot accomplished. This group wants to try to accomplish some things. We are trying to help them narrow their focus to get some deliverables.

Assemblyman Elliot Anderson:

This is a little bit outside the scope of the bill, but have you considered adding in a provision to bring this Commission to the same level as other commissions? They get paid and are able to facilitate their work. I would just let you know, I would support that if you wanted to do that.

Assemblywoman Neal:

I have considered it. I have also considered what would be the death of this bill. I have read the minutes when it was brought up before, and the arguments against it. For whatever reason, because it is a minority commission, because it has that phrase in front of it, I would not say there is not leniency that they should be getting money like the other commissions. I personally think equity speaks to that based on some of the bills that we have heard. I just know it is a political reality. I have not seen the shift occur where I think I could get that out. I would love to though. I think they deserve it. I believe they deserve their mileage, but that debate has yet to come through this body. I have read it, and there have been a million arguments against it. They argued about how much the ombudsman was getting paid. It was up for discussion, "Why should that position get X amount of dollars?" And the ombudsman is not getting paid a whole lot of money. For what she does for the office—I spent a lot of time over at Business and Industry—and she did a lot. I just really feel that if our state is moving in the direction where we have an increase of minorities, then we need to start acting like they are a part of this state. We need to start acting like they are an integral part, and that their issues are real, and that they matter.

I know people could say I seem to be carrying all of these minority bills, but I am only carrying things that need to be fixed. I am not carrying anything that I do not believe strongly needs to be repaired or remedied. It is because they are not being dealt with; ten years of no activity on a commission is ridiculous. Whether it is volunteer or not, that should have never happened. That is why I provided that data, because there are ten years of reports that show you that there were issues. But yet, who answered the question? Who gave the remedy? Who dealt with it? How did it come? How did the disputes, or issues of minorities get to the Governor? This was the journey it was supposed to travel, and it never made it to Governor Guinn and it never made it to the governors before now. Governor Sandoval will be the first governor who gets

a report from the Minority Commission discussing what they need. I think that is real.

Assemblywoman Bustamante Adams:

If the report gets sent to the Governor, what is the likelihood of action, because it is policy, right? They are not drafting policy. Would it be another dead end? I do not want to disrespect our Governor, because I appreciate the work that he has done so far in this area. But, is that the right place to send the information? I know that he needs to get the report, but if we are looking to actually effect policy, is that the right endpoint?

Assemblywoman Neal:

When you look at the structure, this is coming under the Department of Business and Industry. The director under Business and Industry reports to the Governor; the director is considered one of the Governor's Cabinet members. So, to take it out of that structure and to put it somewhere else, I do not know where else it would go. What I found out was that the minority information was going to the Legislative Commission. It was almost like, Oh my God, I did not even know that was happening. So, clearly there is a chasm within the body that when material related to minorities comes up, or maybe it is just a black hole, that it is not being dealt with. If we give it to the Legislative Commission, then we are going to hope and believe that there is a group of people who look like the body that we have now will continue to be in politics and continue to ask this question. The only reason why I reiterate minutes in the record, and I try to bring those things back up, is because if this never passes, and the person who comes behind me has to bring this issue up, I want them to have minutes to stand on. I want them to have a record to stand on because I am tired, and I just got here. I know for a fact that this has been way too long of a fight. I am tired of having to fight to say that this issue is real, and I am tired of having to make people believe that minorities matter in this state. When I talk about an unemployment rate and I say that 19 percent of Native Americans have been unemployed, and I can say that 14 percent African Americans have been unemployed, and I can say that 14 percent of Latino Nevadans have been unemployed, and I hear, "So what?" When I hear that we do not need to report that information, that it does not need to be compiled and given importance, I get really frustrated and angry and it turns my passion up to another level. I am fighting for people who clearly could not fight for themselves. I am fighting for a policy that in 2003 was underfunded and politically put into a black hole and it distresses me. I have a problem with the fact that just because a certain legislator may have brought that legislation and fell out of the political will of this body, that we decided to treat his legislation like trash, and that I, in 2013, have to bring this issue back up, and that I have to somehow fight for it, bothers me. Because, as an African American female,

and the only one in this body, I find it hard that I have to keep pressing and pushing forward so people understand that there are people in this state who have needs and have never had a pathway and an avenue to get their issues discussed. I will be the person who dies with it on my breath that this is needed and necessary, and I am getting real tired of having to fight this.

I am getting tired that in 2013, I, Dina Neal, who came behind five other African American legislators, because we just got our first group of Latino American legislators, have to bring this issue forward. That is the crux of this bill for me. You do not have to feel it. You do not have to understand it, but I am telling you that when I found out that nothing had happened for ten years, it hurt. I knew that we had ZIP codes in my district that had four and five different issues that overlaid and quadrupled on top of the other, and no one was advocating for them. No one was speaking for them, and yet it came to me. You think I want the burden to have to fight for minorities? No. I would like this issue to end. I would like to move on to other economic development issues. I do not want to have to keep bringing this up. For some reason this state has set itself apart that minorities have to fight to be heard. If you can get your report to the Governor, who is the highest legislative figure in this state, I think he deserves to see it. Now, if he does nothing with it, fine; but I tell you that I am unwilling to continue to keep moving forward where we have to fight to just tell the story. We are not asking for anything other than to tell the story about what happens to us. It is not just me; it is the Native Americans, it is the Filipinos. I just tell you, you know, you do not have to side with me. But if I come back here in 2015 with the same legislation, I am coming with a better and a stronger fire than you have ever seen. I am not going to give up until I see it.

Assemblywoman Bustamante Adams:

I do not disagree with you at all. My concern is the accountability of the Legislative Commission, and I do not mean to be disrespectful of our own body, but it is about policy, right? We are the policy body, so that is where I think that it needs to be addressed. I would hate for the Governor to get it and not do anything. That would be a disappointment.

Assemblywoman Neal:

I apologize. If you guys have a solution I am open to it. This is a heavy issue for me. If anybody noticed, I am carrying a lot of bills that affect minorities this session, so they all tie into each other. It all has a big play. So, I apologize for my passion because this is just very real. I do want the report to go somewhere and I want action to be taken. We can figure out how to do that. But you know what, as soon as we say that, somebody puts a cost on it and then here

it goes. Then it dies. So, we have to figure out what makes sense, what is flexible and what is fiscally not going to put this in a black hole.

Acting Chairwoman Pierce:

Thank you for your statement, and you have minutes. All right, I think we are ready to move to support of this bill.

Mendy Elliot, Private Citizen, Reno, Nevada:

I am here representing myself as a former Director of Business and Industry to provide some historical perspective from 2007. When Assemblyman Denis and Assemblyman Kihuen originally brought the minority affairs position to the Director of Business and Industry, which at the time was me, the discussion was the fact that we needed to provide a baseline for, just as Assemblywoman Bustamante Adams referenced, a strategy for the direction of how we were going to deal with solutions for the minority community. At the time, the position was not with Business and Industry, but we vehemently supported that. One of the challenges that we had was the fact that the strategies that were in place were just that: strategies. There has not been an appropriate funding of the position either way. We funded the ombudsman, but at the time, we did not fund any staff for the commission, nor did we fund the commission.

The recommendation at the time was that, as Assemblyman Livermore referenced, there is already an existing Nevada Commission on Indian Affairs. We always thought that there should be a formalized process with a formalized liaison between the Minority Affairs Commission and the Nevada Commission on Indian Affairs so that, number one, we are not duplicating efforts, but more importantly, that we are cohesively putting emphasis on the two. As far as a report goes, whether or not the report was completed, I had left the office by the time that report was due. It is unfortunate that the report was never created, and more importantly that we were unable to act on it.

I think from this body's perspective, this Minority Commission needs a chance to function. Either it is going to work, or it is not. Until we give it the tools with which to function, we are never going to know; it is going to be in the abyss on whether or not it really is something that the state needs to have. Does it need to be in Business and Industry? Does it need to be with the Attorney General's Office? All these questions were asked in 2007, and it seems like we are still asking the same questions. Do we need to have legislative oversight from the standpoint of the report? Personally, I think that it does. You need to know what you are investing in. You need to know if we are getting the bang for our buck relative to what this Commission can and

cannot do; what it reviews, what it does not review. Does it need to review more?

From my perspective, from 2007 when we originally had this, I think it is imperative that we decide a strategy on what this needs to look like because it has now been six years since I was first introduced to this Commission. So, with that, there is no one else up here, but I do support that there needs to be a strategy. I certainly appreciate and recognize Vice Chairwoman Neal's passion. I was unaware of the 2003 history; I first picked up on this in 2007.

Acting Chairwoman Pierce:

Thank you. Are there any questions? Seeing none, I think we will move to Las Vegas. I think there are some people there at the table in support. Would someone like to begin?

**Richard Boulware, Vice Chairman, Nevada Commission on Minority Affairs,
Department of Business and Industry:**

I know that our Chairman, Commissioner Edward C. Vento, had been present earlier in Carson City; he may have had to leave. I can answer any questions about the Commission's current function, but let me talk a little bit about what I have heard and the importance of this legislation so that this Committee can understand why there is such a need. First, let me say, because I know that Assemblywoman Bustamante Adams had asked for the names of the commissioners, and I will name them all and I will provide spellings for the record with written submission: Commissioner Anna Siefert, Commissioner Elisabet Romero, Commissioner Tamar Hoapili, Commissioner Semilla Neal, Commissioner Paul Padda, Commissioner Edward Vento, Commissioner Angie De Braga, and Commissioner Tiffany Young. That is the current composition of the Commission on Minority Affairs.

The stated purpose of the Commission is outlined in these statutes, but I think what this Committee needs to understand is that in this state there is not any report or analysis of all the information collected in terms of how the different aspects of the economic and social factors in this state affect minority groups. I am talking about all minority groups in this state. We have a very large state, and we do not just deal with urban-related issues and urban minorities. We, as a Commission, are dedicated to covering the entire state. We have identified in our meetings, and I want to talk about the fact that the newly constituted Commission, in terms of the membership is, as noted, very eager to do the work. We have had at least five meetings. We have had ten hours of work. We have had a half-day retreat. Of course, all of this is on our own time, as is my appearance here. I have full-time work. I am an attorney; I am an assistant federal public defender. But I take time off, vacation time, to do the work of

the Commission. We have a strategic plan that we are going to finalize at our next meeting. We have, in fact, been meeting twice a month because of the needs that we identify in terms of trying to keep up with issues that are coming before the Legislature.

Our strategic plan has focused on a few different areas: housing, health, workforce development, and business development. We have also carried over, obviously, some of the education focus we had from the last year, but those have been our focus areas. As noted, we have produced a report for the first time, again without assistance. But let me explain to you why we have this need. There is a great deal of information in this state about the social and economic affairs of minorities that is not analyzed with that in mind. This analysis, to be effective, must be thorough and scientifically valid. As someone who has some background in data analysis, I recognize that this is not simply a part-time, or half-time job. As much time as the commissioners dedicate to focusing on these areas that are important to minorities, the process and time necessary to effectively analyze and gather data is a full-time job.

If we want this information to be useful not simply to the Governor, but to the entire state, including the Legislature, it must be properly documented and analyzed. That is the reason why this legislation is so important. While we have talked a great deal in this state about the importance of minorities, and the issues that are coming before what we have recognized in an emerging demographic, we do not have consistent data that is universally, normatively collected across the population in which we have a report year after year. We do not do that. We have not done that. We need to do that.

This bill helps to start that process and fill that need. It is for that reason that this bill is so crucial. I know we have had a significant amount of testimony already on the bill, so I will open myself up to answer any questions with respect to how the Commission is operating. I did want to at least offer that introductory information to the Committee.

Acting Chairwoman Pierce:

Thank you, Mr. Boulware. Are there any questions for this gentleman? [There were none.] Just for a moment, I think we are going to come back up here to Carson City because the Chairman of the Commission is with us. I will let him be our next witness.

**Edward C. Vento, Chairman, Nevada Commission on Minority Affairs,
Department of Business and Industry:**

Thank you for your attention. I know you have had plenty of testimony already on this bill. I just wanted to give you some perspective as somebody who has

worked with the Commission. I believe I came on in August of last year. We have had a lot of changes, one of which is that we brought on five new commissioners. We hit the ground running. There is already a strategic plan in the works that should be voted on by Wednesday or Tuesday. It fits very well with A.B. 270; it complements it nicely.

Another thing we have accomplished is we finally got that report out after ten years. I think this is what happens when you have a commission that is mandated with a very broad scope of activities, but you do not have a budget. I do not want to go too much into that; I know you have had discussions on that. We have gotten a lot done in just a short amount of time. As I said, I think Commissioner Boulware covered everything pretty well, so I do not want to reiterate just for the sake of reiterating. I really just want to open myself up for questions. I will answer any questions of how we operate, and some of the things that we are working on, to kind of give you some perspective on what the Commission does.

Let me just back up real quickly. One of the things we are headed to is, we are not a regulatory body. We recommend policy. We are an advisory body. But to really come up with good assessments of what is going on in the state of Nevada, what some trends are across the country, too, because we need to learn from our neighbors, as well, who are doing things well. We need to be able to gather information. The way we have done that, and I think Commissioner Boulware went over five of the topics that we are focusing on, is we work very closely with other agencies within other states. We try to identify what they are doing well and share that information with other agencies. But we also try to identify gaps and find disparities so people do not fall through the cracks so we can operate better.

As a government we are doing the job that we are supposed to be doing and we are doing it for everybody. That is kind of where we have been headed, and how we have been working. We are kind of trying to be the glue between all the agencies, and it is a lot of work. I think we have nine commissioners all over the state. They are an incredible, diverse group on the political spectrum, on the ethnicity spectrum. They are very well-educated people. A lot of us believe that we are the lucky ones. I have a master's degree. Many of our people on the Commission have higher education degrees. So, it is our turn to give back and provide those opportunities to everybody else.

Just a little story: I was in Reno one day and I stopped at a business where somebody was talking to me about how we just did not have anything in government that sticks up for us and addresses the issues of why the City of Reno is passing taxes on this or that, or why he could not get a loan at

a bank, and things of that nature. I pulled out my Commission business card and I said, "Well, you know what, let us sit down." I think the discussion ended up being that we would like to sit with the chief of police and have a discussion with him. I said that I know him, and that we should do that; let us set up that meeting and discuss regulatory issues with your businesses. We did that. But, I have got to tell you, that fellow literally started crying there because he was so frustrated. He did not know that existed. I am a former Marine, so it takes a lot to move me, and I was moved. I could not believe the power of handing him that business card with that state seal on it. He was just like, "Wow. Something does exist." That is why this bill is particularly important. It just strengthens what we are doing. With that I will leave myself open for questions.

Assemblyman Elliot Anderson:

I just wanted to say Semper Fi from another Marine, and thanks for your service to the state.

Edward C. Vento:

Thanks a lot, Devil Dog.

Assemblywoman Bustamante Adams:

Thank you for your testimony. My question is in regard to the appointments on the Commission. The way that I understand the process, from the NRS Chapter 232 it says that the appointments to organizations and other entities which represent the interest of minority groups in the state are made through the Legislative Commission. Do you think that process is working? I am kind of concerned that there are five people who got replaced; that is a large number. Do you think we need to improve that process? Also, what was the organization that submitted names to the Legislative Commission?

Edward C. Vento:

I will be honest with you, as I have tried to look back on minutes, we do not have them all. We have probably got about a year to a year and a half back as I was working with the ombudsman to try to rebuild everything. The way I came to the Commission is the ombudsman called me and said he needed my help and that we needed to get this thing going and to rebuild it because nothing had happened for ten years. So, I cannot tell you specifically how those appointments happened. I know they go through a legislative committee to be confirmed, as I was. The reason that we had five members replaced is because they had been on the Commission for ten years and nothing had happened in terms of enforcing the expiration of terms, and things of that nature. So, that is why we had them replaced, and they were fine with it; they had run their course. Does that answer your question?

Assemblywoman Bustamante Adams:

It does, but it also brings to light that obviously there are several things that fell apart along this whole entire process. My concern is if that is the right process of appointing people to make sure that they stay active and engaged because it is a lot of work. To be able to serve on these commissions you sacrifice a lot. I think as legislators we can relate to being part-time and having other full-time duties outside of session. We need to look at where the barriers are, and what happened along the process that made it fall apart so that we do not repeat our mistakes.

Edward C. Vento:

Well, I think part of it has to do with the legislation. I think at some point the office of ombudsman was done away with, and usually the ombudsman served as our secretary. Then, in later years, it came back. In this case it was Christina Fuentes, whom I have known for years. She introduced me to the Commission, but we really had a lot of rebuilding to do. If I had to describe the stages that we are in, we are rebuilding the Commission in terms of our direction and complying with our legislative mandate. It is a lot of work. We are meeting every two weeks, whereas they used to meet every quarter, or every month. We have literally been meeting every two weeks since before Christmas. Commissioner Boulware and I speak on a weekly basis. I think, in the last three days I have spoken with him three or four times. We are really trying to put some legs on this and get it going to turn out a good product that the Governor and legislators can use to form policy. With our job, what we want to do is educate our Governor and our legislators on good policy to be able to empower people and help the minority population.

Acting Chairwoman Pierce:

I think we will go back to Las Vegas. Former Assemblyman Williams, good morning and welcome back to Government Affairs. My recollection is that you were Chairman of this Committee when I arrived in 2003. It is nice to see you.

Wendell P. Williams, Private Citizen, Las Vegas, Nevada:

Absolutely, and thank you. It is nice to see you, Madam Chairwoman. At that particular time, I would like to say it was 2007 when I authored the original bill. So, I have some insight on what happens with this, and I want to say to Assemblywoman Neal, I hope she does not ever lose for one second her passion with this, and to some degree, not to feel bad that it has been ten years that nobody has addressed this. We must remember that Nevada has always been in a position where those who are considered "minorities" have been on the back burner. When Nevada first became a state, the very first Legislative Session in Nevada, the very first one, when we became a state, one of the first bills to pass in our state was to prohibit minority children from getting a free

public education. So, we are still catching up. Also, in the *Nevada Constitution* it says that the Department of Education shall have a position on Indian affairs when it comes to education. In 2008 that position still has not been filled.

In my first session, in 1987, my roommate, who went on to become Majority Leader Judge Gene Porter, was representing Assembly District 8. I was representing Assembly District 6. We were new freshmen, as many of you are, and we started having a conversation our first day in Carson City, and he said to me, "Well, in my district we have all the parts we need. All of our contractors have all the work they need. All of our schools have all the materials and supplies and the best teachers that they need. All of our streets are safe. Everything is good. My job here is just to protect what we have." I was thinking in my district my contractors do not have anything that they need. Our schools do not have anything that they need. Our citizens do not have anything that they need. The business people do not have anything that they need. My position was completely opposite of his. Now, if you go into your colleague's office and you look on the wall, every person's commission into office says the same thing, but the people who they represent do not have the same capabilities, allowances, and opportunities as others. But we, as Nevadans, must eliminate that gap and we have been trying to do that, as I said, since our first session.

In 2003 I brought Assembly Bill No. 7 of the 20th Special Session, along with the late Senator Raggio, and we felt this was something that would be good to sort of close that gap of disparity when it comes to opportunities for all Nevadans. It was supported by members of the Legislature on both sides of the aisle, in both parties. So, it shows that there was an awareness.

The Committee on Government Affairs is a committee that implements, discusses, and improves policy, and the Committee on Ways and Means deals with money. So, whenever there is a budget shortfall, or conversations of a shortage of money—we do not have money to do this, and we do not have money to do that—my position is those who have been getting should take a pass, and those who have not been getting should get something once in a while. Even though there is a budget shortfall, we should not be discussing whether this is worthy or not because A.B. No. 7 of the 20th Special Session already put the policy in place. What Assemblywoman Neal is trying to do is to make sure that the effectiveness of it goes to where it needs to go. So to go back and rehash all the policy, and why we need this, we have been through those conversations and this bill has already passed. It passed in 2003. We already have the policy in place. Now, we need to do what it takes to implement what the bill is designed to do.

I can tell you, when I sat down and wrote most of the language in this bill, some of the improvements in it, even though it still has a long way, I was illuminated by some of the suggestions that Senator Raggio had. It is not a Democratic or Republican bill; it is a Nevadan bill. Discussing why this person is on, this person should not be on, or why people left—this is a transit state. Some of these people might have died, somebody got tired, somebody retired. So why they left, that whole conversation was done in 2003. So, Assemblywoman Pierce, I try not to really go anywhere near the legislative process today, but this is something that is almost an embarrassment—that we still have to question why we need to do things like this. It is almost embarrassing. Obviously it is an embarrassment to Assemblywoman Neal, because her passion became overwhelming to her today. However, I would suggest to her that she needs to take that passion, make it threefold and come back, as she said, with a stronger vengeance.

My last point, because of the questions of a fiscal note, and the cost of this, if there is no fiscal note in the fiscal notebook, there is no fiscal note. Any bill, whether it has a fiscal note or not, the chairman or a member of the Assembly Committee on Ways and Means can raise a point about if there is a financial burden, and they can do that at any time. Our job as citizens, and your job as policymakers on this particular Committee, is to deal with the policy only. If there is a fiscal impact that will affect others let that be done by the people who are appointed to those committees. But even if it is, let those who have been getting in Nevada take a pass for a change, and let those who have not been getting forever, such as the people who are mentioned in this bill, get something for a change so that we can move forward to make our state better.

This bill is not only good for the people indicated in the bill. This bill actually will help your future budgets, because those who hire, and those who can be employed, will also contribute to our economy to the point where we do not have to have these budget shortfalls. This bill does a lot for balancing the budget, balancing opportunity, and balancing ourselves where we are not an embarrassment to, in some degree, to other people throughout the world. I would gladly answer any questions that I may be presented.

Acting Chairwoman Pierce:

Thank you very much. Are there any questions? [There were none.] Mr. Overstreet, would you like to begin?

Everett Louis Overstreet, Private Citizen, Las Vegas, Nevada:

I am a retired professional engineer. I am here in support of A.B. 270, but Assemblyman Wendell Williams just stole a lot of my thunder. I wanted to take credit for writing some of the language for the bill, but I will move on.

I want to address a couple of points when we got started. I served as the first Chair of the Regional Business Development Advisory Council, and Bert Ramos, whose name may be familiar to some of you, served as the first Chairman of the Commission on Minority Affairs, so he may have some information that Assemblywoman Neal may not have.

In my time as Chair, we did submit annual reports with recommendations. What I do not recall is whether or not Mr. Ramos rolled in his report with our report, but there should be annual reports in the Governor's office from our Council. More importantly, there are two points I want to address. At the time Wendell Williams had this bill passed, by purpose, there was no formal enforcement areas because the economy was going good. There were a lot of good faith efforts based on previous disparity studies, particularly one from 1994. But what was troubling this morning with A.B. 247, which has some relevance to A.B. 270, is a gentleman was quoted as using the word quotas interchangeably with participation goals. Nothing could be further from the truth. In my entire history as a professional engineer, which encompasses 44 years, the only quota I ever heard of being enforced was when I was in Alaska a couple decades ago and they had a quota against killing so many whales. We need to dispel that rumor that whatever is recommended here represents a quota. It is a participation need and area.

Further, in your fiscal note, as a person who also has been actively involved in financing and budgeting for multimillion dollar projects and large scale agencies with up to 500 employees, I can tell you there is always money in a budget to fund an extra position. I understand the previous testimony that there were three people to be hired with the funds if they are not going to be hiring day one with the start of a new fiscal year, so the months they are not in those positions represents a savings. As Wendell Williams said, if somebody retires or moves on to another position, that represents a savings. So, there should be little or no doubt that an ombudsman position can be funded from the cost savings from those positions that remain vacant for a portion of the year.

At this point I would entertain any questions that you may have on my historical knowledge of A.B. No. 7 of the 20th Special Session, and my chairmanship for several years under this law.

Acting Chairwoman Pierce:

Thank you, Mr. Overstreet. Are there any questions for this gentleman? [There were none.] Thank you very much. Would the next person like to speak in Las Vegas?

Garrett LeDuff, Private Citizen, Las Vegas, Nevada:

I have heard a lot of things here today about fiscal responsibility. I ask, can you put a price on dignity, respect, fairness, and equality? I do not believe there is a price that can be put on that. I have heard a lot of things about defending the people and rights. These are taxpayers. No one has mentioned that today. These are taxpaying citizens of the state of Nevada whom you are charged with the responsibility to represent and protect. These are also Americans. Racism in this country is a cancer that needs to be eradicated, and let us start today by passing this bill. Let us take an honest look at the state of Nevada and where we want to go, and lead this country away from this cancer that has been infecting us for decades.

I was first stationed here in 1979. Being a light-skinned African American, I have been privy to racism up close and personal. I have seen the passion coming from Assemblywoman Neal, and I accept the fight and the burden with her to continue to fight for the rights of minorities in this country. It is appalling. We are talking about fiscal responsibility. This has been a dog-and-pony show for ten years. That is basically what this has been. Yes, we can say great to other states that we have a Commission; we have a Commission with no teeth. It has not been doing anything.

I have led men in very hazardous situations. We have nine volunteers who are not asking for anything but to do their job. I would rather have nine volunteers than 90 people that I had to order into combat. That is the heart of a volunteer. We need to lead this country. As representatives of the state of Nevada, you have a duty and a responsibility to do that. I urge you, and I demand that this bill be passed for the rights of all Americans, and for the rights of the citizens of the state of Nevada who cannot represent themselves. We have a duty and a responsibility to advocate for them. That is what we are doing here today. I demand that this bill be passed.

Leonard Hamilton, Project Director, Minority Business Development Agency, Las Vegas:

For the past six years I have seen the numbers from reports relative to the utilization of minority businesses and the numbers really reflect the disparity that has been talked about is real. We can see that disparity in our communities, especially in our business community. The collection of information is a thing that commerce really emphasizes that we as the Minority Business Center here in Las Vegas do. With the collection of information it sheds light on just how well or how badly a process is going.

If the Business Development Advisory Council (BDAC) and other agencies have information relative to how businesses are doing, how employment numbers are

shaping up, then the collection of that information and what will be done by the investigator and the ombudsman is important not only to the Governor's office, but it should be important to you as legislators because without a real understanding and a real picture of what the situation is, you will not be able to make informed decisions. So, it just makes sense to us at the department that this legislation should pass, and we are in support of it.

Ernest M. Fountain, President, Black Business Council, Las Vegas:

I am here to support this particular bill, and I guess the first thing I am thinking to myself is why would the state of Nevada not want to be aware of the issues that the minority community faces? To be aware would help to establish some policy that can effectively address these issues. As someone indicated earlier, the stronger the minority business sector is in our community, the stronger Nevada is going to be. It is going to help to address a lot of the shortfalls in the budget, once you see the increase of business opportunities and also address the unemployment issues in our communities. I would think that it is imperative that you allow this bill to be passed and to move forward. The purpose of establishing these things that are required in order to help to create some policy is going to help to address those issues. Thank you.

Frank Hawkins, President, NAACP-Las Vegas:

There is not much more I can add, but I would just like to reiterate that from the NAACP perspective we clearly support the amendments to the bill. We support the investigator. As the Director of Business and Industry has eloquently stated, through the three new positions there is no fiscal note, and we appreciate that. More importantly we want to support the collection and study of the data, and we definitely support the Commission and the volunteers for what they are going to do. With all of that said, I would just ask that you support this legislation. Thank you very much.

Assemblywoman Bustamante Adams:

During the Appreciation of African Americans' Contribution, not only to Nevada but to the U.S., there was only one woman whose picture was shown, and that was Assemblywoman Dina Neal. So, just for the African American men that all just came and testified, I just want you to know that she is going to need your support more than just testifying today at the witness table. As a Nevadan I am going to ask you guys to step up and continue to do the great work that you have been doing, but also support somebody who is trying to carry legislation to make this a better Nevada.

Frank Hawkins:

Thank you. I would just like to add that we know there is a lot of different legislation and again, we are all volunteers as well. We track many bills we

work with the Latin Chamber, and some of the other groups, through the Nevada Electronic Legislative Information System (NELIS) but it is our intent to weigh in on all legislation that affects Nevada, especially construction. We do not want to just limit it to minority affairs, but anything that affects the citizenry, we want to be involved in it.

Assemblyman Munford:

I appreciate the collective effort and all the support that came from the south. They took the time from their busy schedules to come down and speak on behalf of this bill and support this bill because it is extremely important. At the same time, many of the statements that you were making help to educate the members of this Committee and the people up north. Thank you very much for taking the time.

Frank Hawkins:

There were some members of the Latin Chamber here, but they had to leave. They wanted to speak in support as well.

Acting Chairwoman Pierce:

Thank you for letting us know that. We will return to Carson City.

Bruce Breslow:

This Commission, in order to be able to give you deliverables, in order to give the Governor deliverables, needs to be staffed. What they are asking for would basically be a typical management analyst; someone who can research data, put together data, analyze data, and help them deliver. They are a policy commission. I would recommend that we elevate the discussion further. In what form? I am not exactly sure, but again, in the Governor's budget, the positions coming over would be an investigator and two administrative assistants. If one of those administrative assistants would be a management analyst and could dedicate 50 percent of his time to the needs of this Commission, or attend all of the Commission meetings and be able to do additional work, certainly that would be helpful to the Department of Business and Industry as we move forward.

I think it is a continuing discussion. However, with the way this was drafted, it requests the funding of the Commission to come to me and then for me to go to the Interim Finance Committee (IFC) to fund it. My fear is that alone might kill the bill because I do not think anything has ever been funded that way. I think there are some possible solutions, and I think there are some discussions that can take place that can achieve the goals of everybody here.

Acting Chairwoman Pierce:

I think Assemblywoman Neal would be amenable to continuing that discussion, but before I bring her back up, you know we have not done opposition yet. So, let me move ahead to anyone in opposition to this bill. Please come forward. Seeing no one, is there anyone who would like to speak as to neutrality on this bill? I do not see anyone coming forward. Assemblywoman Neal, would you like to come forward again?

Assemblywoman Neal:

Clearly, with the suggested changes from Director Breslow, and I rely on him, I guess I will be in Ways and Means. That is alright, though. I appreciate your indulging me in this hearing. I think it opened the doorway to some discussion. I know that I got overly passionate, but this is an issue that is near and dear to me. I am just faced with the challenge of having to push it forward, and that is just life and I accept it. I appreciate all of the great comments from the testifiers down south, and that will be the end of my statement. Thank you.

Acting Chairwoman Pierce:

Thank you very much. This will end the hearing on A.B. 270. Do we have any public comment today? Seeing none, I am closing this meeting. Meeting adjourned [at 11:15 a.m.].

RESPECTFULLY SUBMITTED:

John Budden
Committee Secretary

APPROVED BY:

Assemblywoman Dina Neal, Vice Chairwoman

DATE: _____

EXHIBITS

Committee Name: Committee on Government Affairs

Date: March 20, 2013

Time of Meeting: 8:08 a.m.

Bill	Exhibit	Witness / Agency	Description
	A		Agenda
	B		Attendance Roster
A.B. 247	C	State Public Works	Fiscal Note
A.B. 270	D	Assemblywoman Neal	Civil Legal Needs
A.B. 270	E	Assemblywoman Neal	AlterNATIVE
A.B. 270	F	Assemblywoman Neal	Proposed Amendment
A.B. 270	G	Assemblywoman Neal	Poverty Rates by Race
A.B. 270	H	Assemblywoman Neal	Wealth Gaps Rise