

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

**Eighty-First Session  
March 9, 2021**

The Committee on Government Affairs was called to order by Vice Chair Selena Torres at 9:03 a.m. on Tuesday, March 9, 2021, Online. 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/81st2021](http://www.leg.state.nv.us/App/NELIS/REL/81st2021).

**COMMITTEE MEMBERS PRESENT:**

Assemblyman Edgar Flores, Chair  
Assemblywoman Selena Torres, Vice Chair  
Assemblywoman Natha C. Anderson  
Assemblywoman Annie Black  
Assemblywoman Tracy Brown-May  
Assemblywoman Venicia Considine  
Assemblywoman Jill Dickman  
Assemblywoman Bea Duran  
Assemblyman John Ellison  
Assemblywoman Susie Martinez  
Assemblyman Andy Matthews  
Assemblyman Richard McArthur  
Assemblywoman Clara Thomas

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

None

**STAFF MEMBERS PRESENT:**

Jered McDonald, Committee Policy Analyst  
Judith Bishop, Committee Manager  
Kyla Beecher, Committee Secretary  
Cheryl Williams, Committee Assistant



**OTHERS PRESENT:**

Daniel Honchariw, Director of Legislative Affairs, Nevada Policy Research Institute  
Shannon M. Chambers, Labor Commissioner, Department of Business and Industry  
Janine Hansen, State Chairman, Independent American Party  
Vinson Guthreau, Deputy Director, Nevada Association of Counties  
Delmo Andreozzi, County Commissioner, Board of Commissioners, Elko County  
Wesley Harper, Executive Director, Nevada League of Cities and Municipalities  
Warren Hardy, representing City of Mesquite; and Associated Builders and Contractors of Nevada  
Leo Blundo, County Commissioner, Board of Commissioners, Nye County  
Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber  
Steve Walker, representing Douglas County; Storey County; Carson City; and Lyon County  
Michael Katsonis, Private Citizen, West Wendover, Nevada  
Kelly Wooldridge, City Clerk, City of Elko  
Alida Benson, Private Citizen, Las Vegas, Nevada  
Marcos Lopez, Legislative Liaison, Americans For Prosperity–Nevada  
Darren Schulz, Public Works Director, Carson City Public Works  
Lynn Chapman, State Vice President, Nevada Eagle Forum, Nevada Families for Freedom  
William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Unions  
Wendi Newman, Executive Director, Unified Construction Industry Council  
Michael West, representing International Union of Painters and Allied Trades  
Frank Hawk, Vice President and Chief Operating Officer, Southwest Regional Council of Carpenters  
Jim Sullivan, Political Director, Culinary Workers Union Local 226  
Richard "Skip" Daly, representing Laborers' Union Local 169  
Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada  
James Halsey, Business Manager and Financial Secretary, International Brotherhood of Electrical Workers Local 357

**Vice Chair Torres:**

[The meeting was called to order. Committee rules and protocol were explained.] We will be hearing exactly one bill today. I would like to open the hearing on Assembly Bill 99. Assemblyman Ellison, please begin when you are ready.

**Assembly Bill 99: Revises provisions governing public works. (BDR 28-686)**

**Assemblyman John Ellison, Assembly District No. 33:**

[He read from Exhibit C.] I am here today to present Assembly Bill 99. Here is the problem we are facing right now: As you know, prevailing wages paid on publicly funded projects

are determined through a survey conducted by Nevada's Labor Commissioner. The rates are determined by region, which separates between rural and urban counties. The current threshold for a prevailing wage on a project is \$100,000, and that applies to all counties regardless of size. That is one of the problems we have.

In some of our communities throughout rural Nevada, our public agencies are struggling to get single public works completed on very small budgets. Construction projects such as maintenance, repairs, rebuilding—which would include parks, libraries, or public buildings sidewalks replacement, asphalt replacement—or maintenance on things that cost \$100,000 or less, are almost impossible. To consider the actual start of the construction project, these counties and cities must save for long periods of time for large projects, making the people of these communities wait for what could be essential services. It is even harder to get larger companies to bid on a project in some of these rural areas under \$250,000.

I will give you an example: Eureka County and one of the projects they were doing. The motels are full, and there is only one motel and RV park. They are full due to the mines, and with COVID-19, there are no restaurants. You have to drive 90 miles each way, every day, if you are going to work in that community.

Consider some of the small communities that have a total public works budget of \$200,000 and less. Take the City of Wells, for example. The City of Wells, with an operating budget of \$450,000 a year, is still rebuilding after the earthquake that devastated the town. That is on public works money. Some cities and counties have been hit so hard during the COVID-19 pandemic, with lower sales tax and room taxes, that it has put a burden on all communities in Nevada, no matter where you are—in Las Vegas, in Elko, or in Washoe County.

Every county in Nevada is different by nature—size, population, industry, gaming, mining, recreation, or agriculture. There are no two counties alike in Nevada. This is why I propose an amendment [[Exhibit D](#)], which would limit the provisions of this bill to apply only to rural counties with a population of 100,000 or less. With approval of the amendment, the project located in the county with a population of 100,000 or less, if the cost to construct the project is less than \$250,000, prevailing wage provisions do not apply. Please see the copy of the conceptual amendment on Nevada Electronic Legislative Information System (NELIS) [[Exhibit D](#)]. I think that is important because we are not trying to change the state. We are just trying to help the rural communities.

I believe this is a very responsible, balanced proposal. This bill will allow for more necessary projects to be completed and more jobs to be created. More people will be put to work. Essentially, more citizens will be able to put food on their tables and care for their families, pay their mortgages, and continue their everyday life without worries of losing everything. I know there are a lot of people who feel very passionate about this. You are going to hear testimony in opposition to this bill. I want to go on the record saying this is not an anti-union bill. My intent is to ensure that local government in rural parts of our state can provide essential services to the citizens with limited resources available to them. I feel we

must work together to come up with a workable solution for all of our state and all of our citizens. That is the most important thing I can say. If you could see some of these small communities—they are trying to build out, but it is hard when there are limited resources. If you look at Jackpot, West Wendover, Wells, Carlin, Ely, Tonopah, Hawthorne—I can go on and on. There are 15 counties that are affected by this, and if we could come up with a solution to make this work, every one of us could build out of the problems that we see today.

This concludes my remarks. I would like to have Daniel Honchariw with the Nevada Policy Research Institute (NPRI) provide additional testimony. If you want, we could wait until the end for questions and answers because we have several people from around the counties who are going to testify.

**Daniel Honchariw, Director of Legislative Affairs, Nevada Policy Research Institute:**  
[He read from [Exhibit E](#).] Thank you for allowing me to present [A.B. 99](#) on behalf of the Nevada Policy Research Institute. This is a relatively simple bill to understand, but to begin, I would like to offer some background information regarding prevailing wage mandates in Nevada.

Since 1937, Nevada law has required that workers constructing state-funded public works projects receive a special kind of minimum wage called the "prevailing wage." Prevailing wage laws sound like they are intended to ensure that workers receive wages reflective of the local labor market. The Nevada Labor Commissioner, however, administers these laws in a way that ensures trade unions are able to control state-mandated prevailing wage rates.

As former Nevada Labor Commissioner Michael Tanchek wrote to former Governor Jim Gibbons, state and local government agencies pay more for construction projects than the private sector pays for comparable projects. Saying otherwise would be denying the obvious. This is not surprising because the survey methodology used to compute the prevailing wage is riddled by sampling errors, meaning that the representation of unions among the responses is far higher than among the actual population. For a number of reasons, nonunion contractors incur far higher accounting costs to complete the survey than union contractors. At this point, I will share my screen.

All of this has resulted in hyperinflated taxpayer costs. Nevada Policy Research Institute's most recent analysis, which relies upon 2019 data from the U.S. Bureau of Labor Statistics and the Nevada Labor Commissioner [page 2, [Exhibit E](#)], found that prevailing wages are 60 percent above the market on a weighted-average basis. Moreover, because the prevailing wage rate also includes the cost of benefits, we increased the average market wage by 50 percent to account for the cost of benefits in the private sector. This is an extremely conservative assumption, meaning that the actual disparity is likely even greater than what is reported here. In fact, when NPRI last performed a comprehensive analysis totaling the increased taxpayer cost of such wage premiums across the state, we found that prevailing wage mandates cost taxpayers nearly \$1 billion across fiscal years 2009 and 2010. With that

background, I will reaffirm Assemblyman Ellison's primary purpose for bringing forth this bill—to ensure our tax dollars are spent more wisely and go further.

As introduced, A.B. 99 proposes to increase the threshold at which prevailing wage mandates apply for the Nevada System of Higher Education (NSHE) construction projects from \$100,000 to \$250,000, an action which would partially undo the changes made under Assembly Bill 136 of the 80th Session. Sections 2 and 3 of this bill illustrate the amendatory language for *Nevada Revised Statutes* (NRS) Chapter 338 required—replacing \$100,000 in statute with \$250,000. Section 1 merely makes a conforming change. Section 4 of A.B. 99, as originally introduced, asserts that its amendatory provisions will not apply to any construction projects that are awarded before July 1, 2021. As such, A.B. 99 will not invalidate any existing contracts. Section 5 merely prescribes that this bill would become effective on July 1, 2021, if passed and signed into law. Now let me address the amendment proposed by Assemblyman Ellison [[Exhibit D](#)].

The conceptual amendment put forth by Assemblyman Ellison similarly proposes to increase the threshold at which prevailing wage rates apply—from \$100,000 to \$250,000—for rural county projects. For the same reasons stated by Assemblyman Ellison, we support this amendment. Quite frankly, NPRI supports the complete abandonment of prevailing wage laws in Nevada, but marginal progress is progress nonetheless.

Regarding potential taxpayer savings, it is difficult to provide detailed estimates here—largely because future projects have not yet been contemplated—but the taxpayer costs incurred by modestly increasing prevailing wage mandates, as with Assembly Bill 136 of the 80th Session, are instructive. The fiscal notes submitted by NSHE regarding A.B. 136 of the 80th Session indicated an \$18 million hit over the current biennium, although that bill included two reforms specific to NSHE, so that estimate itself is certainly overstated. But by simply increasing the proportion of the prevailing wage that applies to school district construction—from 90 percent of the prevailing wage to 100 percent—Assembly Bill 136 of the 80th Session increased school construction costs for Clark County by tens of millions, according to the Clark County School District's own fiscal notes.

I will stop sharing my screen now. To conclude, these are not small dollars at stake, and prevailing wage laws result in our tax dollars being used in unwise and inefficient ways—ways that, for example, seem to impeach any claim that Nevada's schools are underfunded. I urge this Committee to follow the trend of states which have recently abandoned their prevailing wage laws and adopt these, in comparison, very modest reforms. We strongly support A.B. 99 at the Nevada Policy Research Institute.

[Assemblyman Flores assumed the Chair.]

**Chair Flores:**

Thank you for copresenting. Thank you, Vice Chair Torres, for taking care of the Committee while I was presenting in a different committee. Assemblyman Ellison, is there anyone else you wish to copresent with you? I know that you indicated there were several.

**Assemblyman Ellison:**

We have several people. I know that Delmo Andreozzi is on the phone. He is a county commissioner from Elko County. He is the previous city manager of the City of Elko, so he has some knowledge of the prevailing wage and the effects it has on some of the rural communities. Elko is better than most. The funding they have for public works is a lot better than some of the smaller communities, but it is not enough to get projects done, and Mr. Andreozzi can address that.

**Chair Flores:**

Just for the sake of clarity, are these all individuals who are copresenting with you and will be on the line available for questions? Or are they individuals who will be supporting your bill and you wish for them to speak during the support portion of the bill presentation?

**Assemblyman Ellison:**

I think Mr. Andreozzi would be available for questions also because of his knowledge with public works.

**Chair Flores:**

We will go to the line so we can have your copresenter address the concerns or material prepared for him.

**Assemblyman Ellison:**

Mr. Andreozzi stated he was having difficulty unmuting.

**Chair Flores:**

We will go into a one-minute recess while this issue is repaired [at 9:21 a.m.]. [The meeting was reconvened at 9:23 a.m.] Thank you, Assemblyman Ellison, for your presentation this morning. And again, on the record, thank you to Madam Vice Chair for taking care of the Committee. At this time, we will open the hearing for questions. I recognize there are a host of individuals wishing to testify in support of A.B. 99. Know that you will have an opportunity to speak during support to put your comments on the record.

**Assemblywoman Anderson:**

Thank you for bringing this forward and clarifying that it is not anti-union. I do have a few questions, but I will stick to two at this time. The first one is this: I need some clarification as to exactly what these projects apply to. Assemblyman Ellison, you brought up restaurants and hotels, yet in reading it, I thought it was for public works. Could you clarify that, please? Exactly which projects would this be dealing with?

**Assemblyman Ellison:**

That was to describe one of the projects they did in Eureka County. It is such a rural area. When they did a project up there, the motels were full and the restaurants were closed, so they had to drive 90 miles one way or 90 miles the other way, in the morning or at night, just to get to the project. Everything we are talking about here is a public works project. I will give you an example. Eureka County just did a great job on the courthouse, and that was a

union project. The job went great. They had motels. They had the restaurants open. They did a wonderful job. That is what we want. But we are talking about the little bitty projects, and the City of Elko could testify to that when they get on here. To do sidewalks right now, they could probably do three-quarters of a project on sidewalks—curb, gutter, and sidewalks—what they could if the prevailing wage was not there. Those are some of the issues they are having. They need to get these projects done, but they are limited with the amount of money they have. They just replaced all the air conditioners in the school there in Elko, in the gymnasium, and that was all prevailing wage because the project was—I do not know—three-quarters of a million dollars. We are talking about the little projects that are really hurting, not the big ones. We support the big ones. I hope that answered your question.

**Assemblywoman Anderson:**

Yes, it clarified it. I was getting a little confused, thinking, I thought this was for public works. My other question has to do with the way some of the items are brought forward. I have been intimate with some of the different construction sites on school projects, in particular, where sometimes you will start off with one element, and then you go to the next element, and then you go to the next element. These are all three different contracts but for the same building. Let us say you have one portion of that contract for \$190,000, the next one is for \$180,000, and then the next one is for \$150,000. Is it all three steps together, combined, or is it each step separately that could possibly be approved by the county commission you are speaking of?

**Assemblyman Ellison:**

One of the things they have got is they cannot bundle projects. For example, the senior citizens' building right now is either going to have to be repaired or rebuilt. If they went in and tried to repair it, to extend the life in Wells, Nevada—that project, if it goes to rebuild, they could probably repair the building for \$150,000 to \$200,000. But if it goes to a new building, they would both be one project, but it would be so big that it opens up everything. I hope that explains it. I am trying to say that they cannot bundle projects, they cannot say, I am going to do this, this, and this on \$100,000; they cannot do that. It has to be the same project. If they have to put a roof on a building and it is \$180,000, they would have to use prevailing wage right now under this law. But if it was not, they could probably get that roof done for less than \$100,000, or right at \$100,000, and that would be one project.

**Assemblywoman Anderson:**

Thank you for that clarification.

**Assemblyman Ellison:**

I am glad you know something about bundling and projects.

**Assemblywoman Anderson:**

A little bit. I do have other questions, but I know there are others who do as well. I may ask them after others ask theirs.



**Assemblywoman Thomas:**

I am a novice, and I am really concerned when I hear about prevailing wage. My understanding, after reading this and after hearing Mr. Honchariw, we are talking about prevailing wage, and we are talking about the requirements to increase the threshold to \$250,000. I am trying to figure this out: How does raising the prevailing wage stimulate our economy? When I read about it, and I go to the federal rate, I am seeing \$2,000 and that we have a lot of states in the Union that are following the federal rate. Why are we in Nevada, when we are in a pandemic, as far as our economy is concerned, now introducing raising when we should be stimulating our economy, and why not lower it to coincide with the federal rate of \$2,000?

**Assemblyman Ellison:**

I might be able to get NPRI to help answer that, but I can give you an example. Say a project is \$150,000. Right now, it has to be prevailing wage. Say they have less than \$100,000 to do the project because of the funding—they are a very tiny community. Say they only have \$80,000 to \$100,000, period, to do this project. If the prevailing wage were to come in, it would take it over; therefore, the project could not be done, and the people could not work. That is the issue. It is not because we do not support prevailing wage. It is because they have to be within a zone or an amount that the community can afford to do it. You could either do the project or wait and extend it out, and by then, you have other problems in these small communities. What we are trying to do is say that at \$250,000, we can maintain a lot of these projects and keep a good wage out there, but not be in the prevailing wage rate. That is the problem. Mr. Honchariw, do you have a comment on that?

**Daniel Honchariw:**

Addressing Assemblywoman Thomas' concerns regarding federal prevailing wages, these, of course, involve exclusively state-funded projects, and prevailing wages are ostensibly intended to represent local labor markets. Of course, we know that labor markets vary dramatically across the country, so applying the same standard from New York City as we would in Elko would seem to be a severe misstep. That is my best response to that question.

**Assemblywoman Thomas:**

When I see on the chart [page 2, [Exhibit E](#)] that union workers are making \$61 per hour, reference the prevailing wage, or sometimes \$75 per hour, in our community, to me that addresses our economy because they are living in our economy in the state of Nevada. They are contributing to restaurants, our schools, our social activities, so they are putting that money that they make back into the economy, which right now we really need. My question, again, is how does raising the prevailing wage stimulate our economy?

**Daniel Honchariw:**

In brief terms, I think this is the worst time to be inefficient with spending money. During the pandemic, we have seen people across the state suffering to degrees never seen before in this state. It is best, I think, that we keep more money in the pockets of the people already suffering. Prevailing wages function to benefit a very specific certain group, typically union labor, while sacrificing the remaining population, who are then tasked with making up the



rest of the revenue discrepancy. I think again, if you are talking about ways to improve our economy going forward, I think our best approach is lower taxes, lower spending, keep more money in the pockets of people, and allow the state to reopen as soon as possible, thereby driving up revenue to the state, et cetera. Again, I think increasing taxpayer costs for everybody else but a select few will benefit the select few at the expense of the remaining populace.

**Assemblywoman Thomas:**

Again, and this is from Economics 101, when we put money into the economy, that helps our state, that helps our schools, that helps just about everyone—consumer and the state. It helps our food banks. It helps just about everyone who lives in the state of Nevada. Again, I cannot understand why a person making x amount of dollars over \$31 versus \$61, the person making \$61 is able to spend more in the economy. They have, what we like to say in Nevada, expendable money, so that helps our economy. To tell me that raising the prevailing wage stimulates the economy, I really do not see that two plus two adding up to four right now. Thank you for the privilege of allowing me to express that comment.

**Assemblyman Ellison:**

I agree with you. We need to stimulate the economy, but here is the problem we have. If you have a county that goes to bid at \$100,000, you can do the project. But if it goes over \$100,000, then what you have to do is this: if you cannot come up with the money, then that job goes away, and then people do not work. That is the problem we are having in these small counties. We are trying to get people to work, and we are trying to do this in a very fast way, but if it goes over the prevailing wage, then that project goes away and then people do not work. That is what we are saying. We are trying to get these people to work, and anything over \$250,000 has to be prevailing wage anyway, and it could be bonded or whatever it has to be. That is not the issue. The issue is these small jobs in these small communities, and that is what we are trying to do.

**Daniel Honchariw:**

Assemblywoman Thomas, you referenced Economics 101 in your response to me. I will simply point out that macroeconomics also seems to operate on supply and demand principles as well, so the price of labor should reflect the value of that labor. What I hope the chart that I presented during my original presentation [page 2, [Exhibit E](#)] portrays is that we are way overpaying, tremendously overpaying, for the value of labor versus what we get in return, and in response, hurting the broader taxpayer base. It seems we disagree on this issue, but I fully assert that macroeconomic principles in this area rely on supply and demand principles, just like everywhere else in consumer society.

**Assemblywoman Thomas:**

Basic economics, for me, as I stated before, detailed to me that if we lowered the prevailing wage, then Assemblyman Ellison and the communities in the rural areas, it sounds to me that they could assess what he wants to in the rurals. What I am also saying is that those same workers who work in the rural areas are able to stimulate the economy by making the money that they do make. And we must say that just in the south, Las Vegas in particular, we have

buildings and almost cities in the gaming industries that go up that these unions—the work is exceptional. The work is so great that other cities in our nation hire our union workers. Again, I understand microeconomics; I understand basic economics. I see your point, and I respect your point, but I am still in the belief that raising the prevailing wage will not stimulate our economy, and that is what we need to do right now.

**Assemblywoman Considine:**

It is my understanding that beyond the thresholds we have been talking about, part of prevailing wage is it encourages the work to be done locally, so it is not folks who are coming from out of state, or that the pay is leaving the state because people are coming in just to do small jobs, then leaving and taking all of that funding out of the state. Also, there is accountability because if it is locally built, and it is done by your neighbors and people you know, then there is more accountability for the buildings and the things they are doing—not only because of a matter of pride, but also they live in it, and they are still there if something goes wrong. I did not see anything about potentially adding protections or anything on your amendment to make that happen, so I guess that is my first question. My second question is understanding how expensive things are. You mentioned that just adding air conditioning units to a building was over \$250,000. How many contracts are you talking about between that \$100,000 and \$250,000 threshold?

**Assemblyman Ellison:**

I will give you an example. Say you have a project right now in Eureka, Battle Mountain, or Wells, in these areas, and you put a project out to bid. Say you are going to add commercial air conditioning on whatever buildings or whatever you have to do—whatever the problem is. You lost power; all the water system is going to the bathrooms in a park. Say it comes in over \$200,000—or \$100,000. You put that out to bid; the odds of getting a union contractor to go down there, in these rural areas, is almost impossible 95 percent of the time because they are so busy where they are, and there are not a lot of union laborers out in these areas at all. What they have to do is bid it, and if it goes over that rate, then people still have to charge prevailing wage, no matter what. But if they do not have the money and it is over their budget, then it has to drop down. Ninety percent of the people who come in are not outside state contractors. They are licensed contractors in the state of Nevada. They probably have seven or eight plumbing contractors in Elko. They probably have ten electrical contractors in Elko. They can make it to these areas, but a lot of people do not come in for that small of a project; they just do not. If we can get the projects done under that rate, we can get the project done quick, fast, and stay within budget. Right now, the problem is that the cost of material and labor has gone up so high, and they have such a limited amount of funds, if it goes over that \$100,000, that project does not get done for a while. That is a problem we are running into.

[Assemblywoman Torres assumed the Chair.]

**Assemblywoman Considine:**

Now I am a little confused. I hear you say it is hard to get people to come in to do it because of the pay, or that the jobs are too small to get most people to come in? I am not clear. Can

you expand on that? Also, can you tell me how many projects there are that would be between that \$100,000 and \$250,000 threshold?

**Assemblyman Ellison:**

I was hoping we could get the Labor Commissioner in today to testify on that. To give you an example: It is not that they are not qualified people. They are highly qualified. The problem is that most of these projects over \$100,000 are union laborers, and you cannot get them there. What we are trying to say is, Get the jobs done at a lower budget. To get a union laborer to come out of Reno, Salt Lake City, or Las Vegas to do a \$100,000 job is almost impossible. They are so busy in the cities; they do not come out. We are trying to separate the difference between contractors and union labor contractors. There is quite a bit of difference in the labor rates. What we are saying is that if we can do that in a budget, and still get the job done, we can. When trying to get a union contractor—when they did the schools in West Wendover, they got no bids from Nevada contractors, none, and that was an over \$1 million project. I hope that answered your question. What we are trying to say is that there are two different types of labor bases: the local labor base that can go in and do the job. Say they are charging \$50 to \$60 per hour for the plumbers or whatever, but if it goes to prevailing wage, then that goes way up. That is the problem we are trying to get resolved and get these people to work.

**Vice Chair Torres:**

I apologize for cutting you off. I see in the chat that Shannon Chambers, the labor commissioner, is here with us today.

**Shannon M. Chambers, Labor Commissioner, Department of Business and Industry:**

I can speak to the issue of how many projects that we have issued public works projects numbers on during the past two fiscal years. We do not have visibility of projects under \$100,000 because they do not require a public works project number. I can tell you for reference that in fiscal year 2019-2020, there were 848 public works projects which we issued public works project numbers on. Going into 2021, we are already at 628. By the time we get through fiscal year 2021, my estimate is that we will be over 1,000. Now these are all projects over \$100,000 because that is the public works project amount. We do not have visibility of those smaller projects because, again, we do not issue the public works project number.

What I will also tell you, that in terms of—and I have great respect for Assemblyman Ellison—there is still the exemption in the law for normal maintenance. *Nevada Revised Statutes* (NRS) 338.011 still has an exception for normal maintenance. An awarding body in a public body can use that exception. They can also use an exception for emergencies. There are exemptions to even the \$100,000 amount. Again, those have to be justified by the awarding body, but I can tell you, from the labor commissioner perspective—I mean obviously taking the public work project dollar amount back to \$100,000 has certainly increased projects—but we have not seen a delay in projects in the rural areas or in what they call the urban areas. There seems to be, if anything, an expansion of public works projects. What I want to say is that no matter what this legislative body does, the labor

commissioner always adjusts. We adjust to \$250,000. We adjust to \$100,000. I just wanted to give you a clear perspective on where the law stands and the numbers. If anything, as the economy gets better, we expect the number of projects to increase. I am happy to answer any questions.

**Assemblyman Ellison:**

I appreciate your giving us these numbers. Could you tell me the breakdown between these projects, between rural or urban areas? Are these all rural area projects, or are these strictly the state projects?

**Shannon Chambers:**

The majority of the projects are in the urban areas. But I will tell you, Assemblyman Ellison, in Elko County and Eureka County we have seen a big increase in projects. To your point, the number of projects is going up in those areas. I can get you the exact breakdown for those specific counties. But again, the majority of the projects are still in Washoe and Clark Counties.

[Assemblyman Flores reassumed the Chair].

**Assemblyman Ellison:**

I appreciate that. Elko and Eureka Counties, in the city, is probably the best that could handle some of the projects. It is the ones like Wells, Carlin, Ely, Tonopah—the small communities—that we are really concerned about getting these projects out. I have never seen them ever use—to go back in and ask for an exemption. I have been in this for 30 years. I did not even know that existed and that they could apply for it—and if they did, what the process they went through would be. I know that for some of the projects we are trying to do now, like in Wells and maybe Jackpot, they still cannot get the projects done under the prevailing wage rate. I just do not think they can. We are trying, but the projects that are funded, like Ely when they just did the new courthouse, if it were not for my colleague from District 1 helping, we would have never gotten the courthouse built because we got it through state funding at the Legislature. They matched half, and then the state stepped in and matched the other half. If that would not have happened, that project would never have gotten done, and they would have ended up condemning that courthouse eventually.

**Assemblywoman Martinez:**

I have a few questions for you. What impact would raising the threshold have on any NSHE projects in the future?

**Assemblyman Ellison:**

Could you restate that?

**Assemblywoman Martinez:**

[Unintelligible.] My question was this: What impact would raising the threshold have on any NSHE projects in the future?

**Assemblyman Ellison:**

What it would do is help these small projects get through. As I said, you are set by limited funds. What this would do is let these projects go forward and get completed. But if they have to comply to the prevailing wage rate, some of these will have to be extended out. That is the only thing they can do. They do not have the funding. When the testimony comes in from some of these counties that will tell you what they are facing right now, you will probably understand a little more. It is not that they are trying to not skirt; what they are trying to do is get the projects done. If the people get out and look to some of these rural counties, you would understand what I meant by what they are receiving. They save for public fund budgets. It is just short. They have to live within their budget.

**Assemblywoman Martinez:**

Is there any indication that NSHE will stop doing projects if the threshold is raised?

**Assemblyman Ellison:**

I think the Labor Commissioner wanted to weigh in on that.

**Shannon Chambers:**

I cannot speak for NSHE. I have not had that conversation with them. I will tell you, again, back to my original answer to your question, Assemblywoman Considine: The labor commissioner will adjust no matter what. In my opinion, as of today the amounts do not stop the projects. What stops the projects is potentially the economic situation, sometimes weather, sometimes things like COVID-19. But it is my view—and I have not personally had that conversation with NSHE, so I cannot say that—but there are other factors in play that actually stop the projects.

**Assemblyman Ellison:**

That is right.

**Assemblywoman Martinez:**

I keep hearing "union" coming up throughout the conversation, but my understanding is that any contractor, union or nonunion, can bid on these contracts. Is that correct?

**Assemblyman Ellison:**

That is correct, but it is like when you buy a car and you want a new Cadillac and you have \$20,000. You are going to end up with a smaller car. That is the problem we have. We are trying to get these small projects done, and \$100,000 is nothing on a construction project anymore. What they are trying to do is just try to stay within their budget and get the projects done. That is what they are trying to do. Nothing more and nothing less. If they do not get a union contractor down there, which most likely they will not on a small project, they still have to pay prevailing wage rates to those individuals no matter what they do. What we are trying to do is if we can raise that threshold up to \$250,000, we can get that project done with a little less money, save the money, and get the people to work. That is what we are trying to do.

**Assemblywoman Martinez:**

To clarify, prevailing wage law is for the benefit of all Nevadans, not just unions. Is that correct?

**Assemblyman Ellison:**

Yes. Anybody can benefit from it, but if the project runs up over, and then I think you will get the school board that will testify on the difference between the projects. You will see some of their testimony that is in there, that is already on NELIS, how some of these projects could be so high that it extends it out. You are talking a lot of this stuff, at \$250,000, is nothing. We are trying to say maintenance. If this was a \$500,000 to \$1 million project, we want prevailing wage on those projects. We definitely do. But we are talking the small things, and that is the difference. That is what this is about. It is not the larger projects at all. They can still collect prevailing wage, but that does not mean the project will go through.

**Assemblyman Matthews:**

I have a few questions for Mr. Honchariw. You spoke a little bit about the disparity between prevailing wages and market rates. I am wondering if you could discuss the trend. Is that disparity something that has increased in recent years? Has it remained flat? What is the trend we are seeing in that disparity?

**Daniel Honchariw:**

The Nevada Policy Research Institute performed the same analysis back in 2011 as we submitted for today's Committee hearing. What we found back then is that those prevailing wages were only about 45 percent higher than market rates, whereas today, that number is more like 60 percent. In terms of a widening disparity, in recent years between market rates and prevailing wages, that disparity has certainly increased and is likely to in the future as well.

**Assemblyman Matthews:**

Specific to a recent large project here in the state, do you have an estimate of what prevailing wage mandates, the extent to which those may have increased costs for the Las Vegas stadium construction?

**Daniel Honchariw:**

I have not personally conducted any analysis of that sort, but if I recall correctly, taxpayers borrowed about \$750 million-worth. Applying prevailing wages would certainly increase the stadium construction by tens of millions, if not by nine figures. Again, the disparity between what the market rate is and what the premium rate is, is so large that it makes big-dollar items and the labor costs associated with them even more expensive. Certainly, I understand Assemblyman Ellison's approach here regarding only the smaller ones, but our point of view is generally that prevailing wage rates of all kinds are overly expensive and are a detriment to taxpayers.

**Assemblyman Matthews:**

I have a couple of follow-ups, if I may. We have heard some discussion this morning, questions along the line of economic stimulus, based on the presumption that these higher rates would result in more money in the pockets of these workers who would then be spending that money to stimulate the private economy. For a point of clarification, could you let the Committee know where it is that those funds originate? Where do they come from originally to get into this private economy stimulus?

**Daniel Honchariw:**

I am not sure I fully understand the question. Can you rephrase it?

**Assemblyman Matthews:**

The assumption being that more money in the pockets of these union workers is money that will end up in the private economy. Where does the money come from originally to get there?

**Daniel Honchariw:**

The money comes from taxpayers, and that is our prime critique. These are taxpayer-funded projects, and I think any government project should do its best to make sure that it does not overspend, that it spends reasonably on public works projects. And again, as a former Nevada labor commissioner had suggested, these laws are intended to make labor prices higher. As I mentioned before, the result of that is you have a small class of society that reaps all these benefits of dramatically increased wages, legally mandated, which acts to the detriment of the remaining tax-paying populace. That is the argument.

**Assemblyman Matthews:**

In other words, this is not so much new money being injected into the private economy that would otherwise be there. We are simply shifting resources from one segment of the private economy through the public sector and into another segment, more or less.

**Daniel Honchariw:**

Yes. I would suggest you perceive our point of view through a Milton Friedman lens and not a Paul Krugman lens. We agree with your description of the dynamics there.

**Assemblyman Matthews:**

I have one final question, if I may. You are obviously someone who studies these issues. Are you aware of any statistical evidence or data suggesting that more robust prevailing wage mandates lead to actual increases in construction quality?

**Daniel Honchariw:**

I am aware of certain studies on that topic. Some seem to suggest that prevailing wage rates do not dramatically alter the size and amount of contracts awarded generally. We reject those kinds of analyses, but if that is the case, then why have prevailing wage laws at all? Does that answer your question, Assemblyman Matthews?



**Assemblyman Matthews:**

It does.

**Assemblywoman Dickman:**

Mr. Honchariw, thank you for your explanation of how prevailing wages are calculated. I think it is really interesting because it does not seem to have much connection to the market or free market. Can you give us a little history of how prevailing wages came to be?

**Daniel Honchariw:**

Certainly. Prevailing wage laws in the states were originally modeled after the federal Davis-Bacon Act of 1931. Nevada's came only six years later in 1937. What the Davis-Bacon Act did was effectively require union wages on federally funded projects. But there is more to the story here because back then the act's intent was explicitly racist, essentially preventing unions with Black members from being awarded contracts. I think ultimately, at a root level, prevailing wage policies are grounded in discrimination.

**Assemblywoman Dickman:**

Interesting. You mentioned that other states have repealed these laws in recent years. Could you give us a couple of examples?

**Daniel Honchariw:**

Yes. Since 1978, at least 16 states have altogether abolished their prevailing wage mandates. It is my understanding that about half of the states in the country have them and half do not. Just since 2015, for example, we have seen the abolition of prevailing wage mandates in Michigan, Arkansas, Kentucky, Wisconsin, West Virginia, and Indiana. It has certainly been a trend, and perhaps an accelerating one in recent years, again, for fiscally conscious motivations going forward.

**Assemblywoman Dickman:**

Assemblyman Ellison, are you finding that there is a delay in providing essential services in rural communities because they do not have the budget to get these projects done in a timely manner?

**Assemblyman Ellison:**

Yes, I do, I strongly do. The reason is you only have so much money. Large projects are not an issue. You can bond, you can fund, you can do all kinds of things with larger projects. It is the smaller ones that are being hampered. You look around—and wait until you hear some of the people who are going to give testimony—for a lot of these projects under \$250,000, it used to be we would say that we have to keep it under \$250,000 to operate. With COVID-19 and the amount of people out of work, trying to get people on projects is almost impossible right now because the funds are even less. I would say for some of these projects, if we do not get the prevailing wage rate, it will probably be several years before they get done.

**Assemblywoman Dickman:**

For the Labor Commissioner, if we could get a breakdown of the projects that we talked about, just in the rural communities, it would be really helpful. Could all the members of the Committee get a copy of that?

**Assemblywoman Black:**

I was born and raised in Las Vegas for most all my life. I have lived in a small community for the last five years, served on a city council in a small community, and there are certainly different problems that small communities face. That is not even restricted to prevailing wage jobs. That is contractors in general. You are worrying about not just the prevailing wage jobs but the regular jobs as well; that is what I am trying to say. Getting people to travel 90 miles from Las Vegas to do prevailing wage jobs in Mesquite is even a struggle, so I imagine for these other communities, it is even more difficult. At the end of the day, I think the heart of the matter here is that people of these communities are the ones who are suffering. I wholeheartedly would love to cosponsor this bill if Assemblyman Ellison would allow it. I do not have any questions, but those are my comments.

**Chair Flores:**

Next, I would like to go to Assemblywoman Brown-May.

**Assemblywoman Brown-May:**

My colleague asked the question that I had asked originally, so I withdraw my question.

**Assemblywoman Anderson:**

Based upon some of the answers that we have been hearing, it has more to do right now with the phrase that was being kicked around for some time, which was supply and demand. When I look over some of the other data we have received, as well as some of the information of some of the exhibits—and it is more of a comment, really; I do not know if it is a question or not—I have some hesitation. I feel that many individuals in the construction industry currently—it is very difficult to hire enough people as it is. Lowering the amount of money that is necessary for a project does not quite fit the supply and demand item of how we are going to be helping to pay these individuals. Could you expand upon that a little bit more? I am not sure whom that would be directed to. Either of you who has been doing the presentation is more than welcome to answer the question about supply and demand when it comes to the skilled workers we are speaking about.

**Assemblyman Ellison:**

She is right. The thing of it is, there are people out there who want to go to work right now. They want to. If a project is stopped because of funding, there is nothing we can do about it. But if we can get that funding tightened up just enough to get these projects going, they will happen. I guarantee it; they will happen, and you will see these people go back to work. You have people right now who are sitting at home. The small contractors are busy. They are doing their jobs every day. If you can get these towns to get these projects done and get people to work—and these are small communities. We are not talking a big city; we are talking small communities. That is where the problem lies, in these real small townships.

I know that in Tonopah and some of the others, to get a project done right now is almost impossible, and prevailing wage does not help. What we are doing is just asking for a tool in the toolbox; that is all we are asking for, by lowering the prevailing wage on some of these. We are not saying take it away. We are just saying raise it up to \$250,000, or whatever will work for everybody, but right now, at \$100,000, it is not working. That is not construction; that is maintenance.

**Assemblywoman Anderson:**

Thank you for that clarification and that acknowledgment of where I was coming from. I have a question for Mr. Honchariw. I am looking at an exhibit that was uploaded from Mr. Stanley [[Exhibit F](#)], I believe, and he refers to a study that was done by Professor Waddoups of the University of Nevada, Las Vegas, and Professor Duncan of Colorado State University-Pueblo. You referred to some different studies. Can you possibly expand where those studies are from and if there is a way for us to get a copy of those studies so we can compare the two elements? I think it is important for us to come from a balanced point of view.

**Daniel Honchariw:**

I do not have any of that information to offer you right now, but I am certainly willing to spend some time after this Committee hearing and forward you everything we can find.

**Assemblywoman Anderson:**

It would be wonderful if we could get those documents, especially if they are coming from universities, colleges—other areas that are able to consider the studies across our state as well as across our nation. If it could go to all the members of the Committee, that would be great.

**Chair Flores:**

Just as a point of clarification to Assemblywoman Black, you expressed your desire to be amended as a cosponsor. Unbeknownst to you, you were so excited about it that you signed on to it and forgot you were already a cosponsor. There is no need to amend the bill. You are already listed on there proudly, with a big fist up.

**Assemblywoman Thomas:**

I just have a point of clarification. During the conversation with Assemblyman Matthews and Mr. Honchariw, I am flabbergasted. Did I hear prevailing wage, a living wage, is racist in nature? That the Davis-Bacon Act was racist, or prevailing wage was racist? From what I have read about Davis-Bacon, that is far from the truth, so I want that record cleared. It was a fact that these two gentlemen saw prevailing wage for Black employees to come up to standard, and not because it was a racist act.

**Daniel Honchariw:**

My point was not simply that prevailing wage laws, as they exist today, are overtly racist or indirectly racist or otherwise, but I am quite confident in asserting that the Davis-Bacon Act, and I think this is general consensus, was originally understood to be a racist bill, a bill that sought to exclude minority workers in unions from getting federally funded projects. I have

read and seen tons of evidence to support that, and I would be happy to submit follow-up information to you if desired after this Committee hearing.

**Assemblywoman Thomas:**

Please do, because from what I have read, it is not, and I would love to see your data, especially on that topic.

**Chair Flores:**

Before I move over to the Vice Chair, I did want to put on the record my sentiment and what I am hearing here. I know I had an opportunity to speak with Assemblyman Ellison, and I appreciate [unintelligible] engaging in meaningful dialogue with you. I think there is a philosophical argument that is rooted both in data that folk from both sides bring to the table. It has always been my sentiment that when we pay prevailing wage, we typically tend to attract local talent. How that translates for me, through my perspective, is I would rather hire my neighbor to help build a school that their kid and my kid might go to, rather than someone who comes from out of state, works Monday through Thursday, then takes that paycheck and spends it elsewhere, in a different state, on Friday, Saturday, and Sunday, then repeats that cycle.

I appreciate the sentiment brought up by NPRI and Assemblyman Matthews that it is our money that is paying for that, and I think it is important that we acknowledge that. I think what we are putting on the pedestal of the question is this: If it is our money paying for it, do we want to pay a wage that ensures we attract local talent? We have the position and perspective that we build and construct better and longer-lasting projects if we have folk who are from here whom we can look in the eye when something is wrong or we need corrected, that they have to be held accountable should there ever be an issue, versus somebody out of state. The truth of the matter, if we are using our money, it is our state money. The question is this: Do we build as cheaply as possible, or do we build with the emphasis of quality? I think that is the philosophical debate that is happening here in this Committee, and what is most important.

Reasonable minds can disagree, but I thought it was important that we have this conversation and that we recognize what is happening. I know Assemblyman Ellison has a rural perspective and often has concerns of the limitations that the rurals have. I appreciate his input because I know he comes from very rural-centric lands that often some of us in the south do not get an opportunity to interact with.

Members, I appreciate the questions today and everybody engaging in that. We will close questions, with the exception of Vice Chair Torres. She had a couple of questions she wanted to ask. After that, Assemblyman Ellison, we will go ahead and move on to support. We will give your folks an opportunity to speak in support, then we will move on to opposition and neutral.

**Assemblywoman Torres:**

Could you clarify what the current federal threshold for prevailing wage is?

**Assemblyman Ellison:**

I do not have that in front of me. I think sixty-some dollars or \$65 is what it is. I can get that for you. That is pretty simple. I know it is about 15 percent higher. Nevada Policy Research Institute, could you answer that question?

**Daniel Honchariw:**

I do not have much to offer here. I am generally unfamiliar with federal mandates. I can certainly look into it going forward.

**Assemblywoman Torres:**

I appreciate that response.

**Assemblyman Ellison:**

We have testimony coming from the city that could answer some of those questions.

**Assemblywoman Torres:**

My understanding, though, is that from the Davis-Bacon Act, which is the federal law, the current threshold is \$2,000 for a project—that meaning, when we are looking at this legislation, that the public works estimated cost is less than \$2,000, so that number is \$2,000. Could we get clarification? I am not sure if maybe our policy analyst or legal counsel can chime in here.

**Jered McDonald, Committee Policy Analyst:**

I was just looking around on the Internet a little bit. I believe it was mentioned earlier. I believe the threshold is \$2,000 for a federal project where prevailing wage will kick in.

**Assemblywoman Torres:**

I appreciate that. I really think public works construction projects have the responsibility to be safe, durable, lasting a lot of time, with minimal maintenance and repairs. I think the way that we do that is by ensuring we attract local experienced construction workers who deliver high-quality work. I just do not understand why we would have legislation that is raising the prevailing wage to \$250,000 when the federal standard is \$2,000.

I am not sure if it is appropriate at this time, but I would like to present a conceptual amendment that would require that we change this threshold and meet the federal standard, which is \$2,000.

**Chair Flores:**

So the record is properly reflected, Assemblywoman Torres will be proposing an amendment. Whether the Committee wishes, at a later time, to entertain that will be up to the Committee to debate. The procedural way that we will move forward with this—and it will not be necessary to debate it any further today—Madam Vice Chair will be proposing an amendment to the Committee, send it to the committee manager and policy analyst and then at a later time during a work session it will be up for debate for the members to engage in. Madam Vice Chair, do you have any follow-up questions?

**Assemblywoman Torres:**

No. Thank you for indulging me in that amendment. I will make sure I take a look at that. I really want to echo my appreciation, too, for the Unified Construction Industry Council, who shared a report document [[Exhibit F](#)] that really helped me improve my understanding of prevailing wage and have that as a point of reference. I really appreciate it. I think it is important that we ensure we are meeting the federal standard.

**Assemblyman Ellison:**

There are two different issues here. One is state, and one is federal. Two different projects. Two different types of funding. Two different things. If you look at that, you will see that the federal issues for prevailing wage law is Nevada, and the Davis-Bacon Act is federal funding.

**Chair Flores:**

Thank you for that clarification, Assemblyman Ellison. I will be sure to ensure that Assemblywoman Torres has an opportunity to speak with you on her proposed amendment of lowering the threshold to \$2,000. At this time, I would like to invite those wishing to speak in support of A.B. 99. To be abundantly clear, we are speaking in support of A.B. 99 as written by Assemblyman Ellison. The conceptual amendment brought up by Vice Chair Torres will be up for debate should we go to a work session, as other members are all allowed to bring up conceptual amendments.

I would like to go to those wishing to speak in support. It is my understanding that we have some folk who are on our virtual Zoom who will be joining us via video. I am looking through them now. Obviously, we still have a copresenter, but I am looking through the video chat now, and I do not believe we have anybody wishing to speak in support who is waiting on video. At this time, I would like to invite those wishing to speak in support of A.B. 99 to please call in. In the interest of time, and as I am concerned that there may be a wide range of folks who are wishing to call, I ask that you please limit your remarks to two minutes. Know that for anyone who submits any written document, we will be sure it gets uploaded to the record should your time be cut off prematurely. Also, in the interest of time, I ask that we allocate an equal amount of time both to support and opposition. The way we will be going about doing that is this: two minutes per caller, with the block for support going to 30 minutes. Then after 30 minutes, we will go to opposition for 30 minutes. Then we will do the same thing for neutral. At this time, we will hear from the first caller wishing to speak in support of Assembly Bill 99.

**Assemblyman Ellison:**

I just got a text from the City of Elko's County Commissioner, Delmo Andreozzi. He said he is on Zoom. Can you still pick him up on that?

**Chair Flores:**

Assemblyman Ellison, what we can do, in the interest of time and to allow those wishing to speak in support, I will have Broadcast message your attaché the proper link for them to be able to join us in support virtually in the next couple of minutes here, so that while folks in

support of your bill are calling, we will give them ample time to log in and join us virtually. Broadcasting, please message Assemblyman Ellison's attaché and/or our committee manager, Judi Bishop. Could you please message Assemblyman Ellison's attaché the proper link so that those wishing to speak in support who wish to join us virtually can do so? In the meantime, we will go back to the phone lines and continue with those wishing to speak in support of A.B. 99.

**Janine Hansen, State Chairman, Independent American Party:**

I am pleased to support Assemblyman Ellison's bill. He is my own Assemblyman. I live in Elko.

[She read from [Exhibit G](#)]. We support A.B. 99, which raises the threshold for paying the prevailing wage for the Nevada System of Higher Education from \$100,000 to \$250,000. This will enable our colleges and universities to more easily pay for smaller jobs. We also support the amendment, which would apply to rural counties.

It is important in all government projects to keep the taxpayers in mind, especially during this economic crisis. This bill is a very reasonable start. In the United States in general, according to the Institute for Policy Innovation, the total U.S. tax burden, including federal, state, and local taxes, and hidden taxes, is equal to 56 percent of annual personal consumption spending. In other words, taxes consume 56 percent of all the average person spends. This includes 19 percent in state taxes and 13 percent in local taxes, with many hidden taxes the consumer does not see.

We pay more in taxes than in any other spending category, including food, shelter, education, and health care. We must give real consideration to those who cannot bear any more taxes and recognize that there are places we can economize. This bill is a good start.

Right now, food prices are soaring faster than inflation and income. As the COVID-19 pandemic wreaks havoc on economic growth, concerns about hunger and malnutrition are rising. We are concerned about the opportunities for rural counties to take care of their local infrastructure. We encourage you to support A.B. 99, a responsible and reasonable measure which will benefit taxpayers and rural communities.

**Chair Flores:**

It is always a pleasure to have you.

**Vinson Guthreau, Deputy Director, Nevada Association of Counties:**

We are in support of Assembly Bill 99, which raises the threshold on prevailing wage jobs from the current \$100,000 to \$250,000. We believe this will benefit counties—especially our rural members, if you consider the amendment—who are in tighter capital improvement budgets. It will allow them to complete smaller routine maintenance jobs and put more people to work improving our parks, libraries, county facilities, and roads. This bill will maximize public tax dollars for projects that improve infrastructure that is utilized by the public. We thank the sponsor for bringing this bill forward, and we further echo the



comments that are on NELIS from Commissioner Andreozzi [[Exhibit H](#)]. He outlines what we think provides an excellent perspective and good examples from a rural county. We thank the Committee for hearing this measure.

**Chair Flores:**

Before we go to the next caller, my understanding is that we were finally able to get Commissioner Andreozzi to join us virtually. Is that correct?

**Delmo Andreozzi, County Commissioner, Board of Commissioners, Elko County:**

[He read from [Exhibit H](#).] I am serving in my second term, but prior to being elected a commissioner, I worked for the City of Elko for nearly 31 years. I am familiar with public works projects, NRS Chapter 338, and prevailing wages. As a member of local government, I appreciate the fact that our Legislature is considering changing what is considered a public works project and raising the prevailing wage threshold.

As a nation, state, and local communities, our public infrastructure continues to age and deteriorate. All of our roads, water, and wastewater systems have design life. They require maintenance, and ultimately will require replacement. We work within the confines of our budget to improve the public's infrastructure, despite the fact that it costs more to replace infrastructure than it does installing the new. I am not saying it is good or bad, but it is important to note that prevailing wages essentially increase the cost of a project by a third, or alternatively, reduce the scope by a third.

This threshold is extremely limiting in rural areas of Nevada. Not only has inflation eroded the value of \$100,000 over time, but many smaller jurisdictions and cities may only have a capital projects budget of \$200,000 or \$300,000—or maybe even \$500,000. I heard Assemblyman Ellison talk about the City of Elko as an example. The City of Elko's annual capital budget for their Public Works Department is \$750,000. They usually have to save for two years to do a capital project. Elko County's is \$1.5 million. Even our large projects are really quite small in comparison to the urban areas of the state. When we think about doing these smaller projects, the cost of mobilizing equipment and manpower to do projects multiple times increases the cost of the project, cutting into these already thin budgets. Economies of this scale are not as likely to happen in rural areas as they are in the urban area. As an example, many of our communities do not even have the basic supplies or have access to local asphalt or concrete batch facilities. These items must be shipped, which further erodes the available budget.

For context, the typical street project here in Elko, Nevada, costs approximately \$100,000 per block, which is roughly 350 linear feet. This would be a basic replacement of curb, gutter, sidewalk, and asphalt. Any subgrade work required would likely result in each block being in excess of \$100,000. It is not practical to do less than a block. There is one other thing that I would like to point out, as I did listen to some of the testimony and can maybe provide some additional context or background. I would just like to also remind you that all projects in the public's right-of-way are required to be done by a licensed contractor, whether it is a prevailing wage project or not. In our case here in Elko County, as Assemblyman Ellison

stated, we have many of the trades here, but some we do not. Actually, for the larger buildings, such as a school project or something such as that, most often those contractors come from the Salt Lake City, Utah, area to this rural area.

Again, I am in support of this. I appreciate the Labor Commissioner being on there; I think it is valuable to have some information to really look at what the projects were between \$100,000 and \$250,000. I think there could be some good evidence and a compelling story to assist this body in making a well-informed decision. Again, I want to thank you for your time and willingness to consider alternatives that leverage the public's resources, better serving our citizens to improve our infrastructure.

**Chair Flores:**

Members, for the sake of transparency, I want to explain why I allowed Commissioner Andreozzi to go beyond the two minutes—it was closer to four minutes. It was originally the intent of Assemblyman Ellison to have Commissioner Andreozzi copresent and have him available for discussion, questions, et cetera. In the interest of fairness—and I know we had some technical issues getting him logged in—I wanted to ensure that we gave him the full breadth of his testimony. That is the reason why I did that. However, I do want to remind those wishing to call in support, opposition, or neutral that you do refrain from exceeding two minutes. You can always submit your testimony in writing, and I will be sure that it gets uploaded to NELIS. Again, Mr. Commissioner, thank you for joining us this morning.

**Wesley Harper, Executive Director, Nevada League of Cities and Municipalities:**

Thank you, Chair Flores and Vice Chair Torres, for allowing my statement of support. The Nevada League of Cities and Municipalities is in support of A.B. 99. We appreciate the work of the sponsor to bring this bill forward, and the distinguished members of the Assembly Committee on Government Affairs for hearing it. This bill is a practical and limited adjustment to the prevailing wage requirement that would enable rural communities to move forward with essential construction of Nevada System of Higher Education infrastructure.

**Warren Hardy, representing City of Mesquite; and Associated Builders and Contractors of Nevada:**

I first want to thank Chair Flores for the very fair and equitable manner in which he has allowed this hearing to proceed today. This has been an issue that we have discussed in the Legislature for many, many years. Both the City of Mesquite and the Associated Builders and Contractors are in support of increasing the threshold to \$250,000 from \$100,000. That \$100,000 number was sort of randomly selected many, many, many years ago. There has not been an increase in the minimum wage threshold. There was a very interesting dialogue that occurred during the hearing about the merits of prevailing wage, but again, this legislation simply proposes to increase the threshold, which is probably overdue. Thank you for taking the time to fairly and equitably have this hearing today.

**Chair Flores:**

It is always great to hear from you.

**Leo Blundo, County Commissioner, Board of Commissioners, Nye County:**

I am from District 4. I am also the Regional Transportation Commission (RTC) Chairman for Nye County. I am speaking on behalf of my individually elected office. I would like to thank Chair Flores for allowing me the opportunity to testify on this, and the Assembly Committee members—I appreciate your time today. I just want to present a really simple equation for you: If I have \$300,000 in my budget, and I have the option of doing two \$150,000 projects, would you prefer me to have two projects move forward? Or would you like to say, I will only do the one because of the \$100,000 threshold? I have to make decisions weekly—monthly—on which projects we decide to choose to move forward on. We currently have an RTC budget of approximately \$2.2 million. I have to make decisions on which projects move forward. We have to gauge: If it is through that threshold, can I execute another project? Given the fact that I have 2,200 miles of actual road in Nye County, it is a very daunting task to choose winners and losers and which roads I can do. I think increasing the threshold will allow us the opportunity to create more projects to be able to move forward for. But we are not just talking about roads here—it is also doing sidewalk projects and other public works projects that reside in other budgets as well.

Again, I have to ask you to weigh the fact—would you allow me the opportunity to have, finance, and put forward another project that continues to pay wages to Nevadans and continues to keep good people working, especially in these dire economic times where people are struggling just to have work and keep their jobs going? Or would you prefer me to not approve projects because the funding just is not there? It is easy to say we should be raising taxes or looking at other revenue sources; however, I have to make the fiscally responsible decision and execute through a balanced budget. One of the reasons I think you do not see this drastic drop of projects is because we just do not put in the project. I do not make the irresponsible decision to say, I am going to start four projects, fund them all halfway, and then leave the taxpayers and say, Hey, I am going to raise taxes on you or these projects never get done, and we have a constant limbo of projects sitting there. We have to make the most educated decisions, and we have to continue to approve projects that I can afford to do. But the little projects, and raising a threshold to \$250,000 is, I think, a fiscally responsible way of saying we have issues across the rurals, the rurals are Nevadans as well, and we are going to allow them the same opportunities afforded to the bigger cities to be able to execute the same projects and be able to continue to approve projects.

**Chair Flores:**

Commissioner Blundo, we have exceeded two minutes. Could you please wrap it up with any closing remarks? Thank you. If we could go to the next caller.

**Paul J. Moradkhan, Senior Vice President, Government Affairs, Vegas Chamber:**

The Vegas Chamber is in support of Assembly Bill 99, as it would provide greater flexibility for small projects and is a good use of taxpayer dollars. Thank you for your time this morning.

**Steve Walker, representing Douglas County; Storey County; Carson City; and Lyon County:**

We are in support of the amended bill, of Assemblyman Ellison's amendment. For the sake of time, I will not go any further, but I would echo the statements made by the Nevada League of Cities and Municipalities, and Nevada Association of Counties. Thank you.

**Chair Flores:**

Following up on that particular testimony in support: I know it is important for us to be heard, and I want you to know that you are being heard. But I do want to remind you that it is perfectly okay to say that you echo the sentiment that has been stated already on the record to make sure that your name gets placed on it, and we can move on to the next caller. We always appreciate that in this Committee. With that, I would like to continue with support for Assembly Bill 99.

**Michael Katsonis, Private Citizen, West Wendover, Nevada:**

I just wanted to thank you for allowing me to testify this morning. I echo the comments in support of A.B. 99 as amended by Assemblyman Ellison.

**Chair Flores:**

It is always an honor to have general members of the community call in. Know that you can always do that, and you have a place to speak here. Thank you for calling in this morning.

**Kelly Wooldridge, City Clerk, City of Elko:**

The City of Elko is in support of this bill and the conceptual amendment. In an answer to Assemblywoman Considine's questions, the City of Elko has had an average of 3.6 projects that would fall between the \$100,000 and \$250,000 threshold. The other issue that we would have liked to have seen addressed in this is the apprenticeship act. It has been very difficult, with COVID-19, for the City of Elko to meet the apprenticeship act. We had a contractor who was four hours low on getting an apprentice and was fined \$9,000. During COVID-19, it has been difficult to get apprentices to the rural area, and once they get here, they do not often stay throughout the job. Since COVID-19, we have also seen an increase in the cost and availability of materials, increasing our construction cost on bills. Thank you for hearing this bill today.

**Alida Benson, Private Citizen, Las Vegas, Nevada:**

I am calling in to say a big thank you to Assemblyman Ellison for sponsoring this bill. I encourage all members to vote yes on A.B. 99 and vote for savings for the Nevada taxpayer. Our agencies should have the freedom to negotiate the best rate possible to get the job done, and also be incentivized to save as much taxpayer money as possible. This is a no-brainer. We have a budget crunch; this saves Nevada taxpayers' money while still assuring the equality without the added 60 percent markup that is a hallmark of prevailing wage laws. Please vote yes on A.B. 99. I would also like to note that it is inappropriate that several members of this Committee, who are currently under litigation for violating the

*Nevada Constitution*, have not recused themselves from this hearing. Those are Selena Torres, Natha Anderson, and Clara Thomas, all of whom have concurrent employment with the state in violation . . .

**Chair Flores:**

Shut off the audio, please. This is how we are going to move forward: Everybody is welcome to speak on a matter that they think is important today. Presently, we are addressing Assembly Bill 99. If you want to express your support for that bill, that is where we are now. You can get on the record, state your name for the record, and ensure that you are being heard in support of a bill. But this is not a time, nor will it ever be appropriate in this Committee, for you to ever personally attack or single out any single member. We may disagree on policy, but we are not disagreeing on the obvious reality that we are all in this situation trying to improve the lives of all Nevadans. It is inappropriate, always wrong, and it will not be tolerated for anyone to do any personal attacks. We can disagree on policy, we can attack policy, but we will remain respectful of each other at all times. If any other caller wishes to continue to engage in any type of dialogue, we will shut you off. This is not a time to do that; it is woefully inappropriate to do that. Assemblyman Ellison, I know you do not have control of who is calling in support, so I do not want you to feel that I am putting this on you. But I want to make the record abundantly clear that we will not tolerate that—ever. No personal attacks. Attack the policy if you wish; that is perfectly fine.

**Marcos Lopez, Legislative Liaison, Americans For Prosperity–Nevada:**

We are in support of A.B. 99; it is a small, but positive change that would help rural counties and cities with their public works by allowing them to use taxpayer dollars more efficiently and effectively. At a time when our budgets are squeezed, we should be looking at ways to use our money more efficiently. We should not be paying upwards of 40 percent for public works. The state needs to act if it has a fiduciary interest over taxpayers' money. The research is clear: Prevailing wages needlessly raise the cost of construction projects by billing the dollars annually around the nation. We are literally throwing money away. I will submit some prepared statements, but I do want to address some of the comments that were made during the hearing.

Nothing in this bill is saying that if you are interested in stimulating the economy, you cannot spend the same amount of the budget on projects. What we are saying is that you can use that money to build more projects, so you can have more workers. The statements, for example, on building classrooms—you can use it to build new schools. You can use it to redirect it into the classrooms, as teacher pay. There are all sorts of different things you can do that this bill does not mandate in terms of what you do with the savings. You can still get the same amount of money out. Secondly, I think it is a false dichotomy to say that we are choosing between quality and quantity here in the work. There are 23 states that do not use prevailing wages, and there is little to no evidence that says that the construction in those 23 states is any less properly built than in the other states that use prevailing wages. Lastly, as to the conceptual amendment of lowering this to \$2,000, if you want to blow up the budget, if you want to completely disregard fiduciary interest or taxpayer money, I think that you should totally go out for that. I would love to be able to say that this state has

completely forgotten about the taxpayer and using money efficiently and effectively and would love to see what that would do to the budget. It is almost laughable that we complain about not having revenue, then just waste our money in the most inefficient ways possible. But I urge you guys to support A.B. 99. It is a small, but positive change. Thank you.

**Chair Flores:**

Thank you, Mr. Lopez, for your comments. I know we often do not have an opportunity to engage in meaningful debate in this Committee with you and/or to work together. It is always great to have you here.

**Darren Schulz, Public Works Director, Carson City Public Works:**

We are in support of the bill and the amendment as has been stated. I will refrain from comments and just take those that have been said. Thank you.

**Lynn Chapman, State Vice President, Nevada Eagle Forum, Nevada Families for Freedom:**

We, the taxpayers, are very concerned with the cost of construction projects. Most people do not know about prevailing wages, and they do not understand it; they have never heard of it. But what is it for? Well, it is to build projects in our community. However, who pays for all of the projects? Why, the taxpayers. Whether it be federal, state, county, or city, all that money comes from the taxpayers. It would be great if we could slightly reduce the burden to the taxpayers, and it would be very helpful to our families in rural Nevada. Why would our state want to tie the hands of rural Nevada in getting projects done? Saving should be in the mix as well for the taxpayers. Also, we are worried about the workers in the smaller rural areas—the smaller projects—the workers are there in the communities. They would be put to work, and they would take their money home with them, in the communities where the work is done. It would support their communities. We need to support A.B. 99. We should support rural Nevadan families.

[[Exhibit I](#), [Exhibit J](#), [Exhibit K](#), [Exhibit L](#), [Exhibit M](#), [Exhibit N](#), [Exhibit O](#), [Exhibit P](#), [Exhibit Q](#), [Exhibit R](#), and [Exhibit S](#) were submitted but not discussed and are included as exhibits of the hearing.]

**Chair Flores:**

We will continue with support for Assembly Bill 99. [There was none.] I want to thank all of you who called in support of Assembly Bill 99. At this time, I would like to invite those wishing to speak in opposition to Assembly Bill 99. I want to remind those of you who intend to be calling in that you should always feel comfortable to say a quick ditto, primarily from those of you who are members of our lobbying community. We love you, but we really want to leave a platform open for a lot of members of the community who often do not have an opportunity to engage in this type of setting. A quick ditto from our lobbying community—we appreciate you even more when you do that. But with that, I do ask that you try to limit your remarks to two minutes; we try to be flexible when we can. I know that we do have Mr. Bill Stanley joining us virtually wishing to speak in opposition to

Assembly Bill 99. We will start with the video; then we will move on to those wishing to speak in opposition via phone.

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

Where to start? We have heard a lot of testimony this morning, and I have been around here for a long time. I will take your advice, Assemblyman Flores; I will submit my otherwise prepared statement [[Exhibit T](#)] and try to address a couple of the issues that were raised here today that I believe absolutely need to be addressed. Foremost, I think it is absolutely insulting that anyone would come before this Committee and offer up testimony that prevailing wage—whether it be Davis-Bacon or the state prevailing wage statute—in and of itself was ever, or is intended to be, discriminatory. That is absolutely insulting. Let us be clear. There were two folks in Congress: Senator Bacon and—I think I have this right—Senator Davis, who introduced a bill in New York City that was intended to prevent workers coming in from outside the state to do what was otherwise public work being paid for by the citizens and the taxpayers in New York. There was a contractor who was wanting to exploit and import workers from the South to do that work at a far cheaper rate, and that story, through history, has been turned on its head. That has been interpreted to be discriminatory against the workforce that was being imported from the South. I have taught labor history for 30 years. That conversation and that history is well-documented; it has no place in these conversations.

Let me move beyond that. The premise of those who are arguing here today is very basic. The premise is that if we pay construction workers less money, we can do more projects. It is somehow a waste of money if we pay construction workers a livable wage, a wage rate that allows them to live the middle class dream in this country, send their kids to school, and provide them with opportunities to participate in extracurricular activities—that somehow, if we could just leverage these construction workers and pay them less money, we could do more projects. Well, I can tell you: Ask the construction worker in rural Nevada if he or she is willing to work for less money so that you can do more projects.

Next, I would just like to talk about this: In 2019, Senator Hardy and the building trades, with one of your previous speakers, Warren Hardy, worked diligently to construct a bill that allows rural Nevada to establish a prevailing wage rate that is not the same as rural Nevada. There are four prevailing wage zones in Nevada that were constructed through that legislation: Washoe County, Clark County—being the two metro areas—and the rest of the county, the southern rural, is made up of Lincoln, Nye, and Esmeralda Counties. The rest of the state is in the northern rural. The wage rates that are determined for the prevailing wage in rural Nevada are wages that are earned in rural Nevada. This concept that somehow the wage rates in rural Nevada are not responsive or reflective of the wages earned in rural Nevada is just not true.

Next, I would like to talk about unbundling a project. When we talk about "bundling"—there was some conversation about bundling a project—let us talk about unbundling a project. What we really see happening is awarding agencies in the state of Nevada figure out a way to



unbundle projects so that they can escape the prevailing wage rate, exploit construction workers, and pay them less than is surveyed in the area in order to, in their minds, complete the project for less money. Well, unbundling a project is a problem. We fight it all the time. The Labor Commissioner gets more complaints over unbundling a project from the awarding body than probably any other complaints that she gets on the prevailing wage side. Lowering the threshold to \$2,000—I appreciate the conceptual amendment from the Vice Chair—I am in favor of lowering it \$2,000, which is the federal rate. Making and aligning the state prevailing wage with Davis-Bacon, which is the federal prevailing wage rate, has been a concept that the building trades have been pushing for a very long time. In fact, that was the premise behind our supporting Warren Hardy's bill in 2019.

**Chair Flores:**

I apologize for interrupting you. There are two questions, and we have exceeded the two minutes. I just wanted to put you on notice of that. We will make sure your comments are shared. But we have two questions: one is a point of clarification from Assemblywoman Dickman. Could you please restate whom you are with and representing now? The second question is this: Would you support Assembly Bill 99 with the conceptual amendment mentioned by Vice Chair Torres?

**William Stanley:**

I represent the Southern Nevada Building Trades Unions. We represent over 20,000 construction workers throughout southern Nevada, including the rural counties that I mentioned as part of the southern rural zone. I am not in favor of this bill; I am not in favor of the bill with Assemblyman Ellison's conceptual amendment. But I would support the bill with the conceptual amendment that was put forth by Assemblywoman Torres.

**Chair Flores:**

Go ahead with any closing remarks you may have.

**William Stanley:**

I appreciate the time. I will augment my comments here. There was so much raised here today, and I would just wrap up by saying this: the 2019 study that we presented to this Committee when a similar bill was heard in 2019 with the same argument completely refutes all of these arguments, especially the NPRI argument and the study that they had brought forth, going back many, many sessions. That report was completely refuted in 2019, and I would hope that you would look at the study that was uploaded by my colleague from the Unified Construction Industry Council, Ms. Wendi Newman [[Exhibit F](#)]. She will testify next. Thank you, Chair Flores, Vice Chair Torres, and members of the Committee, for allowing me this time to testify.

**Chair Flores:**

I encourage all members to reach out, whether you are in support or opposition to the bill as written by Assemblyman Ellison, so that you can continue this dialogue offline. I know he has a wealth of information that he would gladly discuss with you. With that, we will go ahead and go to the phone lines and invite those wishing to speak in opposition to A. B. 99.

Again, I would ask that you please try to limit your remarks to two minutes. We will throw some flexibility in there when we can.

**Wendi Newman, Executive Director, Unified Construction Industry Council:**

The Unified Construction Industry Council is a labor management cooperative committee composed of 14 affiliated skilled craft trades unions, and over 200 contractors who employ over 20,000 skilled trade workers. In the Nevada Electronic Legislative Information System, we have submitted the 2019 study on the impact on Nevada's 90 percent prevailing wage policy on full construction cost, bid competition, and apprenticeship training [[Exhibit F](#)]. Contrary to what the proponents may have said, increasing the threshold for prevailing wage projects does not save taxpayers' money. The unintended consequences of the policy that was put into effect with the previous passage of Assembly Bill 172 of the 78th Session reduced participation of union signatory contractors in bidding on school district projects. This change contributed to an across-the-board decrease in bid competition, an increase in bid cost, and a reduction in apprenticeship training resources and opportunity. The negative effect on training reduces opportunities for construction workers in Nevada to increase their skills and earnings. Because skilled workers in construction or in any other industry are our state's assets, a reduction in training opportunities and resourcing is harmful to Nevada's economy. The Unified Construction Industry Council is in opposition to A.B. 99 as written and supports the amendment that would lower the threshold to that of the federal Davis-Bacon Act of \$2,000. Thank you.

**Chair Flores:**

Thank you for joining us this morning. It is always a pleasure.

**Michael West, representing International Union of Painters and Allied Trades:**

I represent the women and men of the International Union of Painters and Allied Trades. We stand with the Nevada building trades in opposition to A.B. 99 and raising the threshold of prevailing wage from \$100,000 to \$250,000. Many projects would then be disqualified if the amount more than doubles, especially if these small projects may only consist of new paint and floor covering. May I suggest that if you did a forensic audit of a public works project and get the entity to open their books, you may find that many take profit out of a project before it even hits the construction phase. If you compare the delta between prevailing wage and the market rate, it is potentially much smaller compared to the windfall of profit that is taken out early in the project. Yet we still keep trying to balance the budget of a public works project off the backs of the workers. It is for these reasons that we stand with the building trades in opposition of the bill in print. Thank you.

**Frank Hawk, Vice President and Chief Operating Officer, Southwest Regional Council of Carpenters:**

I am with the Southwest Regional Council of Carpenters. Ironically, Republicans authored and championed the Davis-Bacon Act nearly 100 years ago, and contrary to a testimony, it was not racist. That is insulting. Yet in Nevada, every session there is an attack on working people by coming after prevailing wage. Do not be fooled that this is just another attack on Nevada working people by chipping away at wages and benefits. Somehow, these elected

officials feel that Nevada's hardworking men and women who become experts in their trade by going to four years of formal training, set their alarm clocks for 3 a.m., work in the elements and risk their lives every single day to build America's infrastructure are somehow worth less than a living wage. Do not be fooled by these fictitious scenarios, flawed data, or the false argument of rural versus urban. Think about it. Faraway areas that need people to come to rural areas—there are no motels, no restaurants—are not going to attract skilled workers to come up and work for less money. It is just not going to happen. The last time the Legislature took a swipe at prevailing wage, it cost my carpenter \$600 a month. What happened? The skilled carpenter went to working private jobs instead of building our children's schools. They were replaced with an out-of-state workforce that was unregulated. It bred immigrant abuse, and it was undercutting our Nevada residents. On behalf of our 9,000 carpenters here who make up Local 1977 and Local 971, the apprentices, and their families, I urge you to vote no on this bill as presented. Of course, I would be in support of Vice Chair Torres' amendment. Thank you for allowing me to speak here today.

**Jim Sullivan, Political Director, Culinary Workers Union Local 226:**

We are opposed to this bill for the reasons that Bill Stanley, Wendi Newman, and several other callers have expressed. This bill, as written, is bad for working Nevadans, and we fully oppose it. Thank you.

**Chair Flores:**

It is not often that we can have you in our Committee, so it is great to have you join us this morning.

**Richard "Skip" Daly, representing Laborers' Union Local 169:**

You can call me Skip. I represent the Laborers' Union Local 169 here in northern Nevada. Where to begin? As Mr. Stanley said, a lot of either intentional or unintentional untruths were stated here today. Prevailing wage is not racist; it was started by two Republican senators from New York—Davis and Bacon—to level the playing field for local workers in the local economy to make sure that the local workforce, contractors, and employers were not undercut. The bottom line is that this bill is going to lower wages for workers in these rural communities, which is the testimony we have. If you take the example given by Assemblyman Ellison, if we have \$150,000, or a \$150,000 project, and we only have \$100,000, somehow this measure, by lowering the wages of workers, would save you the \$50,000. That is just untrue. The other statement made by the gentleman from Elko that prevailing wage cost makes construction costs go up a third: We presented, the building trades have presented, studies to this Committee in the past that show that—depending on the type of construction, the road construction versus building—the amount of cost for labor for the project is as low as 16 percent and at the high end, 30 percent. Of the total cost of the project, only 30 percent is laborers. In order to save a third, the workers would have to pay the contractor to do the job to save that much money. That is untrue. I will stop short of saying any other word that I really want to say. I oppose this bill. It does cost construction workers, when we had the last changes on the school construction and all of those things. It is wrong-thinking, and to make a recent quote from President Biden, in my opinion, this is Neanderthal thinking. Thank you, Mr. Chair.

**Chair Flores:**

It is great to have you back here in your Government Affairs Committee. You are always welcome home here.

**Rob Benner, Secretary-Treasurer, Building and Construction Trades Council of Northern Nevada:**

We strongly oppose A.B. 99 as written, but we do support Vice Chair Torres' amendment, putting Nevada's prevailing wage threshold in alignment with the federal level. Last time we raised the threshold, it reduced apprenticeship opportunities, reduced wages, and reduced jobs for Nevadans. As written, this bill would put Utah workers to work, not Nevadans. Assembly Bill 99 would hurt Nevada's hardest-working men and women at a time when they can least afford it. We should be working to lower the threshold to protect Nevada's contractors, Nevada's businesses, and Nevada's workers, and keep our tax dollars here. Nevada's recovery depends on it. Now is the time to stand up and protect Nevada's working men and women. Thank you.

**James Halsey, Business Manager and Financial Secretary, International Brotherhood of Electrical Workers Local 357:**

I represent the 4,000 members of the International Brotherhood of Electrical Workers Local 357. We are the ones who keep the lights on in Las Vegas. Two years ago, at this same Committee, a study was presented that said a strong prevailing wage provided value to our community. That bill that strengthened prevailing wage was presented by the Speaker of the House, and when it became law, it helped ensure that our public dollars are spent on the most qualified workforce available. Over the past two years, more contractors and local workers have been able to compete in the now-level playing field. This increase in competition is good for our public works dollar and good for the community. I see no reason to turn our backs on the same workforce that has continued to build our schools, roads, and public buildings during the worst pandemic in over 100 years. Early on in this pandemic, construction was deemed an essential workforce. This bill, A.B. 99, says we are not. On behalf of International Brotherhood of Electrical Workers Local 357, we are opposed to this bill. Thank you for your time.

[[Exhibit U](#), [Exhibit V](#), and [Exhibit W](#) were submitted but not discussed and are included as exhibits of the hearing.]

**Chair Flores:**

Could we continue with opposition to Assembly Bill 99? [There was none.] Again, I want to thank all of you who participated this morning speaking in opposition. I would now like to invite those wishing to speak in the neutral position to Assembly Bill 99. [There was no one.] We will go ahead and close out neutral testimony, and we will come back to Assemblyman Ellison for any closing remarks.

**Assemblyman Ellison:**

Number one: I would like to know, of the contractors who spoke, how many of them have done any jobs for \$100,000 in rural Nevada? I can tell you that there is going to be none. If there were, it would have been small projects close to Washoe County or one of them. That is my number one comment. Number two: The Davis Act—I guarantee it. Open it up and see what happens because I guarantee it—California, Idaho, and Utah would swarm this state. It is crazy and ludicrous. I am just telling you, if you want to throw rural Nevada under the bus, have at it. But I tell you what: the people are hardworking, loving people of this state, and care about this state. They did not ask for anything; they just asked for the threshold to be raised, where they can do some projects. But those people who are out of work will stay out of work. Mr. Chair, I apologize for getting upset, but I am disappointed with the comments. But I guarantee it: the union guys from Las Vegas have never been to rural Nevada unless it is a big project like a school, or a big commercial project—none. Thank you, Mr. Chair, and I apologize for my upset-ness, but I can tell you: it is ludicrous, and it is crazy.

**Chair Flores:**

Thank you, Assemblyman Ellison, for your presentation today. I think reasonable humans will often disagree on policy, and as long as we maintain the conversation and debate there, it is fair game in this Committee. Again, members, we often agree. I make that point because just because we are having a philosophical debate now and disagreement on this particular issue, that does not mean we cannot continue to work together on other stuff. I implore that we continue to have an open dialogue and that we take today's debate as an opportunity to understand that sometimes we can disagree, get up together, and continue to work for all Nevadans as we have been doing and as we have been summoned to do here in this building.

I am going to go ahead and close out the hearing on Assembly Bill 99. Again, I appreciate all of you who came in support, opposition, and neutral to have your voices heard. I would like to open it up for public comment and invite those wishing to speak in public comment to please join us. I want to remind everyone who is wishing to speak in public comment that this is not an opportunity to re-engage in a debate over Assembly Bill 99; that hearing has now been closed. [There was no one.]

Members, I want to remind you that tomorrow we are going to be doing a work session document. I hope you have an opportunity to review that ahead of time. Up for work session discussion are Assembly Bill 14, Assembly Bill 22, Assembly Bill 48, Assembly Bill 63, Assembly Bill 70, Assembly Bill 77, and Assembly Bill 86. Please give yourself an opportunity to review your notes on all those bills. Please make sure that if you have any

opposition and/or concerns, you notify me and/or the bills' sponsors so that we have a heads-up as to where you stand and your position on that particular vote. Again, I want to say thank you to everybody for engaging in meaningful dialogue today. I look forward to continuing this conversation. This meeting is adjourned [at 11:27 a.m.].

RESPECTFULLY SUBMITTED:

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Kyla Beecher  
Recording Secretary

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Transcribing Secretary  
Lindsey Howell

APPROVED BY:

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Assemblyman Edgar Flores, Chair

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

## EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is written testimony dated March 9, 2021, presented by Assemblyman John Ellison, Assembly District No. 33, regarding [Assembly Bill 99](#).

[Exhibit D](#) is a conceptual amendment to [Assembly Bill 99](#), dated March 9, 2021, presented by Assemblyman John Ellison, Assembly District No. 33.

[Exhibit E](#) is written testimony dated March 9, 2021, presented by Daniel Honchariw, Director of Legislative Affairs, Nevada Policy Research Institute, regarding [Assembly Bill 99](#).

[Exhibit F](#) is a document titled "The Impact of Nevada's Ninety-Percent Prevailing Wage Policy on School Construction Costs, Bid Competition, and Apprenticeship Training," presented by Wendi Newman, Executive Director, Unified Construction Industry Council.

[Exhibit G](#) is a copy of an email dated March 9, 2021, to Assemblyman John Ellison, Assembly District No. 33, submitted by Janine Hansen, State Chairman, Independent American Party, in support of [Assembly Bill 99](#).

[Exhibit H](#) is written testimony dated March 8, 2021, presented by Delmo Andreozzi, County Commissioner, Board of Commissioners, Elko County, regarding [Assembly Bill 99](#).

[Exhibit I](#) is a copy of an email dated March 8, 2021, submitted by Wes Henderson, County Commissioner, Board of Commissioners, Lyon County, in support of [Assembly Bill 99](#).

[Exhibit J](#) is a copy of an email dated March 4, 2021, submitted by Chris Melville, City Manager, City of West Wendover, in support of [Assembly Bill 99](#).

[Exhibit K](#) is a copy of an email dated March 4, 2021, submitted by Madison Mahon, City Manager, City of Carlin, in support of [Assembly Bill 99](#).

[Exhibit L](#) is a copy of an email dated March 8, 2021, submitted by Casey Kelly, Director, Building Operations and Construction, Elko County School District, in support of [Assembly Bill 99](#).

[Exhibit M](#) is a copy of an email dated March 8, 2021, submitted by Teri Galvez, Office Manager, Alpine Roofing Co., Inc., in support of [Assembly Bill 99](#).

[Exhibit N](#) is a copy of an email dated March 8, 2021, submitted by Charlynn Linch, Private Citizen, Dayton, Nevada, in support of [Assembly Bill 99](#).



[Exhibit O](#) is a copy of an email dated March 8, 2021, submitted by Ellen Shaw, Private Citizen, in support of [Assembly Bill 99](#).

[Exhibit P](#) is a copy of an email dated March 8, 2021, submitted by Charles S. Cohn, Private Citizen, Reno, Nevada, in support of [Assembly Bill 99](#).

[Exhibit Q](#) is a copy of an email dated March 8, 2021, submitted by Joni Hammond, Private Citizen, in support of [Assembly Bill 99](#).

[Exhibit R](#) is a copy of an email dated March 8, 2021, submitted by Vincent Ames, Private Citizen, in support of [Assembly Bill 99](#).

[Exhibit S](#) is a copy of an email dated March 8, 2021, submitted by J. S. McElhinney, Private Citizen, Reno, Nevada, in support of [Assembly Bill 99](#).

[Exhibit T](#) is written testimony submitted by William Stanley, Executive Secretary-Treasurer, Southern Nevada Building Trades Union, regarding [Assembly Bill 99](#).

[Exhibit U](#) is a letter dated March 8, 2021, submitted by Don Campbell, Executive Director, Southern Nevada Chapter of the National Electrical Contractors Association, in opposition to [Assembly Bill 99](#).

[Exhibit V](#) is a letter dated March 8, 2021, submitted by Mandi L. Wilkins, Executive Vice President, Mechanical Contractors Association and the Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada, in opposition to [Assembly Bill 99](#).

[Exhibit W](#) is written testimony submitted by Peter D. Krueger, representing the Northern Nevada Chapter of the National Electrical Contractors Association, in opposition to [Assembly Bill 99](#).