

**MINUTES OF THE
SENATE COMMITTEE ON REVENUE AND ECONOMIC DEVELOPMENT**

**Eighty-first Session
March 25, 2021**

The Senate Committee on Revenue and Economic Development was called to order by Chair Dina Neal at 1:02 p.m. on Thursday, March 25, 2021, Online. [Exhibit A](#) is the Agenda. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Dina Neal, Chair
Senator Julia Ratti, Vice Chair
Senator Moises Denis
Senator Ben Kieckhefer
Senator Heidi Seevers Gansert

STAFF MEMBERS PRESENT:

Russell Guindon, Principal Deputy Fiscal Analyst
Joe Reel, Deputy Fiscal Analyst
Michael Nakamoto, Deputy Fiscal Analyst
Alex Polley, Committee Secretary

OTHERS PRESENT:

Kevin Raiford, Nevada Grow; College of Southern Nevada
Amber Stidham, Henderson Chamber of Commerce
Dylan Keith, Vegas Chamber
Peter Guzman, Latin Chamber of Commerce Nevada
Clarissa Cota, Vice President/Provost, College of Southern Nevada

CHAIR NEAL:

I will accept a motion to introduce Bill Draft Request (BDR) 32-571.

BILL DRAFT REQUEST 32-571: Removes certain exemptions from the excise tax on live entertainment. (Later introduced as [Senate Bill 367](#).)

SENATOR RATTI MOVED TO INTRODUCE BDR 32-571.

SENATOR SEEVERS GANSERT SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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CHAIR NEAL:

We will begin the work session on Assembly Bill (A.B.) 9.

ASSEMBLY BILL 9: Revises provisions governing the disclosure of certain confidential information by the Department of Taxation. (BDR 32-270)

JOE REEL (Deputy Fiscal Analyst):

Assembly Bill 9 was heard by the Committee on March 18 and is summarized in the work session document ([Exhibit B](#)).

SENATOR KIECKHEFER MOVED TO DO PASS A.B. 9.

SENATOR DENIS SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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VICE CHAIR RATTI:

I will open the hearing on Senate Bill (S.B.) 310.

SENATE BILL 310: Makes an appropriation to the Nevada System of Higher Education to enable the College of Southern Nevada to assist and carry out the NV Grow Program. (BDR S-570)

SENATOR DINA NEAL (Senatorial District No. 4):

The Nevada Grow Program has been approved each legislative session since 2015. The Program has been beneficial for small businesses. Nevada Grow focuses on second-stage businesses by providing technical and data assistance to help them grow to the next level. There has been significant success with a small amount of money.

Assembly Bill No. 399 of the 78th Session was bipartisan and allocated \$350,000 to build Nevada Grow from scratch to improve small business performance in southern Nevada. Assembly Bill No. 224 of the 80th Session appropriated \$450,000. Nevada Grow started with 15 businesses and now assists 358 businesses at the College of Southern Nevada (CSN).

Nevada Grow has brought in quality business counselors and media production professionals. The Program has a YouTube Channel and Instagram. I will share a video highlighting a business Nevada Grow has assisted, Mountain West Eatery.

Kevin Raiford will share a presentation ([Exhibit C](#)) covering the Program's successes and milestones. He is a business professor at CSN, a small business development counselor and the program manager at Nevada Grow. I managed the Program prior to Mr. Raiford.

KEVIN RAIFORD (Nevada Grow; College of Southern Nevada):

Nevada Grow has received funding from the Minority Business Development Agency (MBDA) in the U.S. Department of Commerce. Key metrics are on Slide 2 of [Exhibit C](#). We have served 358 businesses. The number of businesses continues to increase. Slide 2 has the number of businesses served, jobs created and capital formation, which includes \$1.10 million in Covid-19 response loans. The overall revenue impact is \$17.70 million. The approximate cost to serve a client is \$929. The economic impact per business is \$52,088. For every \$929 spent on a client, \$52,088 is generated by the business.

Slide 3 of [Exhibit C](#) shows our cumulative client growth. Nevada Grow started with 12 clients in 2015, but we have grown steadily. There was a big jump from 2019 to 2021.

We are helping Sonia El-Nawal with her business. She has a small business that does not get much foot traffic, so we are pivoting her business to e-commerce and retail. Slide 4 shows the amount of clients we have added from year-to-year.

We are building apps to take brick-and-mortar retailers online by taking pictures, coding and designing websites. Slide 5 displays a computer setup we use to get our clients online. We purchase servers that are dedicated to our clients. Other companies charge for these services on the back end of workshops. We have

these services for businesses at no cost. Our clients have a fully integrated and secure system without subscription fees.

For the fiscal year (FY) 2020-2021 budget, we spent \$100,000 in chamber stipends. Chambers broadcast to their members how to become a part of the Nevada Grow Program. We have 17 people who are paid \$208,891 in salaries. We pay \$47,000 for data subscriptions. Our decisions are based on data, and we examine data based on zip codes and industries. For instance, we will determine which languages should be used on brochures based on neighborhoods. There are individuals on staff who speak Tagalog, Mandarin, Cantonese, Tigray, Russian, French, Spanish, Vietnamese and Portuguese. We are able to assist people who speak different languages. We spent \$44,115 on technology and office equipment. The staff have their own computers to be mobile and go onsite. The clients trust us knowing their data is secure on our own computers and not shared. We have our own servers where the clients and our data is backed up and safe. We have projected accrued salaries of \$24,994 for FY 2020-2021 that we have not spent yet.

Slide 12 has examples of the Program's impact. I am a professor and my students receive extra credit for visiting Nevada Grow businesses. The \$52,000 economic impact is a low estimate because it does not consider the snowball effect that occurs when people are encouraged to patronize businesses who then tell friends about their experiences. Business owners have told me that this helps their companies.

Slide 6 includes the businesses that Nevada Grow has helped in 2021. Businesses receive help with marketing and pivoting to e-commerce and with their Economic Injury Disaster Loans and Paycheck Protection Program loans. We serve different businesses. We have a client who recently confirmed a franchise deal for his restaurant who gives us credit for developing his business plan.

Slide 11 lists YouTube videos on the businesses Nevada Grow has served. We give these videos to our clients to use for their social media. Sometimes we have testimonials for Nevada Grow, but most videos are for the businesses.

SENATOR NEAL:

Assembly Bill No. 224 of the 80th Session added the Henderson Chamber of Commerce and the Asian Community Development Council to the stakeholder's

group, which helped increase the number of businesses Nevada Grow assists. Nevada Grow is composed of four chambers. The low number of businesses in 2015 was due to administrative challenges. Nevada Grow was under the purview of the Office of Economic Development within the Office of the Governor, and there was a director who did not commit to the implementation of the Program. After the director left, I became more involved and Nevada Grow began to flourish. I was responsible for the logo and brochure design. I got heavily involved in operations because I wanted my vision to come to fruition with the State's investment. I believed that if second-stage businesses received the right assistance for free, those businesses could develop greatly, which they have.

SENATOR SEEVERS GANSERT:

It appears the Program has been successful, and it is great to see small businesses receive professional expertise. Section 1, subsection 2 of S.B. 310 prevents funds from being used by the Nevada System of Higher Education (NSHE) for overhead. Higher education institutions have an overhead rate for grants. When money is allocated to the Governor's Office of Economic Development—such as the Knowledge Fund—it is required that the Knowledge Fund not be charged the administration rate. Does section 1, subsection 2 prevent NSHE from using funds for facilities and administrative costs?

SENATOR NEAL:

Yes, I wanted to ensure that money goes directly to programing. We do not receive a lot of funding for the two years, and I do not want it used for anything other than direct programing at CSN.

SENATOR SEEVERS GANSERT:

That makes sense to me.

SENATOR KIECKHEFER:

Have you discussed getting Nevada Grow into the Executive Budget with NSHE so you do not have to ask for funding outside of the budget each legislative session?

SENATOR SEEVERS GANSERT:

Yes, I have. This has been recommended by Mr. Guindon in the Fiscal Analysis Division. I am concerned it would be difficult to insert a program into the Executive Budget.

SENATOR KIECKHEFER:

Nevada Grow is a good program that does great things for the State. This Program has been around since 2015, and maybe it is time for it to be part of the base Executive Budget.

VICE CHAIR RATTI:

It was indicated the Program received Federal funding. Was the base funding from the State helpful in garnering federal funding?

MR. RAIFORD:

Yes. We are only able to receive federal funding when we can match it. The federal funding comes from the MBDA because of the work we have done with our clients.

Nancy Brune was helpful in discovering the MBDA grant. We intend to become more wide-scale and provide always-on training. We have more funding for vocational training, classes and targeted business expansion throughout the State.

VICE CHAIR RATTI:

If you did not receive the appropriation, what would happen to the program?

SENATOR NEAL:

If we do not receive the appropriation, we might have the funding for the core operations of Nevada Grow, but we will not have the resources to pay the chambers. The chambers receive \$25,000 each year to market Nevada Grow. The chambers invest in advertising and have a part-time staffer dedicated for Nevada Grow to answer questions, sign people up and connect people with Mr. Raiford and Mr. Rea—the geographic information system (GIS) specialist. The GIS specialist is integral because he does the data collection for our clients that is then analyzed by Nevada Grow staff. Nevada Grow provides data in addition to teaching businesses how to use the data strategically. If a business leaves the program, it will still know how to use data to better the company.

If we do not receive the appropriation, the chambers cannot be funded. We spend \$100,000 to keep the chambers a part of the program, which is how Nevada Grow can help businesses in Clark County.

MR. RAIFORD:

It would hurt the program, but we would still try to serve who we can. We need the appropriation to serve the community.

VICE CHAIR RATTI:

Will there be an amendment for S.B. 310?

SENATOR NEAL:

There will be an amendment that includes incubator companies, which are small startup businesses. Nevada Grow primarily works with second-stage businesses that already exist. However, we want to begin working with incubator businesses since we have had success.

VICE CHAIR RATTI:

Nevada Grow is working at CSN. The program appears to work well because of the hard work from management, and not just because of the funding it receives. Do you think the model can be replicated elsewhere and be successful? Could Truckee Meadows Community College or Western Nevada College do something similar to Nevada Grow?

SENATOR NEAL:

Yes, I do. In 2017, a focus of mine was to ensure Nevada Grow had the infrastructure to be replicated. There was a lot of institutional programing that I developed within CSN to take Nevada Grow and build it somewhere else. The key component is quality business counselors to lift the program off the ground. I wanted to ensure the program could continue to grow on its own if I was no longer involved through the Legislature. Programs that Legislators develop often die once they have stopped serving.

MR. RAIFORD:

Yes. I have discussed with other campuses that if they had the funding, they could replicate what Nevada Grow does.

AMBER STIDHAM (Henderson Chamber of Commerce):

We support S.B. 310 and Nevada Grow. The Chamber got involved in 2019. This Program focuses on small and startup businesses that need access to the economic and demographic data, which the Program provides. Small businesses are often experts in their field. Still, they need support with determining location when an area is saturated with businesses or with the general backing when

starting a business plan, which increases the opportunity to access capital. Nevada Grow puts businesses on a path for success.

The Chamber has undergone outreach and software training programs to serve as a Nevada Grow representative. We expose Nevada Grow to thousands of small businesses through events and communication outlets. We want to expand the Program to the Henderson Business Resource Center, which helps startup businesses. The Program supports businesses located within Henderson's federally designated Opportunity Zones, which work to support economically depressed communities that need private investment.

DYLAN KEITH (Vegas Chamber):

We support S.B. 310 and Nevada Grow being added to the Executive Budget. This Program has greatly impacted the southern Nevada economy and especially small businesses.

PETER GUZMAN (Latin Chamber of Commerce Nevada):

The Latin Chamber supports S.B. 310. The Chamber has been partners with Nevada Grow, and the Program has positively changed people's lives in terms of business. Participation has grown as individuals have heard how safe and great the Program is.

CLARISSA COTA (Vice President/Provost, College of Southern Nevada):

We support S.B. 310 and the continuation of the Nevada Grow Program. The College of Southern Nevada is proud of the positive impact the Program has had on hundreds of minority business owners in the community. Kevin Raiford has been integral to the Program's success. Nevada Grow aligns with CSN's mission to empower our students and community to achieve, succeed and prosper. Nevada Grow helps individual families and sets them up for future success.

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CHAIR NEAL:

Seeing no public comment, we will adjourn the meeting at 1:50 p.m.

RESPECTFULLY SUBMITTED:

Alex Polley,
Committee Secretary

APPROVED BY:

Senator Dina Neal, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Begins on Page	Witness / Entity	Description
	A	1		Agenda
A.B. 9	B	1	Joe Reel	Work Session Document
S.B. 310	C	1	Senator Dina Neal	Presentation
S.B. 310	C	2	Kevin Raiford	Presentation