

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

**Eightieth Session  
April 25, 2019**

The Committee on Government Affairs was called to order by Vice Chair William McCurdy II at 8:38 a.m. on Thursday, April 25, 2019, in Room 4100 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 [www.leg.state.nv.us/App/NELIS/REL/80th2019](http://www.leg.state.nv.us/App/NELIS/REL/80th2019).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman William McCurdy II, Vice Chair  
Assemblyman Richard Carrillo  
Assemblywoman Bea Duran  
Assemblyman John Ellison  
Assemblywoman Michelle Gorelow  
Assemblyman Gregory T. Hafen II  
Assemblywoman Melissa Hardy  
Assemblyman Glen Leavitt  
Assemblywoman Susie Martinez  
Assemblywoman Connie Munk  
Assemblyman Greg Smith

**COMMITTEE MEMBERS ABSENT:**

Assemblyman Edgar Flores, Chair (excused)  
Assemblyman Alex Assefa (excused)  
Assemblywoman Shannon Bilbray-Axelrod (excused)

**GUEST LEGISLATORS PRESENT:**

Senator Chris Brooks, Senate District No. 3



**STAFF MEMBERS PRESENT:**

Jered McDonald, Committee Policy Analyst  
Asher Killian, Committee Counsel  
Mark Peckham, Committee Secretary  
Trinity Thom, Committee Assistant

**OTHERS PRESENT:**

William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union  
Nicole Crossley, Private Citizen, Las Vegas, Nevada  
Branden Jaimes, Private Citizen, Las Vegas, Nevada  
Jeremy Watson, Private Citizen, Las Vegas, Nevada  
Joseph Tillema, Private Citizen, Henderson, Nevada  
Paul McKenzie, Executive Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada, AFL-CIO  
Dan Musgrove, representing Mechanical Contractors Association of Las Vegas; Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada; and Southern Nevada Chapter, National Electrical Contractors Association  
Al D. Davis, Business Manager-Financial Secretary, International Brotherhood of Electrical Workers Local No. 357  
Matt Lydon, Business Manager, Plumbers, Pipefitters and HVAC/R Technicians Local No. 525  
Danny Thompson, representing International Brotherhood of Electrical Workers Local No. 396; and Local No. 1245; and International Union of Operating Engineers Local No. 3; and Local No. 12  
Jacob Haas, Business Manager-Financial Secretary, International Brotherhood of Electrical Workers Local No. 401  
Rusty McAllister, Executive Secretary-Treasurer, Nevada AFL-CIO  
Andy Donahue, representing Laborers-Employers Cooperation and Education Trust  
Ruben R. Murillo Jr., President, Nevada State Education Association  
Robert W. Potter, President and CEO, Affordable Concepts, Inc., North Las Vegas, Nevada  
Mac Bybee, President/CEO, Nevada Chapter, Associated Builders and Contractors  
Eloy Jara, Assistant Business Manager, Laborers' International Union of North America Local No. 169  
Alexis Motarex, representing Nevada Chapter, Associated General Contractors  
Danny Rotter, Engineering Manager, Truckee Meadows Water Authority  
Rick Cooley, Operations Manager, Public Works Department, Carson City, Nevada  
Warren Hardy, representing Nevada League of Cities and Municipalities; and Nevada Chapter, Associated Builders and Contractors  
David Dazlich, Director, Government Affairs, Las Vegas Metro Chamber of Commerce

Brian Reeder, representing Nevada Contractors Association  
Bill Wellman, Division Manager, Las Vegas Paving Corp.  
Robert A. Conway, Business Agent, International Association of Bridge, Structural,  
Ornamental and Reinforcing Iron Workers Local No. 433  
Randy Pope, Executive Director, Western States Right to Work Committee  
Dustin Ayers, Private Citizen, Las Vegas, Nevada

**Vice Chair McCurdy:**

[Roll was taken, and Committee rules were explained.] We will take the items as they appear on the agenda, beginning with Senate Bill 207 (1st Reprint). I would like to ask Senator Brooks to get started as soon as he is ready.

**Senate Bill 207 (1st Reprint): Revises provisions governing apprentices. (BDR 28-740)**

**Senator Chris Brooks, Senate District No. 3:**

I am here today to present Senate Bill 207 (1st Reprint), a proposal aimed at making sure our future tradesmen and tradeswomen have valuable apprenticeship experiences. Under this proposal, a contractor or subcontractor for a public work doing vertical construction would use apprentices for at least 15 percent of their total hours of labor on that project. For horizontal construction, apprentices would perform 5 percent of the total hours of labor on that project. Public bodies and contractors could appeal to the Labor Commissioner for waivers if they have good cause, which include the following: the work is complex and hazardous requiring the expertise of a greater percentage of journeymen, a request by the contractor or subcontractor for apprentices is denied by the State Apprenticeship Council, or no apprentices are made available by any apprenticeship program recognized by the State Apprenticeship Council. The regulations also do not apply to non-apprenticed crafts. The Labor Commissioner could be able to modify the percentage points by two points starting in January of 2022.

Apprenticeships offer people the critical learning and work skills that they need starting off in a trade. They can quite literally be a gateway into the middle class. As someone with a background in the trades and who has worked on educational opportunities for people seeking to enter those types of occupations, this is an issue that is dear to my heart. I would not be where I am today in my life if I had not entered into the building trades. As a high school dropout and a teenage father who was making a lot of really bad decisions and had a future that looked not quite so bright, I found the building trades and it created an opportunity for me to enter into the middle class, to then become an employer, and then to go on to employ thousands of Nevadans over the last several decades, and do that using apprentices and using the building trades' apprenticeship programs. I was an instructor in the apprenticeship program, and I was on the International Brotherhood of Electrical Workers (IBEW) curriculum development committee for the curriculum around a new industry at the time, solar power, and that was for an apprenticeship program. I have seen firsthand what this can do, not only for my life, but also for thousands of people who may not have had the same opportunities otherwise.

We are facing a critical labor shortage of skilled labor in this state, and we find ourselves in that position because we have not incentivized having apprentices on these projects as much as in past years. That is why I feel this bill is important. I have been working with the contractors industry, labor unions, and also apprenticeship programs—both union and nonunion—to try to come up with something we think can work for the industry but will also create the need for and the motivation to have more apprentices in the state of Nevada. I want to present the bill as it passed the Senate and as we see it here today, but with the Committee's permission and the Vice Chair's permission, I want to continue conversations with some of the key stakeholders in this process. There are some points I would like to identify that we are still having conversations over, and I anticipate presenting to this Committee an amendment in the coming days for their consideration that would address some of the conversations I am having with the stakeholders—such as the Associated General Contractors (AGC), the Nevada Contractors Association, Associated Builders and Contractors, many of the building trades and many of the contractors associations, as well as the apprenticeship programs themselves.

I would like to walk through what the bill does, very quickly, and then turn it over to Bill Stanley from the Southern Nevada Building Trades Union and Paul McKenzie from the Building and Construction Trades Council of Northern Nevada, and then there are a few folks who, as part of this presentation, would like to talk about their apprenticeship experience, if that would be okay with the Committee.

**William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union:**

I have a few comments, briefly, and then I would like to introduce some folks to communicate with you their experiences. As we look to this bill and what it may do, we are trying to provide some stimulus so that we can address some of the issues that Senator Brooks has outlined, but also to provide some opportunity for those in our community who come from some of the underserved and unrepresented communities that may not have had the same access to apprenticeship that others have had. We have, in the Southern Nevada Building Trades Union and the folks in the north, engaged them in ways that many of you may not know. I hope some of you do, whether it be through our programs with the Department of Corrections, or outreach to others. I am going to let some of them tell their stories, and I hope they resonate with you as they did with me. We are going to start with this young lady and let her introduce herself, and then we have got a couple of folks down south whom we would like to have testify.

**Nicole Crossley, Private Citizen, Las Vegas, Nevada:**

I am a fifth-year apprentice for the IBEW. When I started my apprenticeship, I was working at Walmart as a customer service representative. I had no prior experience with building. I was accepted and they immediately put me to work and I realized I did not need to have the experience, I did not need to know somebody, I just showed up and they taught me everything I needed to know and they supported me throughout my entire apprenticeship. The women in my local are very supportive. We help each other out and we make sure to let other people know that this is something that we can do, this is not a man's trade anymore,

and this is open to everybody. I really am proud of myself for being here today. I am proud to be an IBEW member, and I am proud that my daughter has somebody to look up to, that there is somebody that has done it and she can do it too.

**Branden Jaimes, Private Citizen, Las Vegas, Nevada:**

I am an apprentice for Plumbers and Pipefitters Local 525. I believe in hope. Two years ago I was a guest of the High Desert State Prison at Indian Springs. When you are sitting alone in your cell, you think about your life and what you are going through and what you are going to do. For me, I did not have any experience in work or anything, but this [the apprenticeship] taught me a lot: hands-on tools and how to read blueprints.

This changed my life because I did not have any opportunity, and they gave me an opportunity to succeed in something I believed in. I enjoy doing this. Local 525 led me to the career I have today. Right now there are thousands of people who have no hope and need the same opportunity I was given for a life they can be proud of, a career path instead of a prison cell. A responsible apprenticeship program can only save as many people as the market can bear, so the bill that is before you today will increase apprenticeship opportunities, open up career paths, and give hope to those who have not had a shot at a productive life. Thank you for the opportunity to share my story with you, and I urge you to support S.B. 207 (R1).

**Jeremy Watson, Private Citizen, Las Vegas, Nevada:**

Coming from a troubled past, without a direct line of where I was going to be going for my future, Multi-Craft Core Curriculum (MC3) put together by Southern Nevada Building Trades entered the Department of Corrections. Gratefully enough, I was able to attain and take the class, and upon my release here I am today, an iron worker here in Local No. 433. I now have a future to look forward to based off the MC3 class. It has given me a career of hope, and my family, and as far as moving forward in a positive way versus a negative way, of what I have only known all my life. Today I can live a productive healthy lifestyle and not have to worry when I go to bed how I am going to pay my bills. How am I going to pay my bills? By getting up and going to work every day, thanks to the apprenticeship program. I am very grateful and I hope you vote yes on S.B. 207 (R1).

**Joseph Tillema, Private Citizen, Henderson, Nevada:**

I come before you as a Marine Corps combat veteran, with eight years of honorable service, a journeyman mechanic, an officer of the local elevator union, and the beneficiary of the Helmets to Hardhats program. The Helmets to Hardhats program allowed me and countless other soldiers to quickly transition from the military into the building trades where we could apply the strong ethics, attention to detail, and leadership skills we learned serving our country within the building trades, and be able to contribute to the communities that we live in. It has allowed me to get a technical skill that cannot be outsourced overseas, has enabled me to achieve an associate's degree, and was instrumental in giving my family and me the ability to succeed in the middle class. I support S.B. 207 (R1).

**William Stanley:**

As you can see, apprenticeship provides opportunity to a host of folks who otherwise, in some cases, had come to a very abrupt dead end. In the building trades we have spent a lot of time recruiting from these communities, and we continue to do that. What we need is this stimulus that will provide more demand for apprentices in our community so that we can leverage and expand these types of programs. I think our community benefits when that happens. I would just like to add one caveat to the testimony that you heard: among the folks who graduated from the Department of Corrections and entered our program, not a single one of them has ever had another contact with law enforcement. It works. Provide somebody with opportunity, hope, and a job, and recidivism goes down remarkably. I do not think it is a surprise to most of us, but we are trying to do that, and we need some help to leverage those types of programs. The Helmets to Hardhats program that was referenced, we placed many soldiers from their service to this country into apprenticeship programs, and that is such a valuable tool.

I will end by saying this: we have a coming shortage of construction workers in this state. We have a coming shortage of construction workers in the United States. We need to do something about that, and this will help us address that issue. This is not a union problem and it is not a nonunion problem; it is an industrywide problem. We have a responsibility to train the next generation of construction workers. We have an obligation to train them, and we are in it to do that. We just need some help to provide the stimulus so that where taxpayer dollars are at work in our community, we can provide that opportunity and help drive that demand.

**Paul McKenzie, Executive Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada, AFL-CIO:**

I have a couple of points I would like to bring up. An apprenticeship program is not like a university program where a person goes and gets an education and then looks for a job. To become an indentured apprentice, there has to be a job available. That is what the object of this bill is: to create those opportunities for jobs for apprentices so we can increase the number of apprentices that we have working in the state. We did a study recently among our local chapters in northern Nevada. In excess of 50 percent of our construction workforce in northern Nevada exceeds the age of 50 years old. We have about 10 years left before 50 percent of our workforce is going to be retired, and we have to find a way to replace them. This bill will help us do that by getting new apprentices into the program, and given the requirement, not an incentive, but a requirement that you put apprentices on jobs so that we can develop our workforce. Many of our signatory contractors use the apprenticeships to a large degree, but they do not use the apprenticeships at a high enough level to replace the aging workforce. As the baby boomers retire out of the system, we are not training enough workers to replace them. This puts everybody who is bidding on public works in a position where they have to train workers to replace the workers who are going to be retiring.

We will hear some conversation today about other training programs besides apprenticeships and that they are just as beneficial, and my answer to that is that there is no restriction from any organization or contractor that has a training program that they believe trains workers to

a standard that we need to replace the workforce in this industry from taking that apprenticeship program, getting some standards together, taking it to the State Apprenticeship Council and creating their own apprenticeship. There is no restriction on anyone from doing that. They just have to be trained to a standard that is set by the federal government and by our State Apprenticeship Council, rather than training any old way. We are trying to train journeymen workers to a standard so that they can replace the aging workforce and so they can become trainers to the workforce that follows them. We would appreciate your support of this bill, as it is the future of our industry.

**Senator Brooks:**

Mr. Vice Chair, I am ready to entertain any questions from the Committee.

**Assemblyman Smith:**

Just for the record, I have two passions in life, and this is one of them. I could not thank you more for bringing this bill forward. In my opinion, I think this bill is about 15 years late, and if this had been in place back then, we would not be looking at a shortage of a trained workforce right now. It is unfortunate. At least we are here and we are talking about this and we are going to iron this out and make it work for everyone, I hope. I just wanted to make that statement, Mr. Vice Chair.

**Assemblyman Carrillo:**

I have a comment and a question. The comment is, as a member of Plumbers and Pipefitters Union, Local No. 525, I did not have the opportunity to go through the apprentice program, but I wish it had been available to me at that point in time. I have had continuing education, so the apprenticeship program has given me the opportunity to sharpen my skills in my trade of air conditioning and refrigeration. I think what we are doing here is great. As my colleague Assemblyman Smith said, it is great that we are finally here to do this.

My question is regarding section 1, subsection 3—it talks about changing it by 2 percentage points. Could you clarify that? Is it the hours that are on a public works job or any private job as well? Is it a percentage of how many apprentices are on the job, or does it have to do with how many hours?

**Senator Brooks:**

That particular provision in the bill would allow the Labor Commissioner to adjust the percentage of apprenticeship hours on a public works project, per craft, on a yearly basis, based upon success or need of the industry's ability to provide apprentices. Everything in here is based upon apprenticeship hours, per craft, per project. So, if it is a large project that has a large crew, you could adjust the actual crew blend based upon achieving the hours. In subsection 3 it gives the Labor Commissioner the ability to adjust on an annual basis that percentage.

**Assemblyman Carrillo:**

Is it based on the hours put in? When you say it is adjustable, does that mean every year they do an audit and they base it on that?

**Senator Brooks:**

It just gives the Labor Commissioner the flexibility to adjust that based upon any number of factors, whether or not apprentices were available, or if we had a tremendous number of public works projects that were being constructed and we saw that our contractors were being able to easily meet these percentages, the Labor Commissioner could adjust it upwards. It gives the Labor Commissioner that flexibility based upon the success of the legislation to modify it on an annual basis.

**Assemblyman Carrillo:**

The last question I have is, would there be an opportunity for me to be added as a sponsor?

**Senator Brooks:**

With the permission of the Committee, I will be amending this bill and I would be honored to add you as a cosponsor in that amendment. I believe that is the process in the Assembly, through the amendment.

**Assemblyman Leavitt:**

I am a big fan of apprenticeship programs, as all of you know, and I think that workforce development is key to the future success of the state. One of my questions is, how did you get to the 15 percent? It is 5 percent now and it is a raise to 15 percent. As far as horizontal construction, how did you get to that number?

**Senator Brooks:**

Fifty percent was too high and they just beat me up on it, so I had to come down to 15 percent. Currently there is no mandate in law. These percentages are usually based upon a collective bargaining agreement between contractors and contractors' associations and a labor union. I think Mr. Stanley and Mr. McKenzie can speak to where we currently are in all construction, across the board. That was what we were looking at: where are we at and where do we need to be to start to backfill this need for new workers in the trades? It was kind of a triangulation to get to that number. I believe it is lower than it needs to be, but as high as is currently possible.

**William Stanley:**

The 15 percent comes from looking at historically where the building trades had been as a percentage of nonresidential construction dollars spent in the state of Nevada. You can find that information online through census.gov, so you can look at exactly how many construction dollars have been spent historically in the state of Nevada; I think it starts in 2003. You look historically, where we have been in this state, coming through the construction depression from 2006 to 2016. That ten years saw virtually no apprentices—statistically the number was so low that we found ourselves in this position we are in today. Historically we are around 9 percent throughout the industry, so when I sat down to negotiate the project labor agreements at both the stadium and the convention center in southern Nevada, working with the contractors we developed a number that we thought was sustainable and that we could actually meet. During those long, drawn-out conversations with those contractors, very sophisticated folks in the industry, we arrived at



that 15 percent number, and that 15 percent is what you will find in those two agreements, both at the Las Vegas Raiders stadium and at the Las Vegas Convention Center. I would like to report that we are achieving it there. In fact, in some cases we are exceeding it. That is the recent history of that. From 9 percent to 15 percent did not seem like a large jump, and those contractors supported it.

**Assemblyman Leavitt:**

Can we talk briefly about vertical construction? Is there anything put in place for vertical construction versus horizontal construction and why it might differ? I get the idea of a trained workforce and want the people who are working on these jobs to have learned under somebody who knows the job and is willing to teach them. In a lot of situations, it is 50 percent. If it is two guys on a job, one of them is an apprentice and one of them is a worker, and I think I am okay with that. I just want to get the idea of how it works, horizontal versus vertical. Is there a different skill set involved? Is the labor adjustable? Is there a cap now? What is that cap?

**Senator Brooks:**

There is a very different set of circumstances for horizontal and vertical construction. Having the separation of those two and having two separate numbers tries to address the difference between those two types of construction. If you think of what horizontal construction is, you have a lot of heavy equipment operation, you have a lot of truck driving, different crafts working on different things, you have some dangerous traffic scenarios that you work with. Based upon the crew blends, the types of construction, the types of crafts which are suitable for apprenticeships, that make up the entire blend of workforce that are on horizontal construction—it makes far more sense for that to be a lower number. Yet we still want to encourage what apprentice opportunities there are in horizontal construction by putting in that lower number.

Vertical construction—buildings that we are familiar with—there are different trades and crafts associated with building a building, and there are far more opportunities and it is far more appropriate for the type of work to have a larger percentage of apprentices. Electricians; sheet metal workers; heating, ventilation and air conditioning; carpenters; laborers; and ironworkers all work on vertical construction. There are a lot of opportunities for apprentices, and there is a great need to encourage the next generation workforce in those crafts as well.

**Assemblyman Smith:**

First, let me ask if I could get my name on here as a cosponsor as well. Next, is there a base or a minimum value on a project that this applies to?

**Senator Brooks:**

Right now, this would apply to public works projects. I know there is a piece of legislation coming from the Assembly that addresses where that dollar threshold is to trigger a public works project. Right now I believe \$250,000 on a publicly-funded project triggers the prevailing wage requirements that this would apply to. I believe that there is a piece of

legislation, and I tend to believe it will be successful, that lowers that threshold to \$100,000. Nothing in this bill specifically refers to that but it points back to statutes that create the need to trigger prevailing wage.

**Assemblyman Smith:**

My second question is regarding section 1, subsection 6. I am just wondering if you could not do this process prior to bidding the project.

**Senator Brooks:**

You are not the only one who has suggested that would be a better idea, and when I talk about some of the issues that have come up in the first bill hearing in the Senate and in subsequent conversations with contractors, contractors' associations, and labor unions, that is one of the many suggestions. I appreciate that suggestion. I would hope that with the permission of the Committee I would be able to submit, in very short order, an amendment and that would be something addressed in that amendment.

**Assemblyman Hafen:**

First, I want to echo some of the questions and concerns from my colleague with the same name. We must think alike. I do appreciate your bringing this forward because I agree that workforce development and apprenticeships are good. I actually carried a bill to promote apprenticeships that did not survive out of committee, but I do think it is a good concept. I do want to go back though to my colleague's questions. I think the amendment that you were discussing would be a good change, that a public body could request a waiver prior to finalizing the bid.

My other question is regarding the dollar threshold, because I totally understand the Raiders stadium, the Convention Center, I think those are projects where this would be workable. My concern is when you have some of the smaller projects, I believe you mentioned the \$100,000 threshold, they may only need a three-man crew to do the job. Probably an unintended consequence of this, I really would think we might want to have a dollar threshold that is higher than \$100,000 for some of those smaller projects, so perhaps a small business that does not have an apprenticeship program could still be able to bid on it. I am hoping you can comment on that and perhaps accept an amendment.

**Senator Brooks:**

That is an excellent point that you bring up. In the last hearing that point was brought up. That is a point of contention with some of the contractors as well, that 15 percent of two people ends up being 50 percent of two people just to comply with the hours. So smaller projects, smaller crew sizes, smaller composite crews present a problem for compliance, and also present a logistical issue and so that is one of the things that we hope to address through amendment. I am not inclined to use a dollar amount, because a dollar amount does not necessarily capture it. I am more inclined to use a crew size and crew blend amount to try to solve that problem.

**Assemblywoman Martinez:**

As we were saying earlier, not everybody is made out for college, and this young lady's transition from Walmart to being an IBEW member, she can make a comfortable living for her family. I would also like to know if I could be added as a cosponsor.

**Senator Brooks:**

I would be honored to add you as a cosponsor.

**Vice Chair McCurdy:**

Are there any additional questions from the Committee at this time? [There were none.] Please sit back, Senator, and we will invite those wishing to speak in support to come forward.

**Dan Musgrove, representing Mechanical Contractors Association of Las Vegas; Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada; and Southern Nevada Chapter, National Electrical Contractors Association:**

Today I am representing a number of employer groups that are signatory union employers. This is the employer side of this equation. You have heard a lot from folks who are on the labor side, but I want you to know how important this is to the employers who need to build our next generation of workers. We absolutely are supportive of the bill. We appreciate the work that Senator Brooks has done on this bill. We are comfortable with the discussion today, as well as some of the proposed amendments that might clean it up and make it a little bit easier. We have no problem reaching the 15 percent. We want to be absolutely supportive. It is the work that we do with our labor unions that creates these apprenticeship programs. This is a partnership between the employer and the union, and we are absolutely supportive.

**Al D. Davis, Business Manager-Financial Secretary, International Brotherhood of Electrical Workers Local No. 357:**

I am a proud graduate of the Electrical Joint Apprenticeship Training Committee for Southern Nevada in the electrical industry. I was also a teacher in that facility. I am proud to be an 18-year trustee, helping people come into the industry and make a living wage for their families. I am going to talk a little bit about my demographics. I represent about 3,500 construction workers in different fields, and 1,000 of my journeymen in the next ten years will be retiring. They will be at retirement age. I have 400 apprentices in the program, but I need more. I do not have enough people to supply southern Nevada with skilled craftsmen in the future. I urge you to support this bill.

**Matt Lydon, Business Manager, Plumbers, Pipefitters and HVAC/R Technicians Local No. 525:**

I also sit on the union's joint apprenticeship training committee alongside our contractor partners. Many of you have toured our training facility, so you know we have the capacity to train approximately 500 apprentices at a time. Unfortunately, we are hovering around 180 apprentices, and that is because we are a nonprofit organization. We work with our

contractor partners to judge the job market and only bring in as many apprentices as the market will bear. If you pass this bill, you will be using public works dollars to create opportunity for veterans, young people, a living wage, and a career. Careers with comprehensive health insurance, secure retirement, jobs with wage equality across ethnicities and genders. I urge you to support this commonsense legislation.

**Danny Thompson, representing International Brotherhood of Electrical Workers Local No. 396; and Local No. 1245; and International Union of Operating Engineers Local No. 3; and Local No. 12:**

All four of the unions I represent have robust training programs that provide valuable services to the state of Nevada. We support this bill. As a graduate of the State Apprenticeship Council myself, I know the value of the training program. I want to go on record in support.

**Jacob Haas, Business Manager-Financial Secretary, International Brotherhood of Electrical Workers Local No. 401:**

I am also in support of this bill. I have gone through the apprenticeship program myself; it is how I got into the trade. I sit on the apprenticeship training trust and we are expanding our apprenticeship program as much as we can. I just spoke with our pre-apprenticeship class last night. We have over 20 individuals who are just waiting to get into the apprenticeship. We can definitely fulfill the need.

**Rusty McAllister, Executive Secretary-Treasurer, Nevada AFL-CIO:**

We also stand in support of this. We would like to give a "me too." Hopefully, some of you got the opportunity on Tuesday to come and experience some of the apprenticeship programs up on the third floor. They had set up Apprenticeship Day and I saw many of the legislators come through and use some of the simulators that they have. These are good programs. They provide opportunity for young and older workers here in the state of Nevada, both male and female. With that in mind, we certainly support this.

**Andy Donahue, representing Laborers-Employers Cooperation and Education Trust:**

We support the concept and look forward to continued conversations.

**Ruben R. Murillo Jr., President, Nevada State Education Association:**

Public education extends, traditionally, K-12 through college. That is the goal of most people, but preparing a workforce does not necessarily mean you have to go to college to be successful. We see the apprenticeship programs as an extension and alternative to a lot of our population who do not want to go to college, or cannot go to college, but can use the skills they learned in public education to further their careers through apprenticeship programs. We are in support of this.

**Vice Chair McCurdy:**

Are there any others here in Carson City or in Las Vegas who wish to testify in support? [There was no one.] We will go to opposition. Please come forward if you wish to speak in opposition. We will begin in southern Nevada.

**Robert W. Potter, President and CEO, Affordable Concepts, Inc., North Las Vegas, Nevada:**

I have been in business 34 years as a merit shop contractor, and I wholly support the intent of this additional workforce development bill; however, I think it is not the proper way of going about it. I believe that this bill is anticompetitive for the public process. It will have unintended consequences. You will have less competition in public works projects. You are prohibiting all individual trade subcontractors from working on public works projects unless they are a union member and have a bona fide apprentice program. Public works projects will get more expensive and, as elected officials, I think you are supposed to support the premise of all constituents, not just those who are union constituents. As a matter of fact, there are more nonunion members in the workforce in our industry than there are union members. Again, I believe the intent is good, but that is not how to pursue it. The gentleman made a comment earlier that this is not a union or nonunion bill, it is an industry bill, and I take extreme exception to that premise. It is a union bill, and therefore I am against it because I think you are going about it incorrectly. We certainly do have a big need for workforce development.

**Assemblyman Carrillo:**

I know you are a merit shop. Have you utilized union labor on any of your projects that you have done?

**Robert Potter:**

Yes, I have used union labor in the past. I am probably using some presently on some projects. I am not against it. I just do not think this bill is fair to all the nonunion people who are experienced, competent, and based upon this bill, they will not be able to work on your public works projects in the state of Nevada.

**Mac Bybee, President/CEO, Nevada Chapter, Associated Builders and Contractors:**

As one of the few people in the state who runs an open shop apprenticeship program, we have a saying organizationally: Get them in, get them educated, give them a dream. I have seen apprenticeships change lives. They come to us, sometimes homeless, and by the time they are out of our program they own a home. For the person who has an aptitude for commercial construction, it is absolutely the best career path possible. My concern with this legislation as it is written is that—so I have an electrical apprenticeship program, we might be okay for those, but what about the other trades? What about the other trades that, I guess, they would have to go directly to the union hall for those apprenticeships? I think the unintended consequence would be that you would ultimately eliminate a lot of nonunion contractors from bidding prevailing wage work, and we do not want that. Eighty percent of the construction industry—and you can talk about numbers and how much of that is actually commercial and what is not, because we are really only talking about commercial contractors in this space—the growth in apprenticeship is going to come from the open shop side.

In concept it is a great idea, and I also appreciate the work that Senator Brooks has done. He has brought us all in and listened to our concerns, and I am hoping to get us to a place where we move from opposition to support if we can get there, but as it is currently written, it

is my view that this will essentially eliminate many open shop contractors from bidding work. The other side says, Well, you can go to the union hall. Well, what do those agreements look like? Are they going to be obligated to go to the trust fund? Some of these agreements say that you open your company to auditing. I think my point has been said.

**Assemblyman Ellison:**

I apologize for being late; I was at another committee. I did not get to hear opening statements, but I did have some questions and concerns. What do you do with all these other people who have been in the trade for 40 or 50 years who moved up through on-the-job training? Now, because they did not go through apprenticeship, are these people going to be denied work on a project because they did not go through a union apprenticeship program?

**Mac Bybee:**

How the legislation is drafted is a requirement for horizontal construction for 15 percent of hours worked by an apprentice. The issue is, you either go to the union hall, the waiver process is incomplete because if you do not want to sign agreements with the union hall on an apprentice, then you are essentially put at a competitive disadvantage to do that work. Individuals who are currently in the trade should be paid at a journeyworker rate if they are doing prevailing wage work or higher, so those individuals could still work. It is the apprenticeship portion, or the accessibility to those apprentices, that is in question, that could eliminate those open shop contractors from their ability to do the work.

**Assemblyman Ellison:**

I am sorry, I did not get into this bill a lot with everything going on. Are you telling me that no matter what size the project is, they would still have to fall in that threshold? Say, if it is a \$250,000 project and it is prevailing wage, would this fall into that category?

**Mac Bybee:**

If it is under the prevailing wage threshold, you would not be paying prevailing wage rates. You would be paying whatever the hard bid rate is. It would be anything above that threshold, so whether it is \$250,000 or whether it goes back to \$100,000 after this session, those would be the projects in question.

**Assemblyman Carrillo:**

I know the open shops—does Associated Builders and Contractors (ABC) not have an apprenticeship program?

**Mac Bybee:**

We have an electrical apprenticeship program. Currently I have approximately 300 electrical apprentices. We have plumbing at the northern end of the state, but we do not have apprentices in every trade.

**Assemblyman Carrillo:**

Is it state-accredited?

**Mac Bybee:**

They are both nationally- and state-recognized programs.

**Assemblyman Carrillo:**

I guess I am just trying to understand the heartache, to truly understand, because you are putting your apprentices to work and getting them the training that they need. I am trying to understand your concerns about the percentages. You are putting people to work, so if you could explain your objection?

**Mac Bybee:**

On the electrical side, we could probably get there. As a trade, electricians are heavy in manpower and so having apprentices in open shops or through the IBEW is probably not an issue, but we talk about process in the trades that do not currently have apprenticeship on the open shop side. If you want to properly put together a program, it is going to take you a year at minimum to get it through the state apprenticeship program. There is no on-ramp for this legislation to say, Okay, this mandate is a year out or two years out. I understand the concerns on that front from the bill's sponsor. It is going to take you at least a year if you want to do it right. If you want to have those standards in place—and by the way, when an apprentice is indentured, they are your responsibility, you do not just send them out to anybody; you know the contractor, you make sure they are adhering to the rules, you make sure that the on-the-job training hours are done properly and right. If you want a program that is done properly, it is your responsibility to make sure that those in your program are being treated well, go to the job safely, and get the experience they need to excel and live the American dream.

My concern with the trades that do not currently have a registered apprenticeship program that is approved through the State Apprenticeship Council is that it is going to take you at least a year to get that together, maybe two depending on if your standards are accepted or not. I believe the State Apprenticeship Council meets quarterly, so if you do not get it right, then you are automatically another three months in while you correct your apprenticeship standards to try to get it through the process.

**Assemblyman Hafen:**

Are you aware if there are vertical apprenticeship programs in all 17 counties, or are they only in the counties with over 100,000 in population?

**Mac Bybee:**

To my knowledge, the only open shop apprenticeship programs are the ones that ABC provides and that the Plumbing-Heating-Cooling Contractors Association provides in southern Nevada. Those would be Reno and Las Vegas.

**Assemblyman Hafen:**

So if I understand you correctly, all of the other 15 counties would then have to find contractors out of either Las Vegas or Reno?

**Mac Bybee:**

I do not know if that is necessarily the case; just how bidding works and how workforce moves—honestly, I could not answer that question. I can tell you that to my knowledge, that is where the apprenticeship training occurs. I know that we have contractors that work across the state and would send apprentices out to Ely or to White Pine or Elko Counties. I do not have a good answer on how that works, but I do know that apprentices do work out in the rural counties.

**Assemblyman Smith:**

I have a clarification for folks. As part of my past history, I spent about 14 years on the State Apprenticeship Council, and we did approve several nonunion programs. That was not an issue. As far as the time frame, you might be close, but I think it is probably nine months. This bill tells me that you have the ability to establish a program in any craft of your choice, you represent more than just electricians. I think the opportunity is there; there is no one denying that. It is open and available and if you see the problem coming, you would take steps to head that off. That is just a statement.

**Eloy Jara, Assistant Business Manager, Laborers' International Union of North America Local No. 169:**

As the bill stands right now, we are in opposition to the bill. We have a couple of concerns with the bill. There has been an amendment presented to the sponsor, and we are talking to the sponsor. We are going to be talking to him and will look forward to talking more regarding the amendments.

We believe that there needs to be some kind of separation between the south and the north, somewhat of a population cap. As far as the percentages go, for us to meet the expectations that are to be met down in the south, for us they are a little high and possibly not realistic. I will tell you guys about a situation. We are also concerned with the waiver, and we need a little bit more transparency there. Washoe County School District has a requirement for asbestos abatement contractors. For any asbestos abatement worker to work on one of their projects, they have to have worked on abatement for three years. If this goes into place, that abatement contractor who wins the bid with Washoe County School District has to meet this state requirement, so we see a conflict there also with this bill. There are issues there.

**Alexis Motarex, representing Nevada Chapter, Associated General Contractors:**

Associated General Contractors represents both non-signatory and signatory contractors, many of whom have apprentices working for them right now. We appreciate the sponsor's willingness to work with us to address our concerns, but because of the rules, we have to oppose this today as it has been presented and as it has been written. We are concerned with the percentages required and believe that 7 percent for vertical and 3 percent for horizontal would be a more appropriate number for the indentured apprentices in northern Nevada. We also believe that having a minimum crew size would help alleviate some of our concerns. We had proposed maybe the prevailing wage zones; we would be willing to discuss some geographic boundaries for how far our northern Nevada contractors would have to reach out across the state.



The AGC has always supported workforce development efforts, including apprenticeships and other training programs. To qualify for apprenticeship programs, one must have a high school diploma. By requiring only indentured apprentices to qualify under this proposal, there would be yet another barrier to earning a middle-class income to those who, for whatever reason, do not meet that basic qualification. We do agree with Bill Stanley that this is not a union versus nonunion problem, it is a Nevada problem, and we all need to work together to make sure that our construction workforce is well trained to build Nevada's future.

**Danny Rotter, Engineering Manager, Truckee Meadows Water Authority:**

My job is to design and construct capital projects. We support and fund 4 out of those 88 apprenticeships on the state certification board, so that is something that is important to us and keeps our workforce up to date. Our concerns with the bill are with the waiver process being after the bid award, up to 30 or 45 days, and having the public body asking for that waiver. Now we are in the middle of the process where we have awarded a bid, but we are asking for a waiver. If that waiver does not get approved, then would we go to the second bidder and go to a higher cost? It sounds as if there might be some amendments going forward that would help that.

Our other concerns are that we would be adding cost by limiting bidding competition, so if we can make some amendments that address the execution of the program and the waivers and keep bidding competition available to us, then that would be a good thing.

**Vice Chair McCurdy:**

I would like to invite Alexis Motarex back to the microphone. We do have a question from Assemblyman Smith.

**Assemblyman Smith:**

I have more of a statement than a question; I will not grill you too badly. Just so everyone is aware, *Nevada Revised Statutes* (NRS) Chapter 610 allows for a high school diploma to be obtained once you are in the program. You have got, I believe, up to a year to acquire that. So it is not a block. I hope no one views it as being a blockage to any of the programs.

**Rick Cooley, Operations Manager, Public Works Department, Carson City, Nevada:**

We, too, are opposed to the bill as written. As Mr. Rotter stated, it is more of an administrative issue. With the waiver process being after award, that makes things problematic. Also, inserting a public agency between the contractors and the Labor Commissioner becomes problematic in that we would not be the experts into their due diligence. It creates an extra step and slows things down and we are all in the process of getting jobs out and getting them awarded. Creating those additional barriers to string out the award process is problematic to where I would see more contractors working with the Labor Commissioner if there are issues. Also, some of the amendments that are being discussed regarding project size are kind of problematic, so it sounds as though some of those are being worked out also.

**Warren Hardy, representing Nevada League of Cities and Municipalities; and Nevada Chapter, Associated Builders and Contractors:**

Many of the issues the cities are concerned about have been mentioned by the gentlemen from other local governments, but we are also concerned that this might have a chilling effect in the short term for nonunion contractors to bid public works. The biggest challenge we are having out there in the industry right now is getting people to bid public works. When the economy is good, there tends to be a flight to private sector construction. We have members, I know the unions have members as well, that in good times do not really bid public works projects. On behalf of the cities, there is a concern that this will have a chilling effect in the short term.

In my capacity as a representative of the Associated Builders and Contractors, I would like to make just a couple of quick points based on the discussion that has occurred. The nonunion open shop sector is not prepared for this mandate. Should we be prepared? Probably, but we are not. That is a mea culpa, but it is a reality. The effect of passing this legislation as drafted will absolutely have the effect of driving nonunion contractors away from bidding public works in the short term until we have these programs in place. To Assemblyman Smith's point, we absolutely have the ability to build these programs. In recent years, the Apprenticeship Council has been very friendly to that notion and idea and has approved our programs. The ability to build them is not the problem; we can do that quickly. It is funding the programs that is the problem. That is just not a culture that currently exists in the open shop industry, for better or for worse, right or wrong, it is still a reality. Facts are stubborn things. We will not be prepared for this mandate. We need to get ourselves prepared for this mandate. Funding for programs comes on the union side through wages, through a percentage of wages of both apprentices and journeymen to pay for these programs. We need to implement that on the nonunion side. It is a mandate like this that will push us in that direction. Our only concern here is that we do this with a measured approach that does not disenfranchise the nonunion side from doing public works projects.

I am delighted with the conversations I am having with the sponsor of the bill. As is always the case with Senator Brooks, his door is open, he is a listening ear. He has been tremendous to work with on this issue, and I think he understands our issues. I believe we will get there on this legislation in a way that ramps this up and does not do violence to the nonunion industry.

**Vice Chair McCurdy:**

We have two questions for you.

**Assemblyman Ellison:**

You were in the construction industry, but I do not know if you still are.

**Warren Hardy:**

I have never worked as a working member of the construction industry, but I have represented the construction industry in this building since 1993.

**Assemblyman Ellison:**

Most of the big shops have apprenticeship programs, union and nonunion, is that correct?

**Warren Hardy:**

Most of the big construction companies have training. They are not always apprenticeship programs, but several years ago we moved to a journeyworker wage for craft training in the open shop industry, so we have some very strong craft training programs that trained individuals. Because of the economics of it, really an apprenticeship program does not work on the open shop side unless there is strong interest from those who do public works. The funding is not there unless it is for individuals who do public works. So much of our open shop industry does not do public works that it is difficult to economically get the program started. It is not a lack of desire; it is a lack of funding, and that is what we need to focus on in this legislation and going forward. If we are really going to advance apprenticeship programs across the board, there has to be a focus on funding and it has to come from the wages like it does on the union side. It has to come from the wages of all contractors in the state. There needs to be a mandate that they pay into an apprenticeship fund that goes equally—I hate to say this, but California really is the example on this, and really that is what we need to implement long-term here. It is not always apprenticeship programs, but yes there are strong training programs.

**Assemblyman Ellison:**

I do not know if you want to answer this or not. In some of the rural communities, we have community colleges that do a lot of the program. They do welding, they do electrical, they do instrumentation, and they do plumbing. By the time they even get close to graduating, the mines have got them. They are gone. To pull that workforce in is almost impossible in small shops. I love apprenticeship programs. I really do. I think they are great. I do not think we can restrict everybody in this, and I think that is my problem. Can you answer that?

**Warren Hardy:**

Assemblyman Ellison does bring up a good point. I do think full apprenticeship programs are the answer to the problem for the industry, for the mines, for the construction industry, for everybody else. I am admitting here in front of the Legislature and everybody that we are behind. The open shop industry is behind on these programs. We need to get caught up. There has been an effort internally to do it, but I do not believe moving away from apprenticeships is the answer. Short-term craft training is the answer until we can get these programs up and built and funded. The only thing that is stopping our sector of the industry from doing this is funding.

**Assemblyman Hafen:**

Would it be enough time for the industry to get up and running by January 1, 2022, when the regulations would be adopted?

**Warren Hardy:**

That is probably a better question for Mr. Bybee. We can certainly get the programs in place by then. Then you have got to deal with participation. I do not know how it works on the

union side, but on our side when we indenture an apprentice, we take responsibility for them. We cannot just lay them off. We take responsibility for their education. We have to continue to train them. We take responsibility for their fringe benefits. We have to continue to provide for that, which is why it is problematic for a lot of nonunion contractors to get in, because we do not have the fallback of having the fund that is made available by a percentage of every dollar that comes out of union workers' paychecks that goes to the union apprenticeship program. We have to duplicate that on our side. Timing: a year or a year and a half is more than enough to logistically put the programs together, but the portion that is missing for us is the funding, and we need to follow the model of our friends in labor. We need to follow the model of our friends in labor in building programs. They have got programs that are unbelievable. We believe that our electrical program matches them in terms of quality and ability, but we have got a ways to go on our other programs. They are the model.

**David Dazlich, Director, Government Affairs, Las Vegas Metro Chamber of Commerce:**

For the sake of time, I will simply say "ditto" to the comments of Mr. Hardy and Mr. Bybee. While the Las Vegas Metro Chamber of Commerce is dedicated to workforce development as part of our platform and we recognize the vital role that these apprenticeship programs do play in this, we are in opposition at this time, because of what we see as the unintended consequences of this bill. We do look forward to continuing to work with the sponsor in hopes of addressing that.

**Vice Chair McCurdy:**

Are there any others who wish to testify in opposition to Senate Bill 207 (1st Reprint)? [There was no one.] We will move to testifiers in the neutral position.

**Brian Reeder, representing Nevada Contractors Association:**

I think I have said this before and the Committee is aware of this, but the Nevada Contractors Association is made up of both open shop and signatory contractors. Our members built the vast majority of public works projects in southern Nevada. Arguably this bill impacts our members as much if not more than anybody else. Nevada Contractors Association supports training and apprentice programs. We were contemplating opposition to this bill this morning based on the first reprint. But based off of several really good conversations with the bill's sponsor and some of the amendments he spoke of this morning, we do think we are going to get to a place where this bill is workable.

**Bill Wellman, Division Manager, Las Vegas Paving Corp.:**

Las Vegas Paving Corp. is Nevada's largest contractor. I want to thank Senator Brooks for picking up this bill. This is my fourth session working on it with Senator Atkinson, and I am the author of the bill as originally introduced. We are 100 percent in support of this type of program. We use it extensively. There are a couple of things I want to bring up briefly that we think are needed to make this bill work and get us on board to support. I do not think we will get an opportunity again to speak in front of this Committee.

One of them is, we want to make sure that it is not overstated on the percentages. We are a horizontal contractor, primarily. Five percent is a bit high; we feel 3 percent is the right number for today. Back in 2013 when we started our Fuel Revenue Indexing campaign here at this building and got the support, we made the commitment that we would enhance our workforce development commitment. Back then we were at 2 percent. Today we are at 4.8 percent overall. First and foremost, the concern with this type of program is safety. We will not put apprentices on every project. If we are working on Interstate 15, if we are working on Interstate 80, we will not put apprentices on those until they have graduated from our own program to the extent that they are safe and can work around the equipment, around fast-driving vehicles, and other things that are critical. In prevailing wage today, or in 2018, 1.8 percent of our 2.3 million man-hours was on prevailing wage projects. That is where I am coming from with the 3 percent. We will have to enhance this quite a bit. The rest of them work at our shops, at our gravel plant or our asphalt plant, places that are a lot safer while they learn how to work with others and work around large equipment. We will not compromise safety and people's lives just to meet certain percentages.

The other one is that we suggest that the floor is four journeymen and then start with the requirement of having to add apprentices to that particular project. The last one is the contractor can go to the Labor Commissioner rather than the owner. You heard from the owners shortly ago that it is a concern. That would be following the notice of intent to award which is a requirement that the owners send out per NRS Chapter 338. At that particular point in time, we know what the market is going to bear with regard to apprentices in the workforce.

**Robert A. Conway, Business Agent, International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Local No. 433:**

I wanted to point out a couple of things in regard to some of the things that were mentioned earlier. Everything that Warren Hardy had to say was pretty much on point. A good example, as he mentioned, is California. Los Angeles Unified School District is about 19 to 20 years into a bond issue that has spent \$27 billion so far, and 40 percent of that work has been done by the open shop. There is no arguing that. It is searchable. You can pull it up in just a few minutes on the computer there. The ratios over there are all set by the collective bargaining agreements for the individual crafts, and it all works really well over there. I just wanted to point some of that out and thank Senator Brooks for bringing the bill.

**Vice Chair McCurdy:**

Are there any others wishing to speak in the neutral position? [There was no one.] We will now ask the Senator to come back and provide some closing remarks.

**Senator Brooks:**

I really appreciate your spending so much time on this important subject and allowing so much debate and conversation. Very briefly, there were some points brought up that I think I can clarify. To Assemblyman Hafen's asking if this is available in all counties, that is one of the intentions behind letting the Labor Commissioner issue waivers. If it is not practicable or it is impossible or it is a burden to try to get folks out to more distant reaches of our state,

then that would be a reason you could go to the Labor Commissioner and ask for that waiver. As far as the high school diploma issue that was brought up, I know that it was the reason why I got a high school diploma and not a hindrance to getting a high school diploma. There are lots of opportunities to help get folks to a place where they might not have ever done that before, and having a good job at the end of that process is one of the ways to get them there. As far as public agencies not wanting to have to take more responsibility for the use of our public funds, they currently are responsible for many things when it comes to how they administer our public funds, and I do not see this as a burden, although Mr. Wellman's comments on having the contractor make that request instead of the public agency does make some sense.

By the way, my office is Room 2112. Public agency, Truckee Meadows, Carson City Public Works, I would love to talk to you. Those were the issues that were brought up that I think needed to be clarified. To Assemblyman Ellison, there is nothing that would prohibit existing folks who never went through an apprenticeship program from working on these projects. It would just be a mandate for a percentage of folks in apprenticeship programs, union or nonunion, to work on these projects. I appreciate all the thoughtful questions and the time that you have committed to this, and thank you so much for hearing this bill.

**Vice Chair McCurdy:**

Thank you, Senator, and thank you for bringing this bill. I did not get a chance to chime in but as many in this room know, I would not be sitting where I am sitting today had it not been for my friends in labor, having had an opportunity to go through and be provided those opportunities. With that, I really thank you for bringing this bill. I think it is going to do a lot for our state and the future of our workforce

**Assemblywoman Duran:**

Would you consider putting me on as a cosponsor?

**Senator Brooks:**

I would be honored to add you as a cosponsor.

**Vice Chair McCurdy:**

We are going to wrap up this hearing on Senate Bill 207 (1st Reprint), but before we do, I would ask that while you are engaging in those conversations to get folks to a place of support who may currently be in the opposition or neutral position, I will ask that you keep Assemblyman Smith in the loop on some of those conversations as well.

**Senator Brooks:**

I think that is a great idea. I appreciate that.

**Vice Chair McCurdy:**

We will now close the hearing on Senate Bill 207 (1st Reprint) and open the hearing on Senate Bill 231 (1st Reprint). We will get started when you are ready.

**Senate Bill 231 (1st Reprint): Revises provisions relating to certain construction.  
(BDR 28-910)**

**Senator Chris Brooks, Senate District No. 3:**

This one is an easy one, so I appreciate your entertaining me yet again in this Committee. I am here to present Senate Bill 231 (1st Reprint). Senate Bill 231 (1st Reprint) does two things. It does two very simple things, maybe not easy, but simple. The first one would require the Nevada Labor Commissioner, per section 2.5, subsection 5 of the bill, to adopt regulations authorizing and prescribing the procedures for electronic filing of copies of records that indicate name of worker, worker's occupation title, gender if voluntarily disclosed by the worker, ethnicity if voluntarily disclosed by the worker, and indication of the state or jurisdiction where an identification document or driver's license was issued, and their per diem wages and benefits. This would be for the review of public bodies that award public work to a contractor or subcontractor. This is to allow for more accurate electronic filing of something that currently already takes place. This is, in my opinion, and Mr. McKenzie will speak to this briefly, a modernization of current processes that are in place around recording public works projects.

The second thing S.B. 231 (R1) does is even simpler. It repeals the prohibition on project labor agreements that exists in *Nevada Revised Statutes* 338.1405. In the 78th Session the ability for public agencies to enter into project labor agreements—not the mandate that they should, not even the recommendation that they will, the ability for them to—was prohibited through that legislation. This just repeals that prohibition and takes us back to a place when we gave our public agencies the ability to use project labor agreements as a tool in their toolbox to develop projects that they wanted to see come in on time and under budget. In an anti-labor move it was prohibited in 2015; this just levels the playing field and allows project labor agreements to be used again. With that, I will turn it over to Mr. McKenzie to talk about the first provision and Mr. Stanley to talk about the second. I will ask my friends to be very brief in respect of the Committee's time.

**Paul McKenzie, Executive Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada, AFL-CIO:**

The electronic filing that is currently being utilized by the majority of public agencies within the state is a program called LCPtracker. That program has many different ways that the information can be gathered and submitted, and how it can be accessed by the public and the Labor Commissioner. The point at issue here is that we should all be doing it the same way. We are asking the Labor Commissioner to create a regulation so that all of that information is the same, it is brought in the same way, it is submitted by the contractor to the public agency the same way, and then accessed by the public and the Labor Commissioner uniformly across the state. That is the objective of this.

**William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union:**

Thank you, Senator Brooks, for bringing Senate Bill 231 (1st Reprint). I am going to keep this really brief. This argument has been discussed in this building ad nauseam since 2015. I think most folks know where the building trades are. We support the use of project labor agreements, and there will be some folks who come to the table who do not support the use of project labor agreements for one reason or another. Suffice it to say that we support them as a tool in the toolbox of our public agencies when that makes sense for them, and when it does not make sense for them they are not required to use them. I am ready to stand for any questions.

**Assemblyman Leavitt:**

Are there any current project labor agreements (PLAs) right now? What would this do to the current status of those moving into the future?

**William Stanley:**

Currently, in southern Nevada we have several project labor agreements. We have project labor agreements governing the work at Nevada Test and Training Range. We have project labor agreements that govern the work at the Nevada National Security Site. We have project labor agreements in place for Las Vegas Valley Water District that have been in place for 25-plus years now. We have a project labor agreement at McCarran International Airport that has been in place for approximately the same quarter century. We have many that have expired, but ones that are currently in place for the Raiders stadium, and then an additional one at the Las Vegas Convention Center.

To answer the second part of your question, this legislation in no way would impede those existing project labor agreements.

**Vice Chair McCurdy:**

Are there any additional questions at this time? [There were none.] We will invite anyone wishing to speak in support of Senate Bill 231 (1st Reprint) to come forward at this time, either in Carson City or southern Nevada.

**Al D. Davis, Business Manager-Financial Secretary, International Brotherhood of Electrical Workers Local No. 357:**

I am in support of this bill.

**Matt Lydon, Business Manager, Plumbers, Pipefitters and HVAC/R Technicians Local No. 525:**

We stand in support of this bill. We appreciate the sponsors bringing this bill forward.

**Andy Donahue, representing Laborers-Employers Cooperation and Education Trust:**

This bill lines up well with collective efforts for clearer, more streamlined document keeping. We are glad to be involved.



**Jacob Hass, Business Manager-Financial Secretary, International Brotherhood of Electrical Workers Local No. 401:**

We are in support of this bill.

**Dan Musgrove, representing Mechanical Contractors Association of Las Vegas; Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada; and Southern Nevada Chapter, National Electrical Contractors Association:**

We support the bill.

**Rusty McAllister, Executive Secretary-Treasurer, Nevada AFL-CIO:**

We would also say me too; we are in support of this legislation.

**Vice Chair McCurdy:**

Is there anyone else wishing to speak in support, either in Carson City or southern Nevada? [There was no one.] We will now invite those wishing to testify in opposition to come forward.

**Warren Hardy, representing Nevada Chapter, Associated Builders and Contractors of Nevada:**

Here is what you are doing by repealing this legislation. Here is the tool you are putting into the toolbox of local governments. You are putting a tool into the toolbox of local governments to allow them to limit the number of nonunion contractors that are used on a public works construction job. The current application of project labor agreements in Nevada says that the nonunion contractor may hire seven of their own workers on an alternating basis. You get to hire one of yours—you go get one from the union hall, one of yours, one from the union hall—up to a total of seven, and then you have to hire all of them from the labor union. The second thing you are doing is requiring a nonunion contractor to be faced with a decision as to whether or not to continue to provide the benefits that they are currently providing for their nonunion workers or eliminate those benefits, or double pay because we have to pay into the union trust fund. Those are the two provisions we oppose.

Nonunion contractors are overwhelmingly small contractors. In the upper 90 percentile women-, minority-owned businesses are nonunion contractors. This creates a significant barrier and inequity to nonunion contractors, to women- and minority-owned contractors from entering the construction trade, to being able to bid fairly—sure they can bid, if you are willing to make that decision, you can bid the project.

Mr. Stanley said this is to be put into the toolbox to use when it makes sense—when does it make sense for a government policy to forcibly take a job away from somebody who has worked for it, who has studied for it, who deserves it, and give that job forcibly to another person? When does that make sense, as a matter of public policy? I would submit that it does not. I know we have talked about this forever; I am not going to belabor the point. I just want to make sure the Committee is clear what this policy will allow. There are project

labor agreements that have been negotiated under the provisions of Assembly Bill 159 of the 78th Session as it was passed. By the way, neither one of those, Las Vegas Convention Center or the Raiders stadium, contained the provisions that take away jobs from Nevadans or required the payment of double benefits. That is what we call a fair PLA. Our members will support those all day long, but we cannot in good conscience support legislation that takes jobs away from our employees.

**Vice Chair McCurdy:**

I have one quick question. What we are considering today with Senate Bill 231 (1st Reprint) was in place prior to 2015, correct?

**Warren Hardy:**

Yes, Mr. Vice Chair.

**Vice Chair McCurdy:**

To your knowledge, how long was that in place?

**Warren Hardy:**

I am not entirely sure, Mr. Vice Chair. To my knowledge, the first PLA was used in southern Nevada in the early to mid-1980s.

**Vice Chair McCurdy:**

So it is a correct assessment to say that it was working prior to 2015, correct?

**Warren Hardy:**

I would not agree with that assessment. I would say prior to 2015, the employees of nonunion contractors were having their jobs forcibly taken from them and given to somebody else based on their union affiliation. I would not agree with that premise.

**Vice Chair McCurdy:**

And it is of your opinion that by the passage of this, which would essentially put back into practice what was there previous to 2015, this would take jobs away from Nevadans? Is that correct?

**Warren Hardy:**

That is correct, Mr. Vice Chair.

**Assemblyman Ellison:**

Mr. Hardy, I worked on that bill back in 2015. I do have a question. Are there any other projects or businesses in the state, other than construction that have a law like this?

**Warren Hardy:**

I am not aware of any other barriers to bidding projects like this. You are going to hear from the other side that they are legal. Unquestionably they are legal. It does not make it right.

**Assemblyman Ellison:**

But with the project agreements that you use right now everybody works, is that correct?

**Warren Hardy:**

With this provision as it currently exists in law that we are proposing to remove, local governments cannot mandate project labor agreements. Project labor agreements can still be utilized, and they are, because we have signed two of them, if the contractor believes that it is in the best interest of the project. So if the general contractor who wins the bid wants to utilize a project labor agreement, he or she is free to do that. What is prohibited by the 2015 law is government mandating the use of a project labor agreement, saying that in order to bid for this project you will sign a project labor agreement. Now, the lawsuits surrounding this are to whether or not those violate the right-to-work statutes, and whether they violate the fair bid statutes. Those are the lawsuits that are surrounding these, and they have been deemed to be legal. In Nevada they have been deemed to be legal under certain circumstances if you can have a finding of certain things. This would return us to a place where the government could mandate that, under pressure from the labor unions. We have no quarrel with a contractor who decides to do it and believes it is in the best interest of the job. That is the business decision made by that contractor. This would take us back to the status quo as it existed where the local government can mandate a project labor agreement.

**Assemblyman Leavitt:**

So the current PLAs that are in place, are they disenfranchising Nevada workers now? Nonunion Nevada workers, right now?

**Warren Hardy:**

The project labor agreements that were signed pre-2015 are. They contain the provision that you can only use seven of your own workers on an alternating basis, and the requirement that you either pay double benefits or eliminate the benefits you currently have in order to get around paying double benefits. The two project labor agreements that were signed subsequent to 2015 do not contain those provisions and we have no objection to them. I should indicate, Mr. Vice Chair, that even if they did contain those provisions, we would not oppose them because those were decisions made by the individual contractor, that it is in the best interest of their company to pursue that kind of project labor agreement. We do not want to stand in the way of that. It does sort of beg the question, if it really is the right way to deliver a project, why is the contractor asking for it and pushing for it? Because since 2015 the two contractors that have wanted to use project labor agreements on their projects have both signed project labor agreements on their projects. In our opinion, they are fair. I think, Mr. Vice Chair, if you did ask most of the individuals who work for local government who signed project labor agreements pre-2015, they have gone to great efforts to try to remove the provision that disenfranchised nonunion workers and required the payment of double benefits, and they were not permitted to take those from the project labor agreements.

**Assemblyman Leavitt:**

I just want to get some clarification. The open shops are not against project labor agreements; they are against mandated project labor agreements, is that right?

**Warren Hardy:**

That is a correct assessment. In addition to that, if we had to have government-mandated project labor agreements, if we could just get rid of the two provisions that do not disenfranchise Nevada workers. Can you imagine, for those of you who own businesses, going and telling your employees, Hey, great news, we just got a contract with the government. The bad news is 45 of you do not get to work on it and I have got to choose the 7 who are going to get to work on it. No Nevada employee should be faced with that, particularly when it impacts women- and minority-owned businesses that are working hard and trying to get involved in the industry. That is our point, Mr. Vice Chair.

**Assemblyman Hafen:**

I have a two-part question, if I may. Mr. Hardy, I think you stated that the majority of the nonunionized shops are minority- and/or female-owned and operated, is that correct?

**Warren Hardy:**

No, I am sorry, but you misunderstood me. The majority of small businesses are nonunion contractors. The overwhelming majority, and the last I checked it was the high 90th percentile, of women- and minority-owned businesses are nonunion contractors. So, I hope that is clear. The majority of nonunion contractors are not women-owned businesses, but the majority of minority- and women-owned businesses are nonunion. They do not have a union affiliation and therefore would be subject to the limitations in Nevada's application of project labor agreements.

**Assemblyman Hafen:**

So the majority of minority- and female-owned businesses are nonunion. Thank you for that clarification. My concern here, and maybe I am just misreading the part that we are deleting, but we are deleting sections that prohibit discrimination against an eligible bidder, contractor or subcontractor. If you are accurate with the numbers that the vast majority of minority- and female-owned businesses are nonunion, I just do not understand why we would want to remove a section of the law that says as a government entity we could not discriminate. Maybe I am misreading this, but it concerns me. I guess that is more of a statement.

**Assemblyman Carrillo:**

I did have a question for Mr. Stanley if he is still in the room. I am not sure if you have this information in front of you, but I am sure you could get it to the Committee. What percentage of public works jobs, for example the water district and the airport, went nonunion?

**William Stanley:**

I do not have those figures here today. Instead of just guessing off the top of my head, I will provide those numbers to the Committee.

**Assemblyman Carrillo:**

That would be great. If you could send that to all the Committee members, that would be greatly appreciated.

**William Stanley:**

Let me make sure I understand the request: I will provide to the committee manager the percentage of union and nonunion contractors that have been awarded projects under the project labor agreements for McCarran International Airport and the Southern Nevada Water Authority?

**Assemblyman Carrillo:**

That is correct. That is what I need.

**William Stanley:**

I will do that.

**Assemblyman Ellison:**

Most of the projects, like the dam and the airport and some of these, they automatically put in that they want an agreement, is that correct? That was already in their spec sheet when they started, is that correct?

**William Stanley:**

Generally speaking, public agencies, which I believe is what we are talking about, will make a decision of whether or not historically they want to use a project labor agreement prior to bid solicitations going out. I hope that answers your question.

**Assemblyman Ellison:**

That is exactly what I am trying to get at. That is already predetermined. Other projects that are regular construction projects, do they have to agree to project labor agreements prior to that going to bid?

**William Stanley:**

In the private sector I think the answer to that would be sometimes. Generally speaking, in the private sector contractors want their bid documents to be complete. Before they solicit bids from subcontractors, they want them to understand what the terms and conditions of employment on their job site are going to be. There have been times where the project started and after the project has started, and a perfect example of that is the Raiders stadium. The Raiders stadium had started prior to the complete execution of the project labor agreement, but I think that is the anomaly. I do not think that is the way it normally happens.

**Assemblyman Ellison:**

Thank you. I will probably get further answers offline.

**Vice Chair McCurdy:**

We will now get back to the opposition testimony.

**David Dazlich, Director, Government Affairs, Las Vegas Metro Chamber of Commerce:**

Mr. Hardy has already expounded on the obstacles that this legislation would pose to small businesses who are nonunionized, and for those reasons we are in opposition.

**Randy Pope, Executive Director, Western States Right to Work Committee:**

I am here today to testify against Senate Bill 231 (1st Reprint), which would repeal Nevada's ban on union-only project labor agreements. It is just plain wrong for workers to be forced under union monopoly control as a condition of working on public projects. Nevada law currently protects the rights of nonunion workers on most projects, but if this legislation passes, workers will be forced into union ranks in order to work on public works projects.

Of course, the real purpose of this bill is to protect the monopoly of big labor through narrowing the competition of who can participate in public works projects. Open or merit shop contractors seeking to bid on newly regulated contracts will be forced to obey restrictive union rules, job classification, and arbitration procedures. The state of Nevada would be telling contractors they must force union boss representation on their employees or they cannot be hired for these projects, even if they are the lowest bidder. These discriminatory practices would result in workers being forced to go through a union hiring hall to have a job.

Union-only PLAs will not do anything to ensure that these projects are finished more quickly or efficiently. If anything, the reverse is true. All they will do is allow union officials to force their unwanted monopoly representation on more Nevada workers and fill big labor's coffers with more forced dues. It will not do anything to increase quality. The no-strike provision on a San Francisco International Airport PLA did not deter union bosses from ordering carpenters, plumbers, electricians, and painters out on strike in 1999, significantly increasing the project's price tag. Studies of other union-only PLAs confirm that they increase taxpayer expenses by at least 20 percent. Taxpayers are forced to pay more for school and other public construction projects and individual workers are forced under union monopoly control they did not ask for. Contracts should be awarded on the basis of merit, or to the lowest bidder, not just on the basis of whether a company's employees pay dues to a union boss. That is why I urge you to kill Senate Bill 231 (1st Reprint).

**Assemblyman Carrillo:**

You mentioned studies, do you have those studies available for Committee members?

**Randy Pope:**

I do not have them with me today, but I can get them for you.

**Assemblyman Carrillo:**

If you provide them to the committee staff, they can provide them to the Committee.

**Vice Chair McCurdy:**

I would like to add that we have a 40-hour work week because of unions. We have an 8-hour work day because of unions. We have many of the protections that we enjoy today because of unions. We have the economy that we have today and the infrastructure that we have today because of unions. I thank you for your testimony and please submit to us those stats and figures.

**Dustin Ayers, Private Citizen, Las Vegas, Nevada:**

I spoke in 2015 as a fourth-year apprentice opposing this bill. Through my career I went through a nonunion apprenticeship program. I work for a nonunion company, and I was given the opportunity to work on many of these government projects such as air force bases, schools, and hospitals, that enabled me to become a well-rounded apprentice into a journeyman. I am now a superintendent for that company. My fear for this bill is that it will eliminate the ability for my company to bid on these projects without having to pay union dues or hire union contractors to a certain percentage. My fear is that, if the union halls were to be stressed with all of their Nevada employees, maybe union halls would have to reach out to other states to meet the requirements of this bill, so that it was union contractors and union journeymen on these projects. That would potentially take jobs away from licensed, qualified, carded journeymen electricians in the state who do not work for the union; it would not give them the same possibility to work on these projects as well. I am in opposition to this bill.

**Vice Chair McCurdy:**

Are there any here to speak in the neutral position to Senate Bill 231 (1st Reprint)? [There was no one.] We will invite the Senator back up to provide his closing statement.

**Senator Brooks:**

Thank you, Mr. Vice Chair and members of the Committee, for entertaining this bill today and spending so much time allowing debate and conversation. I just want to clarify one thing. This bill does not order, direct, incentivize, or suggest that any public agency or public entity enter into a project labor agreement; it just allows an agency to use that tool if they think it will be the best tool for project delivery and the product that they are looking for. So thank you for listening to Senate Bill 231 (1st Reprint).

**Vice Chair McCurdy:**

We will now close the hearing on Senate Bill 231 (1st Reprint) and open public comment at this time. [There was none.] This meeting is adjourned [at 10:34 a.m.].

RESPECTFULLY SUBMITTED:

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Mark Peckham  
Committee Secretary

APPROVED BY:

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Assemblyman Edgar Flores, Chair

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



## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.