

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Eightieth Session
February 6, 2019**

The Senate Committee on Finance was called to order by Chair Joyce Woodhouse at 8:05 a.m. on Wednesday, February 6, 2019, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Joyce Woodhouse, Chair
Senator David R. Parks, Vice Chair
Senator Moises Denis
Senator Kelvin Atkinson
Senator Yvanna D. Cancela
Senator James A. Settlemeyer
Senator Ben Kieckhefer
Senator Pete Goicoechea

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Jaimarie Ortega, Program Analyst
Vicki Kemp, Committee Secretary

OTHERS PRESENT:

Manny Lamarre, Executive Director, Office of Workforce Innovation, Office of the Governor
J. Kyle Dalpe, Interim Executive Director, Legislative Affairs, Nevada System of Higher Education
Mariana Kihuen, Esq., Interim Director, Government Affairs, College of Southern Nevada
Anthony Ruiz, Senior Advisor, Government Relations and Community Affairs, Nevada State College

Senate Committee on Finance
February 6, 2019
Page 2

Steven Cohen
William Stanley, Executive Secretary-Treasurer, Southern Nevada Building and
Construction Trades Council

CHAIR WOODHOUSE:

We will hear from the Governor's Office of Workforce Innovation.

MANNY LAMARRE (Executive Director, Office of Workforce Innovation, Office of
the Governor):

I will be reviewing the Governor's Office - Office of Workforce Innovation (OWINN) budget account, (B/A) 101-1004, and the Nevada P20 Workforce Reporting (NPWR), B/A 101-3270. We will begin reviewing key items of discussion, page 2, OWINN Manny Lamarre Budget Presentation ([Exhibit C](#)). Statutory authority for OWINN falls under *Nevada Revised Statutes* 610.010. The governing regulations for the Workforce Innovation and Opportunity Act (WIOA) are the House of Representatives Resolution 803 of the 93rd Congress, and Title 29 Code of Federal Regulations (CFR) Parts 29 – 30 as shown on page 3, [Exhibit C](#). Partnering with public entities is an important piece of OWINN's mission to create an aligned workforce system, as shown on page 4, [Exhibit C](#). The five core strategies of OWINN are outlined on page 5 and, OWINN's priorities are listed on page 6, [Exhibit C](#).

ELECTED OFFICIALS

Governor's Office - Office of Workforce Innovation — Budget Page ELECTED-89
(Volume I)

Budget Account 101-1004

Nevada P20 Workforce Reporting — Budget Page ELECTED-95 (Volume I)
Budget Account 101-3270

Pages 8 and 9, [Exhibit C](#), show the key activities OWINN uses to operate. A partnership exists between OWINN and the Nevada Department of Education (NDE) for the New Skills for Youth (NSY) Grant. The Training Resources and Internship Network Grant is a series of policy and planning grants from the U.S. Department of Labor (USDOL). The Governor's Workforce Development Board has 33 members and the State Apprenticeship Council (SAC) has 13 members of whom 9 are voting members. Partnership innovation and supporting pilot programs continue within the activity structure of WIOA as

shown on page 9 of [Exhibit C](#). High School diplomas are a pathway into the labor market. Pay-for-performance grants are centered on accountability and outcome-based structures. Participants of apprenticeship programs receive college credit to assist in a career pathway. I will now refer to the Executive Budget, as shown on pages 11 and 12, [Exhibit C](#) and enhancement units E-225, E-226 and E-229 in B/A 101-1004, as shown on pages 13 through 15, [Exhibit C](#).

E-225 Efficient and Responsive State Government — Page ELECTED-91
E-226 Efficient and Responsive State Government — Page ELECTED-92
E-229 Efficient and Responsive State Government — Page ELECTED-92

There is an error in the amount of \$268,301 for fiscal year (FY) 2020, as shown on page 14, [Exhibit C](#). The \$300 difference between \$268,301 and \$267,694 under E-226 is incorrect.

As shown under the second paragraph on page 15, [Exhibit C](#), the \$18,534 amount of funding listed under FY 2020 should be \$9,588. The total of in-state and out-of-state travel is \$18,534.

Note the summary of OWINN's key accomplishments, from July 2017 to June 2018 as noted on slides 16 through 19, [Exhibit C](#). We have received nearly \$2 million in federal and competitive funds to expand and support statewide efforts. Young adults locate internship and apprenticeship programs regardless of where they reside in the State through <<https://www.lifeworksnv.org>>. The programs are available to view in English or Spanish. Apprenticeship and internship data has been aggregated into one system. A report from two years ago, indicated there was confusion in where to find information on career and technical education programs. National framework developed by OWINN is being used in partnership with the Aspen Institute in Washington, D.C. The Aspen Institute is a nonpartisan forum for values-based leadership and the exchange of ideas.

I will now review B/A 101-3270 and the activities structure listed on page 22, [Exhibit C](#). In partnership with NDE, Nevada System of Higher Education (NSHE) and Nevada Department of Employment, Training and Rehabilitation, NPWR data system assists individuals in making more informed decisions and removing preconceived notions. For example, an Associates of Art (AA) degree in construction management provides a \$101,000 annual wage. I will review

B/A 101-3270 and decision units E-226, E-227, address questions, review activities and performance measures and discuss the current and proposed organizational charts as shown on pages 23 through 41, [Exhibit C](#). Please refer to additional information on work-based learning, page 42, [Exhibit C](#).

E-226 Efficient and Responsive State Government — Page ELECTED-92
E-227 Efficient and Responsive State Government — Page ELECTED-97

CHAIR WOODHOUSE:

The Committee requests you to be cognizant of your position on three major issues in B/A 101-1004: conversion of three contract positions to full-time equivalent (FTE) nonclassified positions, a funding change and travel for the apprenticeship director position and the OWINN status update. You have covered the OWINN status update.

SENATOR KIECKHEFER:

Will there will be a \$10,000 salary reduction for 2 of the contract positions converting to FTE? Will you be able to retain the people currently in the positions?

MR. LAMARRE:

Yes, we will be able to retain the current people.

CHAIR WOODHOUSE:

Was there a particular factor causing a need for the conversion in positions?

MR. LAMARRE:

Are you referring to the contract employee converting to FTE?

CHAIR WOODHOUSE:

Yes.

MR. LAMARRE:

There are two factors. It is difficult to maintain strong contract employees. The change will allow for a more competitive recruitment process, and we are confident individuals will remain longer as an FTE. Leveraging to receive competitive grants demonstrates Nevada's commitment to support and expand strategies for apprenticeship and work-based programs.

SENATOR CANCELA:

In order to determine where students are in the State, I would like to see the regional breakdown of NSY participants.

MR. LAMARRE:

Are you referring to the 176 and 322 numbers?

SENATOR CANCELA:

Yes.

CHAIR WOODHOUSE:

Are there any challenges for the NSY?

MR. LAMARRE:

There is no infrastructure under the NSY. Colorado, Georgia and South Carolina have organizations responsible for facilitating the interactions between labor, employers, kindergarten through Grade 12 (K-12) and higher education. A few technical challenges will be resolved with more infrastructure intended to support curriculum and partnerships. Many young people are unaware of the opportunities around youth apprenticeship. A Clark County school superintendent mentioned, out of 30,000 graduates only 26 percent go directly to postsecondary education, and around 60 percent are not going into postsecondary education. Approximately 18,000 students are lacking an education pathway. Outreach through partnerships is important to minimize this. Once Nevada has an NSY infrastructure and youth and employer commitment to hiring youth apprentices, developing partnerships will create an aligned pathway. A commitment to establish an infrastructure has allowed for additional federal funding, allowing Nevada to be more competitive.

CHAIR WOODHOUSE:

Your response shows you intend to address the need. How will the work-based learning navigator position help?

MR. LAMARRE:

This position will play a central role as the coordinator, facilitating outreach and assisting in program development. The current contract position is required to create a draft youth apprenticeship manual. They will also be doing student outreach. The contract person is required to reach as many high schools as

possible by preparing and delivering a two-to-five minute awareness presentation.

SENATOR DENIS:

Please talk about the challenges the Employer Engagement Specialist (EES) position will alleviate.

Mr. LAMARRE:

The main challenge is a bandwidth issue. The EES will devote their time to employer outreach, explaining work-based learning and providing technical assistance. Traveling around the State is extremely time consuming. This will add credibility to the NSY and a commitment nationally in terms of best practices. Essential conferences and summits include best practices of employer engagement. Someone, such as a navigator, is responsible for educating employers, providing information on the process, removing employer challenges and providing efficiency.

SENATOR DENIS:

How are employers being encouraged to hire students who are college or career ready and who have an industry certificate?

Mr. LAMARRE:

Through the College and Career Ready High School Diploma, no one is interacting on a daily basis with employers to explain and break down the value and benefit of hiring students. Some manufacturing companies value the ACT WorkKeys assessments as they are experiencing a reduction in employee turnover. Many employers are not aware of the assessment. It is critical to have a staff member dedicated to educating employers, being involved with the core education team and packaging and sharing resources to provide information to employers.

SENATOR DENIS:

Encouraging students to obtain diplomas or certificates does not help if they are unable to find jobs.

Mr. LAMARRE:

It is unproductive to initiate hundreds of apprenticeship certifications which may not lead students to employment. Nevada instituted an NSHE employer council responsible for identifying valuable certifications most likely to lead to

employment. The certifications are placed on a State list, and funding is provided through WIOA to support the students.

SENATOR GOICOECHEA:

Great Basin College (GBC) in Elko had a tremendous program in diesel mechanics and instrumentation. Hundreds of students are coming out of high school and participating in on-the-job training for mining employers in northeastern Nevada. We should connect with the mining companies to capture this and have the students going through the GBC program to receive a certificate. Students, colleges and employers will benefit from students with professional certificates.

Mr. LAMARRE:

There are credit and noncredit courses in postsecondary education. Community colleges do well partnering with the business industry to develop certificates. A mining council with Newmont Mining is the first to post their work-based earnings on <<https://www.lifeworksnv.org>>. Certificates are validated to ensure companies are legitimate, placing a value on certificates. Certificates are created by community colleges and the industry.

SENATOR GOICOECHEA:

The OWINN program can strengthen these activities as students benefit from obtaining certificates.

Mr. LAMARRE:

We provide funding to NSHE for a navigator position used to assist the industry and students with work-based learning opportunities and education. We will report on this funding at a future hearing.

SENATOR SETTELMAYER:

What is the correlation between the 854 participants in FY 2018 and the anticipated increase to 954 participants in FY 2019 as shown on page 31, [Exhibit C](#) and the amount of funding? It appears 854 participants were served with \$1 million, but \$4 million is requested to serve 100 additional participants in FY 2019. What is the corresponding number of individuals to be assisted?

Mr. LAMARRE:

Some numbers of the individuals supported are not reflected in the data. An increase in funding is requested to support the growth in the apprenticeship program as shown on page 19 of [Exhibit C](#). The increase from 2,833 to about 4,045 students in an apprenticeship is not credited to OWINN, as it is not a one-to-one funding. Work with postsecondary or apprenticeship is not a direct number. The significant increase will show if additional funding is used to support partners. The policy and planning is not reflected in the data.

CHAIR WOODHOUSE:

The second major issue for this Committee is the funding change and travel for the State apprenticeship director position. How was WIOA's reserve funds determined to be an acceptable use of funds?

Mr. LAMARRE:

Apprenticeship falls within the statewide investment activities and innovation allowed under the WIOA 15 percent State fund set aside. Current positions, such as an executive director position, are funded through the WIOA reserve. Federal funds are leveraged to fund the position and funds will be provided back to the General Fund. It is an acceptable use under federal guidelines.

CHAIR WOODHOUSE:

What impact would funding this position with WIOA reserve funds have on other programs funded with similar funds?

Mr. LAMARRE:

There is not a negative impact on the other use of funds as we continue to bring in and leverage additional funds. The legislature will benefit from the funds going back to the General Fund.

SENATOR DENIS:

Are there other communication alternatives to having the apprenticeship director position traveling 12 times a year to northern Nevada? Is video conferencing an option?

Mr. LAMARRE:

The four SAC meetings are video conferenced between the north and south. The current chair is based in the north, with OWINN staff being in southern Nevada. It is important to balance out the inequities in outreach between the

north and south. It is easier in the south to meet with an employer or provide one-on-one counseling in person. We are leveraging technology for meetings as appropriate.

CHAIR WOODHOUSE:

The next item is the OWINN office status update. You have provided a list of accomplishments. Please elaborate why Nevada is not in compliance with the National Apprenticeship Act (NAA) and the plan to become compliant? What federal funds are at risk?

Mr. LAMARRE:

Apprenticeships are guided by the NAA, Title 29 CFR Parts 29 and 30. During the last legislative Session, Senate Bill No. 516 of the 79th Session was created and passed to help move Nevada into compliance. In accordance with 29 CFR §29.13(b)(9), any changes made to regulations or policies or law must be submitted to the USDOL for approval before enactment of the change. The most contentious item is the relationship between the SAC and the state apprenticeship agency. Nevada's apprenticeship agency is OWINN. The SAC operates at the direction of OWINN, 29 CFR §29.14(h)(1) as shown in Federal Register Manny Lamarre Presentation ([Exhibit D](#)).

Although Nevada has made improvement, the State is not in federal compliance due to the relationship between SAC and OWINN. Nevada needs to have an apprenticeship agency with a government to government relationship. The relationship should be between the USDOL and another State agency. The \$2.7 million in funding for apprenticeship includes the \$1.7 million from the USDOL for policy and planning, with approximately \$90,000 being used for staff and approximately \$395,000 for community college apprenticeship programs.

The most contentious item in the USDOL recommendations is SAC must operate at the direction of the State's apprenticeship agency. In practice, it has always been reversed. When a state is deregistered they must submit all of their standards, agreements and all documents to USDOL, as instructed in 29 CFR §29.13(a)(2). There will be difficult conversation around Assembly Bill A.B.) 68. Ignoring the USDOL recommendations would put federal funding at risk. South Carolina has an Office of Apprenticeship with one person to work with the USDOL. This has been an ongoing issue since 2010, due to regulation changes in 2008 providing for states to be in compliance by 2010. A bill introduced in 2013 did not make it through legislation. A letter from USDOL sent to the

Governor last Session indicated Nevada was out of compliance, being at risk of losing funding and deregistration. Regardless of the agency, there will be the same challenges.

ASSEMBLY BILL 68: Revises provisions governing apprenticeships. (BDR 53-181)

CHAIR WOODHOUSE:

Does the amount of funding at risk total \$2.7 million?

MR. LAMARRE:

Directly at risk is \$2.7 million. A deregistration would be an extreme situation as we would need to request new money from the State, submitting all new agreements, completion records and program standards to the USDOL.

CHAIR WOODHOUSE:

We will move onto B/A 101-3270. There are three major issues to be discussed, including data-partner planning, business intelligence reporting and analytics and travel. Please walk us through the challenges to incorporate the Nevada Department of Motor Vehicles (DMV) data into NPWR system.

MR. LAMARRE:

The most integrated challenge has been administrative. The data manager has been doing outreach to determine the best method to connect the data system. It is unknown how the data will be transferred. There have been delays in partnership conversations to determine a possible solution.

CHAIR WOODHOUSE:

Is there an anticipated date to when you may be operational with this?

MR. LAMARRE:

We will be doing additional outreach. We will move quickly once DMV agrees to a partnership. I will get back to you on a targeted date.

CHAIR WOODHOUSE:

What are the efforts to include the Department of Health and Human Services (DHHS) and the Department of Corrections (DOC) data?

Mr. LAMARRE:

Our priority has been to complete the partnership with DMV as they will be the largest connectivity benefit. We will then prioritize DHHS and DOC.

CHAIR WOODHOUSE:

Do you have an anticipated date of when the current technical education and reference data will be included in the system?

Mr. LAMARRE:

A portion of the funds approved through the Interim Finance Committee is helping to create a more integrated system. We are in conversations regarding this and will provide you an anticipated time frame. Once the data is integrated from the Registered Apprenticeship Partners Information Data System, we will provide communities and families assurance of program achievements.

CHAIR WOODHOUSE:

Are there any other partners to involve?

Mr. LAMARRE:

Partnerships exist with local boards relative to the eligible training provider list.

CHAIR WOODHOUSE:

The second area is the business intelligence reporting and analytics.

SENATOR DENIS:

How has the system been integrated with the different partners since last Session?

MR. LAMARRE:

Leveraging Microsoft Business Intelligence saved money. The key area is data visualization. Data is in colored charts, not just in extensive Microsoft Excel spreadsheets as shown on page 22, [Exhibit C](#), and at <http://npwr.nv.gov>.

SENATOR DENIS:

This obviously provides the ability to show data. Has this helped in analyzing data?

MR. LAMARRE:

Yes, it has helped in analyzing the data by the ability to produce efficient reports. Connecting with DHHS and DOC, there will be new reports shown in an appealing manner.

SENATOR DENIS:

Can the data be aggregated? Is there the ability for reports to be used across industries?

Mr. LAMARRE:

The reports are designed in the aggregate and show patterns of the outcomes.

SENATOR DENIS:

Has it been working?

Mr. LAMARRE:

Yes.

CHAIR WOODHOUSE:

The last item to cover is the travel expenditures. Please tell us the value of the strategic data manager attending specific conferences, such as the Institute of Education Science conference?

Mr. LAMARRE:

The value of travel is the ability to leverage best practices. We became aware of the new Microsoft product through attending conferences, networking and obtaining information about what other States are experiencing.

CHAIR WOODHOUSE:

Are you using video conferencing? Is your answer the same as earlier?

Mr. LAMARRE:

The Workforce Board meetings have a larger audience. It is important for the strategic data manager to attend the specific conference as there are three committee members who are based in the north.

CHAIR WOODHOUSE:

Do you see a value for video conferencing?

Mr. LAMARRE:

Yes, there is a value to video conferencing. We do video conferences for technical subject matters as the public does not attend. I will discuss video conferencing with staff to ensure necessary access.

J. KYLE DALPE (Interim Executive Director of Legislative Affairs, Nevada System of Higher Education):

I am in support of OWINN and will read from my written testimony, "Nevada System of Higher Education J. Kyle Dalpe Testimony", ([Exhibit E](#)).

MARIANA KIHUEN, ESQ., (Interim Director, Government Affairs, College of Southern Nevada):

I am in support of the efforts and initiatives of OWINN and will read from my written testimony, "College of Southern Nevada Mariana Kihuen Testimony" ([Exhibit F](#)).

ANTHONY RUIZ (Senior Advisor, Government Relations and Community Affairs, Nevada State College):

I will add examples of how Nevada State College is working with OWINN and read from my written testimony, "Nevada State College Anthony Ruiz Testimony" ([Exhibit G](#)). There is a tremendous demand for employer outreach and engagement.

STEVEN COHEN:

I will mention two key items from my written testimony, "Workforce Innovation and Vocation Rehab Presentation Steven Cohen: ([Exhibit H](#)). Vocational rehabilitation transitional outcomes transition from K-12 to real life, and competitive integrated employment opportunities for people with autism, being customized for people with autism and other disabilities. The 700-Hour program is only available to State agencies. I would like it to be available for cities, counties and private industry. Without the buy-in from someone who has lived with autism, we are setting ourselves up for failure. Nationally, the average underemployment rate for people with autism is 75 percent. With the appropriate supports in place from the Bureau of Vocational Rehabilitation and community partners, people with autism can make competitive integrated employment one of the many facets for quality of life. Without integrated employment there is reliance on social welfare programs. It is time to involve everyone to figure this out. With the appropriate supports, Nevada could rank toward the top.

WILLIAM STANLEY (Executive Secretary-Treasurer, Southern Nevada Building and Construction Trades Council):

The apprenticeship programs referenced today are programs supported by labor management and collective bargaining agreements in the construction trades. We receive minimal outside funding for apprenticeship programs. Nationwide, we put about \$1.5 billion a year into our apprenticeship programs. We are not dependent upon OWINN funding. Our programs represent approximately 92 percent of the apprenticeship programs in Nevada. We represent about 95 percent of Nevada's registered apprentices.

For over two decades, the numbers from College of Southern Nevada (CSN) are enrolled through our programs with a memorandum of understanding. Every one of our apprentices are enrolled in CSN. They have the opportunity to take a communications class during the program to earn an AA degree. We pay their tuition and receive some funding for the costs. The tuition payments from our apprenticeship program is significant to CSN. The tuition payments are funded through an hourly contribution for each hour a journeyman and apprentice works in the field.

We will continue to work with the Governor's Office on A.B. 68. There continues to be concerns about the programs. The outcomes of the programs have tremendous consequences for students and individuals in the State. We need to ensure the programs are not duplicated, administered correctly and not turned into something unrecognizable.

Remainder of page intentionally left blank; signature page to follow.

Senate Committee on Finance
February 6, 2019
Page 15

CHAIR WOODHOUSE:

Having no more business on the agenda, I adjourn this Committee meeting at 9:23 a.m.

RESPECTFULLY SUBMITTED:

Vicki Kemp,
Committee Secretary

APPROVED BY:

Senator Joyce Woodhouse, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit / # of pages		Witness / Entity	Description
	A	1		Agenda
	B	4		Attendance Roster
	C	43	Manny Lamarre / Governor's Office of Workforce Innovation	Budget Presentation
	D	10	Manny Lamarre / Governor's Office of Workforce Innovation	Federal Register
	E	1	J. Kyle Dalpe / Nevada System of Higher Education	Testimony
	F	1	Mariana Kihuen / College of Southern Nevada	Testimony
	G	1	Anthony Ruiz / College of Southern Nevada	Testimony
	H	3	Stephen Cohen	Testimony