

**MINUTES OF THE MEETING  
OF THE  
ASSEMBLY COMMITTEE ON REVENUE**

**Eighty-Second Session  
March 2, 2023**

The Committee on Revenue was called to order by Chair Shea Backus at 4:07 p.m. on Thursday, March 2, 2023, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda [[Exhibit A](#)], the Attendance Roster [[Exhibit B](#)], and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/82nd2023](http://www.leg.state.nv.us/App/NELIS/REL/82nd2023).

**COMMITTEE MEMBERS PRESENT:**

Assemblywoman Shea Backus, Chair  
Assemblywoman Venicia Considine, Vice Chair  
Assemblywoman Natha C. Anderson  
Assemblywoman Lesley E. Cohen  
Assemblywoman Danielle Gallant  
Assemblyman Ken Gray  
Assemblyman Gregory T. Hafen II  
Assemblywoman Erica Mosca  
Assemblyman Duy Nguyen  
Assemblyman P.K. O'Neill  
Assemblyman David Orentlicher  
Assemblywoman Shondra Summers-Armstrong

**COMMITTEE MEMBERS ABSENT:**

None

**GUEST LEGISLATORS PRESENT:**

Assemblyman Steve Yeager, Assembly District No. 9



**STAFF MEMBERS PRESENT:**

Michael Nakamoto, Chief Principal Deputy Fiscal Analyst  
Susanna Powers, Deputy Fiscal Analyst  
Nick Christie, Committee Manager  
Gina Hall, Committee Secretary  
Cheryl Williams, Committee Assistant

**OTHERS PRESENT:**

Jason Grill, Head of Government Affairs, Right to Start, Kansas City, Missouri  
Doug Erwin, Senior Vice President of Entrepreneurial Development, Economic Development Authority of Western Nevada  
Tray Abney, representing National Federation of Independent Business  
Dylan Keith, Assistant Director of Government Affairs, Vegas Chamber  
Tina Quigley, President and Chief Executive Officer, Las Vegas Global Economic Alliance  
Zach Bucher, Government Affairs Officer, Government and Community Affairs, City of Las Vegas  
Jeff Saling, Co-Founder and Executive Director, StartUpNV  
Jared Byer, Managing Director, gener8tor Reno-Tahoe Accelerator  
Wiz Rouzard, Deputy State Director, Americans for Prosperity  
Jaime Cruz, Executive Director, Workforce Connections, Las Vegas, Nevada  
Irene Bustamante Adams, Deputy Director and Chief Strategy Officer, Workforce Connections, Las Vegas, Nevada  
Lisa Levine, Executive Director, Office of Workforce Innovation, Office of the Governor  
Maureen Schafer, Governor's Workforce Development Board, Department of Employment, Training and Rehabilitation  
Milt Stewart, Chief Executive Officer, Nevadaworks  
Christopher Sewell, Director, Department of Employment, Training and Rehabilitation

**Chair Backus:**

[Roll was taken and Committee rules and protocol were reviewed.] We have two bills on the agenda, [Assembly Bill 77](#) and [Assembly Bill 98](#). I will open the hearing on [A.B. 77](#).

**[Assembly Bill 77](#): Revises provisions governing economic development. (BDR 18-711)**

**Assemblyman Steve Yeager, Assembly District No. 9:**

It is good to be back in front of the Assembly Committee on Revenue. I spent last session on this Committee. We were mostly on Zoom so we never got to be in a room together, but I really enjoyed the topics we covered and want to thank all of you for the work I know you are going to do this session. It is an honor today to present to you [Assembly Bill 77](#), which relates to economic development. With the Chair's permission I would like to talk a little bit

about how we will do this presentation. I think it will go pretty quickly. I wanted to start with some introductory remarks, go very quickly through the provisions of the bill, and then I have two others with me who will give some remarks afterwards. The first one is on Zoom. His name is Jason Grill. He is the head of government affairs of an organization called Right to Start. For those of you here in the Legislature, you would be interested to know he is a former state representative from the great state of Missouri. Next to me here at the table I have Doug Erwin who is the senior vice president of entrepreneurial development for the Economic Development Authority of Western Nevada (EDAWN).

This bill really is aimed at small businesses and new businesses—entrepreneurs specifically. The two gentlemen with me today brought this idea to me and talked about a need that they saw in Nevada to really help young businesses here. We lose so many of those opportunities to our neighboring states, particularly to California, and the idea here was to put some infrastructure around supporting those businesses.

I will take you very quickly through the provisions of the bill. It is pretty straightforward. Looking at the sections, sections 2 through 5 are just giving definitions. The real meat of the bill is section 6 and section 12, that actually create the Office of Entrepreneurship [Office] within the Governor's Office of Economic Development (GOED). Following that, you will see in section 6, subsection 2 that the Office will be employing individuals to perform the functions and duties that are envisioned to take place in this Office. That takes us to section 7, which really talks about what the Office itself will be doing. What you will see there is a focus on small businesses and new businesses, to help support them. The definition we are using is a business that is typically younger than five years old.

In section 8, we have a reporting requirement where each November, beginning two years after the creation of the Office, there will be a report that will tell us some things I think are important for us to know. They will tell us things about how many of our State contracts go to these young businesses, including demographics of those businesses throughout the state, and the percentage of dollars in terms of what the State is spending, and how many of those are going to younger businesses. Perhaps more importantly, in section 8, subsection 4 are recommendations for how to improve that process in our State. I want to emphasize that section 9 is not a mandate. The Office of Economic Development shall encourage 5 percent of our total State contracts go to young businesses.

That is the gist of the bill. The effective date would be July 1, 2023. I know this is not a money committee. Obviously there is a fiscal impact to this bill, so if this Committee chooses at some point to process this bill, I would expect it will get a stop in the Assembly Committee on Ways and Means to talk about the potential funding. With that brief description, Madam Chair, if you would allow, I would like to hand it over to Mr. Grill on Zoom to give us more of a national perspective on this bill and this effort, and then after him to Mr. Erwin to talk a little bit more about Nevada.

**Jason Grill, Head of Government Affairs, Right to Start, Kansas City, Missouri:**

We are working to expand entrepreneurial opportunity for all and, as Assemblyman Yeager just shared, I want to give you an overview of the why—why this is important. New businesses create almost all net new jobs in the United States. Entrepreneurs create stronger communities, grow gross domestic product, create home-grown jobs, and increase community wealth. They also diversify goods and services, increase lifetime incomes, and fight inequality and poverty. For many years, government processes, and the system overall, made it harder on them to start and grow, with many barriers. There has actually been a start-up slump in our country since the 1970s, and survey data from the Kauffman Foundation [Ewing Marion Kauffman Foundation] based in Kansas City, which is the leader in entrepreneurial foundations in the world, shows that entrepreneurs are left out. Eighty-one percent of entrepreneurs say that government favors big businesses over them, and 69 percent say government does not care about them at all. Nonetheless, in our country the entrepreneurial spirit is deep in our DNA. Ninety-four percent of voters, nearly unanimously across party lines, say it is important to America's future that citizens have a fair opportunity to start and grow their own business; however, 92 percent of voters say that starting a new business today is difficult or very difficult. Young businesses create jobs while typically older businesses shed jobs.

This bill sets the path forward in Nevada to remove obstacles that hinder entrepreneurship. The legislation expands entrepreneurial opportunity for all, while leveling the playing field for people to pursue their dreams. The Office of Entrepreneurship will concentrate on strengthening policies that lower barriers to entrepreneurs in the state, across demographic segments, in geographical areas. Additionally, it will be tasked with the important work of tracking data metrics and impact in the state for businesses under five years of age in the area of government contracts. I would say if you are not tracking and you do not know how many young businesses and new companies are working with government or doing government contracts in the state, then you are just practicing and you are not really in the game. The data is very important, and it will help inform you for future years on different ways you can help grow new young companies in your state.

Typically, government contracts favor incumbents, establishment people who know how the process works and can weed through a complicated system. This hinders new business and job creation. One government contract can make a major difference in the trajectory of a young company's growth and offer real legitimacy for a newer business. It can help them get a bank loan, for instance. It can help them grow quicker. In many cases they can do a quicker, better, and more affordable job than a larger, older business. Encouraging a percentage of government procurement dollars in contracts to businesses under five years old will have a minimum impact on older business, but a huge impact on new business in Nevada. This does not just have to be a set aside or quota. You can reach this 5 percent in many different ways by lowering barriers for new businesses to compete. You can do this through reducing the time for approval of a contract with a young company, reducing the time for a payment of services rendered in the contract, and more outreach and marketing to new young companies and start-ups in Nevada. You can prioritize innovation as a selection

factor. You can measure past performance based on nonstate customers, and you can provide training and education. It does not have to just be a set-aside or quota. You can reach 5 percent for government contracts in many ways.

Lastly, I wanted to share with you some recent findings I thought would be interesting. Right to Start commissioned a national bipartisan poll of voters by two of the United States' leading pollsters on both sides of the aisle. Some interesting data I thought would be good for this conversation was that only 31 percent of the respondents say that government helps people start new businesses more than it gets in the way. On the issue of procurement, which we are talking about today, 78 percent supported dedicating 5 percent of government contracts to newer young businesses. On regulatory barriers, based on people who considered starting a business but did not, 53 percent said they could not afford government fees, 49 percent could not figure out confusing government requirements or forms, 32 percent said government service was poor, and 30 percent said their approvals were too slow. With the 5 percent to start, and with the Office of Entrepreneurship, you can help in these areas, and in the future potentially grow and do more for economic development with young companies and with workforce development, which were overwhelmingly supported if you shift funding to start-ups and new businesses. Only a small part, 5 percent.

This bill is a pro-growth measure which will remove barriers to starting, advance homegrown job creation, and build a stronger connection between entrepreneurs and the Nevada State government. Please support this bill because entrepreneurs are critical to your economy—for jobs, for growth, for incomes, for inequality, for reducing poverty, and for competitiveness. I think if you do this, it is a great step to unleashing the entrepreneurial power of your citizens.

**Doug Erwin, Senior Vice President of Entrepreneurial Development, Economic Development Authority of Western Nevada:**

I am a former serial entrepreneur. I started five companies from medical devices to stand-up paddleboards before I became a community and economic developer. Over the past decade I have been working on the ground to help support and grow the entrepreneurial ecosystem in northern Nevada in my role as senior vice president of entrepreneurship at EDAWN. I can tell you; entrepreneur-led economic development is the most misunderstood form of economic development. At its core is the belief that all of us are born with the fundamental right to pursue our entrepreneurial dreams. It has been my job to help unleash that right in all the citizens of northern Nevada, regardless of race, place, background, or walk of life. That means breaking down barriers and giving opportunities to start, grow, and flourish. Simply put, this work is about unlocking the creative and innovative potential inside our community, spurring organic job growth, and leading to economic diversification and resiliency.

As you can imagine, entrepreneurs come in many shapes and sizes, and they contribute to our economy in very different and important ways. Often the word "entrepreneurship" elicits images of tech bros in Silicon Valley, but it is actually a very inclusive term. I think the Kauffman Foundation defines it best—entrepreneurs are the makers, doers, and dreamers in

our society. This simple definition is radically inclusive. It suggests that everyone who starts a business is an entrepreneur regardless of its form, so it includes things like microenterprise, small business, start-ups, scale-ups, and social enterprises.

So, why does that matter? I think Mr. Grill and Assemblyman Yeager talked about this a little bit, but new businesses create almost all new net job growth. Entrepreneurs create the jobs of the future. They create wealth and strengthen communities. Many of the companies that grow up in a community are more likely to stay in that community. Most companies that decide to start and grow in the community do so for reasons other than economic incentives. This has been my direct experience at EDAWN for the past ten years. Microenterprises and small businesses transformed Midtown. The vast majority of technology companies operating in our community are less than five years old, and they did not exist before that. We are seeing signs of broader wealth creation from the sales of companies like Battle Born Batteries, Coupa Software, and now we are seeing spinouts from companies like Tesla, Switch, and Figure.

How is all this related to A.B. 77? From my perspective, A.B. 77 at its core is about codifying entrepreneurial-led economic development as a key strategy and priority for the State at the highest levels of government. The creation of the Office of Entrepreneurship at GOED strengthens their innovation-based economic development strategy and aligns our economic development priorities at this regional, state, and national level. This opens up our state to new federal funding opportunities, creates a public-facing entity for entrepreneurs to engage with, and will help make our state more friendly for those makers, doers, and dreamers who want to build in Nevada. You cannot improve what you do not measure. Currently we have no entrepreneurial scorecard for the state. How are we going to know if we are doing a good job? Assembly Bill 77 addresses this by putting in place a data tracking and reporting framework, looking at the key measures of entrepreneurial health inside our state. Collecting this data will help us identify needs, entrepreneurial concerns, resource gaps as they arise in the state, and provide a basis for future legislative action. Assembly Bill 77 also establishes a target, not a requirement as discussed before, of 5 percent of state contracts being awarded to young companies.

In conclusion, A.B. 77, in my opinion, is a critical first step that acknowledges the importance of entrepreneurial-led economic development in creating a diversified and resilient economy. It lays the foundation for gathering key data, helping the State make more informed decisions, and sends a message to all the entrepreneurs that Nevada is a great place to start and grow your business. I appreciate your consideration and am happy to answer any questions.

**Chair Backus:**

Thank you to our presenters. We will take questions from our Committee members. We will start with Assemblyman Orentlicher.

**Assemblyman Orentlicher:**

On your reporting you want to know, which is good, the number of contracts and the dollar amount of contracts. But when it comes to the target, it is just in terms of the number of contracts, so you could satisfy that with a lot of small contracts. Did you think about putting the target in terms of the dollar amount, not just the number of contracts?

**Assemblyman Yeager:**

That is a very good point. I would say we probably did not think about that until right now. I think that is a fine suggestion, and we are certainly willing to work on this language. As you all know, bills do not always come out perfect, so I appreciate the suggestion. I think that certainly does make sense, as a suggestion now to say, let us look at the dollar amount as well. I appreciate the suggestion.

**Assemblywoman Mosca:**

As a nonprofit founder, I appreciate this. I have a question on section 8, subsections 1 and 4. Both mention demographics. Do either of those include the race or ethnicity of entrepreneurs? Will we also include how many are Nevada-born companies?

**Assemblyman Yeager:**

That might be a good question for Mr. Grill on Zoom. I think he has some experience with a few other states having done this, particularly on the part about the demographics, tracking, and in-state versus out-of-state.

**Jason Grill:**

To your first question, in the bill it does track the total dollar amount of state contracts. As far as different demographic segments, yes. Not only are we looking at all new businesses, but we are also talking about statistically underrepresented demographic segments and geographic areas. I think it would be great, as a state, if you got information on those types of things, but also what part of the state and what region. It does not have to be down to the county level or the municipal level, but where are these contracts going? What types of businesses? What types of individuals? I think all of those things are important.

As far as what types of businesses, usually those where the principal place of business would be in the state are the ones you would want to track; however, I have actually never thought about the other question, which is if they were from there, if they originated there, if they are staying there. I do not know how you would draft that, but if you could put that in, I think that would be interesting data to see.

**Chair Backus:**

Just to clarify, I think Assemblyman Orentlicher was talking about section 9, pertaining to the contracts actually being awarded, where I do like the "shall encourage" language. I think that may be the first time I have seen that in the statute, as opposed to "may." Very creative.

**Assemblywoman Considine:**

Looking at section 10, it says that everything between sections 2 and 10 of this act are confidential and not public record. These sections include the reports that will be due. I do not understand why these are confidential and what that means, with reports and everything else.

**Assemblyman Yeager:**

I do not know if we have the Legal Division here to talk about that, but I think the idea is, and we can certainly clarify this, the report itself that is reported to the Legislature would not be confidential. To be honest I am not real sure of the rationale for that so I will check with the Legal Division, but certainly the report they are giving to the Legislative Commission is not going to be confidential. I do not know if there is a reason that we would keep the other communications confidential between the businesses. It could be trade secrets. It could be something like a brand-new business just starting up and wanting to protect their technology. I can definitely look into that and get back to you.

**Assemblywoman Anderson:**

This looks really cool. I started doing a little bit of a deep dive on the Internet on it, looking into the actual website. One thing that has me a little bit alarmed has to do with the State policymakers and some of the tax incentives that could be happening. When I look at section 7, are you considering it working to strengthen policies and programs supporting the growth of entrepreneurship? Is there possibly a plan to bring forward other language that could become barriers that are currently in state law, or is it too early to tell since this is still in the idea stage?

**Assemblyman Yeager:**

I think it is too early to tell. If you look at the Right to Start website that Mr. Grill is associated with, there are a bunch of different policies that states can enact. I think they have more than a dozen. What I did was try to figure out what makes sense for Nevada. I do not think all of those policies made sense for our state. Understanding the political realities we live in, I did not want to just bring a comprehensive model bill. The three of us got together and decided what provisions made sense for the state and that is how we landed here, which I would consider to be a very good first step. I think your question really goes to what would the next step be, and would there be a next step. To the point you have heard, I think it really depends on what the data shows us. I would think, no matter what, the Office is not going to be able to come up with their own policies. What they are going to be able to do is look at what is out there and make recommendations through that reporting to the Legislature. Whether we are here or somebody else is in these seats, they will be able to make that decision if there is something else the State can do. The answer is certainly, yes. The second part of that is, should the state do that? Is it the right policy for Nevada? It is too early to tell, but I always like having folks bring us options for our consideration, and I would anticipate that that is what would come out of this Office in future legislative sessions.



**Assemblywoman Anderson:**

Thank you for that clarification. That is what I thought but wanted it on the record. My second question is still under section 7. It has to do with subsection 3. Just to make sure I have this straight; it is the businesses that have not been in existence for more than five years, not just that have had interactions with state agencies in those five years. It is not a company that has been around for ten years but has only worked with state businesses for two years.

**Assemblyman Yeager:**

The first interpretation of that is correct. We are aiming at businesses that have only existed for five years or less. I think there are some interesting considerations around that point because businesses could cease to exist and reincorporate. We are potentially looking at some language to tighten that up a little bit, to make sure it actually is a new business. Chair, with your permission, I am sure, based on the comments we have heard here today, we will have some recommended amendment language for the Committee to consider, should you decide to work session this bill. I think that is probably a good one to address.

**Assemblyman O'Neill:**

I am very interested in this. It is an exciting offering you are presenting to us today. Help educate me for a minute. We have GOED. We have in the Lieutenant Governor's Office, the Office of Small Business Advocacy. Through UNR [University of Nevada, Reno] and UNLV [University of Nevada, Las Vegas], we have their extension programs—small business development programs. Are they in unison or conflict with one another? Help me understand that part.

**Doug Erwin:**

Working in an entrepreneurial ecosystem, there are many different aspects of support that entrepreneurs need across the whole stack. I think everything you mentioned are important elements. They are all necessary but not sufficient. This is an additive to that overall map. Very similar to how EDAWN works, we run an entrepreneurial program, but then I work very closely with the Small Business Development Center, we work closely with StartUpNV, and we all have a different role to play. I think this, in particular, helps align GOED with the importance of entrepreneurial-led, which is actually also called innovation-based. This is just additive to that whole thing. I do not think it is in conflict at all. In fact, small businesses need more support, not less.

**Jason Grill:**

We are talking about new companies here. Small businesses obviously could have a lot of different issues. Some of them have been in existence for 50 years. Some of them have 500 employees. These are truly the new young companies that are starting. Having an office that helps connect them to all the resources lessens the barriers in policy and permitting, and helps them navigate the system, while at the same time tracking all these things which will help you in the future move forward on different types of policies that might help new and young companies grow. All the data shows that these individuals want to do more things in the state and work with state government, economic development, and workforce

development, but they really do not know what to do at this point. This is not meant to be duplicative. It is meant to be additive. I think it will be more strategic than some of the other things that are happening right now.

**Assemblyman Hafen:**

I just want to touch on section 8, subsection 4. I would like some clarifications because I know, and in the businesses I have helped start, sometimes it is the regulations that get in the way. Would some of the recommendations on improving access to the state contracts include removing some of these regulations? It is a report to the Legislative Commission, but would they also be proposing and have the ability to actually eliminate regulations?

**Assemblyman Yeager:**

I think potentially the recommendations could include changing, eliminating, or altering regulations. I do not envision at this point that they would have authority without the Legislature or the Legislative Commission to actually do that. They do not get a bill draft request or anything like that at this point, but I think that is something that a future Legislature could consider. My thought would be to get it up and running, take a look at that report the first time around, and I think we can build on that and whether they need additional authority. Certainly, I am interested, and I hope you are as well, for someone to take a very objective look at what the barriers are for these new businesses getting contracts, and what can we do on the state level to improve that. There is another side to regulations as well—consumer protection and that sort of thing. The short answer is I think they would make recommendations and it would be up to the next Legislature to decide whether to carry through on those recommendations.

**Chair Backus:**

I have a follow-up to that with respect to section 8 and the report that is anticipated to be disclosed of what this department would be doing under GOED. I am not sure if subsection 4 is inclusive of this, looking at how many businesses may have come forward. I see subsections 1 through 3 being those that are already granted contracts, but then it looks like there may be this void. I am hoping maybe subsection 4 is anticipated to be inclusive of all of this, like entrepreneurial businesses, start-up businesses that may come and be assisted in another way that could be captured under that. I am not sure if we have to make it clearer or not. I was not sure if that was what you were envisioning.

**Assemblyman Yeager:**

I am not sure either, but I think it is a good suggestion to be able to capture that. The bottom line is we really want the most comprehensive picture we can possibly get of what is happening with these small businesses, and whether that is getting state contracts or that is other support. I am going to put that on my list of things to work on for a potential amendment.

**Assemblywoman Cohen:**

When we get the report, I know we are getting the breakdown by demographic segments and geographical areas throughout the state of the businesses, but are we getting any data about

the communities that the businesses are serving outside of those contracts? I am assuming these are businesses that are not just starting to go after government contracts. What are these businesses doing in communities? What communities are they serving otherwise? We have a lot of communities that do need businesses, communities that need different things. Are we also going to have that information?

**Assemblyman Yeager:**

I think that is a good suggestion. I do not know that it is written that way. If the Chair will allow, I want Mr. Grill to opine on that. Maybe he has experience in other states of looking at that issue. I think we could put that in the bill in some fashion, but I would defer to him if he can give us a historical.

**Jason Grill:**

I do not know if I completely understand the question. I think you all will be surprised. The goal is to get 5 percent of young companies under five years old working with State government and getting contracts. To your last question, with some of the recommendations, hopefully the State can make it easier to engage with the government on these things, promoting it more, and making the payment terms quicker. There are all kinds of recommendations on section 8, subsection 4—some of the things I talked about in my testimony. As far as the information, I think the more information you can gather, the better about these businesses, where they serve, and where they are from.

In the Missouri bill they actually have a clause about the number of contracts awarded to minority-owned businesses, women-owned businesses, and veteran-owned businesses compared to the total number and dollar amount of contracts awarded. They have gone even deeper into different areas. They also break it down to improving access, and what recommendations and resources should be gained for those people as well. I think it is up to the state to define whatever they want to capture. If you can figure out how to capture more information, like you are talking about in your question, I think that is great; however, it should not be too onerous as a first step. I think you have to balance that as a state as you implement the processes.

**Assemblywoman Cohen:**

Mr. Grill, what I was getting at is we have some communities that need services in the communities. We will have these businesses that we are going to be supporting. Hopefully they will benefit from contracts with the state. Whether this goes before the Legislative Commission or in the future comes back to the Legislature, we might want to know these businesses are also bringing services to communities that are in need instead of just going into the communities that already have services, and those places where we have food deserts come to mind, but areas where we need certain things in certain communities.

**Jason Grill:**

I love that. I think if that information can be made available, it would be great. Obviously, entrepreneurs change communities all over the place, and if you find that this is not

happening in certain parts of the state, certain parts of the cities or regions, that is an issue and something I hope this will address over time.

**Assemblywoman Summers-Armstrong:**

This is an interesting bill. In looking at this, I am curious about the details. In section 7, subsection 2, you said you would work with stakeholders and organizations supporting entrepreneurship to enhance the learning and skills of, provide technical support to, and expand access to resources for entrepreneurs across the state. It would be interesting for me to know, especially for southern Nevada, who have you spoken to about these issues? I think the statement made was you want to find out what the barriers are. I am pretty sure if you spoke to people at the Urban Chamber, the Latin Chamber, the Asian Chamber, and other organizations, they could probably tell you what the barriers are. My question is, Why do we need another organization to compile data that we already know is a problem?

**Doug Erwin:**

You bring up a really good point. We are just completing a survey. We hired a consultant from a group called Entrepreneurial Communities, and we have been working for the past six months interviewing stakeholders in the north, the south, and the rural areas, coming up with a set of recommendations. We have talked to a lot of those people, and I do think we have a good idea of what those issues are, so that is flowing up. Those issues are ongoing and changing. I think one of the opportunities for an office like this is that it connects us up to additional funding opportunities. You mentioned technical support. We have already been able to garner some technical support that has flowed down into organizations like the gener8tor, which is an accelerator program for the north and the south, but I think this is an ongoing process and although this was a one-time event, I think it is really important to create an entrepreneurial scorecard that you look at year over year and that you do have a voice at the highest forms of government for these folks, for all of us. That is a big part of what I do at the regional level, work with these folks and try and follow that up, but we run into issues. It would be great to have support at GOED. I hope that answers your question.

**Jason Grill:**

Governments are poor at measuring entrepreneurial activity as a whole, and we have advocates and ambassadors who are entrepreneurs, like Mr. Erwin, throughout the country. They are talking to other entrepreneurs and bringing the barriers that they are facing to policymakers. That is one of the reasons why Right to Start exists. For years entrepreneurs and business owners of all different types of businesses and from all different types of places have had no connection to policymakers or state government. They technically do not go to council hearings and share what barriers they are facing. That is one of the reasons why we exist, to hopefully bridge the gap so entrepreneurs will start engaging more with policymakers at every level. I think tracking of the data will really help inform you in the future. This is just one way to track it, but there are other ways to track things that will provide more access to entrepreneurs moving forward. I think, at the government level, there should be someone who is tasked with being someone who fights to lower barriers and understands the issues that entrepreneurs face. As Mr. Erwin mentioned, over time, once these issues keep happening, policymakers and policy can change. Most entrepreneurs really

do not know how to interact and change policy, so hopefully this Office of Entrepreneurship can learn a lot of these things over time and help lessen those barriers that they are facing through the Office of Entrepreneurship and through Nevada.

**Assemblywoman Summers-Armstrong:**

Thank you for that response. What I am really trying to find out is how is this any different and how would this be more effective than what we are already seeing with local government organizations that help with contracting? Clark County has a contracting process. The airport in southern Nevada has; the Regional Transportation Commission (RTC) down south also does this. They all do this. I believe there was a 1996 survey of minority participation in contracting done. There was another one done by the RTC in the mid to late 2000s to try to identify the issues. Where is the movement? How is this organization, this bill, going to change the outcome—the outcome that those of us who are in communities that need support for entrepreneurs is—we need financial support for them, they need technical support through the organizations that are already in the community. This almost looks like a duplication. We have chambers. We have other organizations that do this work, but they need support. Now you want to come on top of that and do your own thing. How is this going to really trickle down and be effective? How is this different from the other things we have already seen?

**Doug Erwin:**

I think that is a great question. One of the things we have done is collate resources and then help distribute them where they are needed through the organizations on the ground. I do not think this is duplicative. I actually think this is elevating the importance of entrepreneurship at the state level, so that we have an advocate to help bring money back down to those entrepreneurial support organizations (ESOs). I think that is one aspect of aggregating resources. I also think the information about barriers is not necessarily flowing up. I can think of multiple examples where we have had to bring bills to the Legislature. We are reasonably well connected, but it would be ideal to have someone at the state whose whole purpose is looking at that.

I think one of the fellow Assemblymen brought up something about if the payment terms on a contract is net 90 days, that is probably fine if you are a large organization. It is not so easy to manage if you are a young organization. Having that advocate to be able to cut through some of that tape is really important—advocacy, aggregating resources, and helping those ESOs go for larger grants. We work with the U.S. Economic Development Administration and other organizations, but we could not do that without our partners. I think this brings in the state as a partner to help secure other funding opportunities. I am sure Mr. Grill can talk about this, but there is a shift at the federal level, putting more emphasis on entrepreneurial-led economic development, which will open up a whole new set of opportunities financially. I imagine having a state advocate will help us garner more of that, and then flow that down into the good people doing the work. I do not think the role here is to duplicate the work they are doing. It is to help advocate and enhance what they are doing.

**Chair Backus:**

Thank you to our presenters. We will now take testimony in support of A.B. 77.

**Tray Abney, representing National Federation of Independent Business:**

I am here today representing the 2,000 Nevada-member businesses of the National Federation of Independent Business. There are several reasons to support this bill. One of the main ones is because I see whose name is on the front of it, but besides that we talk a lot about Tesla, the Raiders, and big companies that come here and diversify our economy. Those are all good things, but we also need to focus on the folks who hire most of the people in this state, and that is small businesses. We think anything we can do to start and help those small businesses connect to the state and get those state contracts is a good thing. We are going to need all of these small businesses to service the employees and the people who move here for the big businesses. This provides a good counterbalance at GOED. They can focus on those big headline-making businesses that move here, but also serve the folks who are going to serve them and who could eventually become those big businesses someday. We appreciate Assemblyman Yeager's bringing forward this bill and thank you for your time.

**Dylan Keith, Assistant Director of Government Affairs, Vegas Chamber:**

Being that the Vegas Chamber is a business-based organization, the majority of our businesses and our members are small businesses. We would like to thank Assemblyman Yeager for bringing this bill forward. We think this is an important step forward to provide another tool for our small business members and for new small businesses that are just getting started, to really get their foothold and be able to have a proper path forward into the future. We also thank Assemblyman Yeager for including language to look into streamlining business and the processes so it is as easy as possible for these business operators who already have so much going on to continue to operate their businesses. Thank you for your time, and we appreciate your support on this measure.

**Tina Quigley, President and Chief Executive Officer, Las Vegas Global Economic Alliance:**

We are here in support of A.B. 77 as written. We believe the measures in this area can ensure and would continue supporting the types of leading-edge entrepreneurs we want to continue to see flourish here, and specifically in southern Nevada where we do greatly need a culture of entrepreneurship and start-ups.

**Zach Bucher, Government Affairs Officer, Government and Community Affairs, City of Las Vegas:**

I am happy to be here today in support of A.B. 77. The City of Las Vegas thanks the bill sponsor and believes this piece of legislation will help with its development, redevelopment, and economic diversification efforts, along with being a tool and asset in attracting start-ups to our community. Thank you for your time and consideration.

**Chair Backus:**

Is there anyone else in Carson City who wishes to give testimony in support of A.B. 77? [There was no one.] Is there anyone in Las Vegas who wishes to give testimony in support

of A.B. 77? [There was no one.] Is there anyone on the phone lines wishing to give testimony in support of A.B. 77?

**Jeff Saling, Co-Founder and Executive Director, StartUpNV:**

StartUpNV is a statewide, nonprofit start-up accelerator and incubator with entrepreneur education and support programs in Las Vegas, Reno, and in rural Nevada. I am testifying in favor of A.B. 77. This provides for a well-placed Office of Entrepreneurship within GOED, an organization already focused on economic development. I believe this office will help keep Nevada focused on improving entrepreneurial friendliness, specifically to newer start-up businesses, encouraging ongoing support for economic support organizations like ours, like the State Small Business Credit Initiative program, and other similar entrepreneurial programs, including the chambers. Additionally, A.B. 77 provides for the tracking everybody talked about around state contracts going to new Nevada businesses and all the related demographic information about those businesses and the founders of those businesses, encouraging targets for state contracts to go to well-qualified Nevada businesses, which many other states do to help grow their economic ecosystems, all of which leads to the kind of economic growth and diversification I think we all want for Nevada's economy. I believe A.B. 77 will help Nevada entrepreneurs and Nevada's economy, and I support it. Thank you for your time and consideration today.

**Jared Byer, Managing Director, gener8tor Reno-Tahoe Accelerator:**

We run start-up accelerator programs in both Reno and Las Vegas. I really appreciate everyone's thoughtful questions. It has been amazing to listen to this. We are an organization that I would say are boots on the ground, very similar to Jeff Saling with StartUpNV. We are working directly with entrepreneurs across the state. We see the challenges they face. Recently, with the companies we have worked with, they have had a hard time navigating the system, even though there are so many of these organizations, as has been brought up. We really do believe that this is going to make it a lot easier to do business in our state and help attract and grow local Nevada-based companies. I just want to thank everyone for their time and consideration. We would love to see this bill pass.

**Chair Backus:**

Is there anyone else on the phone lines who wishes to testify in support of A.B. 77? [There was no one.] Next, we will move to testimony in opposition of A.B. 77 in Carson City. Does anyone here have testimony in opposition of A.B. 77?

**Wiz Rouzard, Deputy State Director, Americans for Prosperity:**

We advocate free market principles and driving Nevada to be a model state for economic opportunity. Although I will say the intent of the bill is awesome, we want as much data and information, but we do believe this is also duplicative as Assembly members have shared. We feel there are already resources and things in place, offices such as the Lieutenant Governor's Office and the Secretary of State, that are already doing this work or are in a position to do this work a lot more efficiently. I think it is better use of our taxpayers' money to make it more efficient by reaching out and partnering up with these offices before we reach out to create a new one. More importantly, if we want to attract new businesses and

entrepreneurs, I think the best way to do that is to deregulate it and make it very competitive, and more importantly empowering people from bottoms-up solution to bring ideas to market. Although we will acknowledge that the intent is awesome in bringing more data information, we do believe that there are other resources in the community already doing that, that we can utilize. Thank you very much, and I urge you to please oppose this bill.

**Chair Backus:**

We will now take testimony from Las Vegas. Is there anyone in Las Vegas who wishes to give testimony in opposition of A.B. 77? [There was no one.] Is there anyone on the phone lines wishing to give testimony in opposition of A.B. 77? [There was no one.] We will now move to neutral testimony. Is there anyone in Carson City who wishes to give testimony neutral to A.B. 77? [There was no one.] We will move back to Las Vegas. Is there anyone who wishes to testify neutral to A.B. 77? [There was no one.] Is there anyone on the phone lines who wishes to testify neutral to A.B. 77? [There was no one.] I will invite the presenters back to give closing remarks.

**Assemblyman Yeager:**

I want to thank you for a very robust discussion and really good questions on this legislation. I think you see what the goal is here. There have been some very legitimate questions raised and some suggestions raised. The three of us will be working hard on bringing something back to this Committee that hopefully you can support. Realizing that it is late in the day, if you do have questions later you would like to ask, please feel free to reach out and we will be happy to answer those. Thank you for the time this evening.

**Chair Backus:**

I will close the hearing on A.B. 77 and open the hearing on Assembly Bill 98, regarding provisions governing economic development, revising the name of the Governor's Workforce Investment Board to the Governor's Workforce Development Board, revising the membership and duties of the Board, and revising provisions relating to industry sector councils and providing other matters properly related thereto. I am hoping by telling what the bill does gives our presenter time to get down from his seat in the Committee to start his presentation and invite others up who are copresenting with Assemblyman Nguyen.

**Assembly Bill 98: Revises provisions governing economic development. (BDR 18-760)**

**Assemblyman Duy Nguyen, Assembly District No. 8:**

Thank you for allowing me to present Assembly Bill 98 to you today. Assembly Bill 98 is set to strengthen Nevada's workforce development system, so all Nevadans have the skills they need to succeed. It is a top priority for all of us. We often hear from employers and businesses, large and small, rural and urban, that they are facing a workforce shortage. We hear from our constituents that they want to reenter or enter the labor force but there are barriers of entry for them to do so. Additionally, when employers are looking at Nevada as a possible location site for their company there are three things they ask about: (1) Water, (2) Land, and (3) A ready and available workforce. Therefore, increasing Nevada's labor force participation rate is a bipartisan issue that if we do not fix it will further impede



Nevadans' access to career pathways, businesses from prospering, and economic development efforts. This session, I am sure we will hear many great ideas on how to strengthen Nevada's workforce development system, such as streamlining services and increasing access. One way to do this through A.B. 98, that I am proudly introducing in my first session, is by making sure that information flows from the local regional workforce development boards to the statewide Governor's Workforce Development Board.

Currently, the regional one-stops, which we will hear from during this hearing in support of my bill, have effective and active industry sector councils. These sector councils elevate businesses' voices from key industry areas that are aligned with Nevada economic diversification objectives. This includes health care, manufacturing, technology, transportation, construction, and other key areas that Nevada resiliency relies on. Hearing from these business leaders helps policymakers like us understand the workforce issues they are experiencing so we can respond through sound public policy; however, current *Nevada Revised Statutes* (NRS) that prescribe the Governor's Office of Workforce Innovation to have their own competing statewide sector councils are redundant. A better approach is streamlining efforts so that the local sector councils have a channel to flow information up to the Governor's Workforce Development Board, which the Governor's Office of Workforce Innovation serves as a liaison to. This will reduce government redundancy while strengthening Nevada's workforce development system.

I will quickly go over the bill and introduce two subject matter experts sitting beside me. Assembly Bill 98 is proposed cleanup language for NRS pertaining to the Governor's Workforce Development Board and industry sector councils, which are managed under the Governor's Office of Workforce Innovation. The objective is to streamline workforce development efforts so there is more alignment and regional focus. Assembly Bill 98 is suggested language to revise NRS 232.935. This serves to clean up and update this section in NRS because the Board is no longer titled the Governor's Workforce Investment Board. Rather, it is referred to as the Governor's Workforce Development Board (GWDB). Additionally, this section revises the direction for the Governor's Workforce Development Board to have industry sector councils. Currently there are competing and duplicative industry sector councils because there are both regional sector councils/partnerships and the Governor's Office of Workforce Innovation statewide sector councils. For example, in southern Nevada at Workforce Connections, there are seven efficient and effective industry sector councils established for the region's comprehensive economic development strategy. The sector partnerships elevate relevant and timely discussion on in-demand industry and occupation as it pertains to strengthening Nevada's workforce development system.

In northern Nevada at Nevadaworks, with the Good Jobs Challenge grant that was awarded to them, there are current plans to establish regional industry sector councils or partnerships. Nevadaworks and Workforce Connections are working together to bring this regional industry sector council model that has proven effective to both regions of the state. These regional sector partnerships allow for a bottom-up approach for information sharing regarding workforce development issues and opportunities to flow up government channels.

Therefore, the Governor's Office of Workforce Innovation should no longer have or be required to have competing statewide industry sector councils. Instead, the sector councils should be replaced by the regional sector councils. This will increase collaboration and cooperation between the state and regional workforce development organizations. It will strengthen alignment between workforce development agencies, and it will reduce duplication.

The acronym for the Governor's Office of Workforce of Innovation is GOWINN. It is actually heartbreaking for me to change it to a different acronym. Next, I would like to introduce the executive director of Workforce Connections, Mr. Jaime Cruz, to present his point.

**Jaime Cruz, Executive Director, Workforce Connections, Las Vegas, Nevada:**

Workforce Connections is one of two local workforce boards here in Nevada. We serve the counties of Clark, Lincoln, Esmeralda, and Nye. My colleague, who you will hear from next, serves the remaining 13 counties. As explained earlier, in the year 2022 we aligned with our regional development authority partners, our chambers of commerce, our school districts, and our higher education partners to convene the employers and these seven target industry sectors that we have in southern Nevada. We are following our comprehensive economic development strategy, which identifies these sectors, and we have had really good results so far. It was a heavy lift to form the seven partners in one year. My colleague and I have 550 peers across the nation who run local workforce development boards, and we have not heard of one that has lifted seven in one year. They told me to just do three, it is a lot of work, and it was. The good news is that I think this model is being validated, not only because we had success in southern Nevada, but as you just heard, the U.S. Economic Development Administration has awarded the northern Nevada board [Nevadaworks] \$14.9 million to implement this model here in the north.

We both follow a nationally recognized model to convene employers called the Next Generation Partnership model. It makes sure these partnerships are employer-led, and that when they are convened—whether they be small, medium, or large businesses—the short-, mid-, and long-term needs of those businesses are heard first and foremost. Those of us who work on the other side of the equation, on the talent development—not just the workforce agencies but starting with the kindergarten through grade 12 [K-12] system and going through all the other post-secondary skill acquisition partners, since we have heard of the need—we start to develop those solutions. Sometimes they are on the shelf, sometimes they are not. What we heard from employers was for too long they have been told you need to buy what is on the shelf. They have been really happy that this time the approach is different, and we already have examples of successes happening. They told us some things they wanted done with a K-12 system, and those things are happening. One example is on March 20, 2023, we will have our very first student showcase. We picked a high school that has a national/international winning robotics team. Employers keep saying they want people who can do critical thinking, problem solving, communication, and teamwork. If you watch these kids do their sport, that is exactly what you see. We are going to bring employers from these industry sector partnerships to that high school to see those young adults in action.

They will be graduating in about 45 days, and the intent is for them to again be able to access internships while they are still in school, and eventually jobs. That is one example that is happening in high school, and we hope to have those replicated in multiple high schools.

We all know the conversation about careers does not start there. A while back we started thinking it needed to be just in middle school, and that is happening. We are using an online platform that the Nevada Department of Education bought that is called Pathful [Pathful Connect], or Nepris for Nevada. We are again connecting these employers to not just high schools, but middle school classrooms, so they can interact with the teachers and the students about their needs.

Finally, because today we are in the era of TikTok [held up his cell phone], where young people are influenced much earlier than middle school, we took all that information and put it into a form that starts in elementary school. Pretty soon you will see a press release with us in our school district in Clark County about our rollouts. All 150 elementary school principals can have access to these tools that are employer-led. They told us what occupations they want highlighted in these platforms, in these books, and that is exactly what they are getting. The teachers are really excited because they say they do not know what the hot careers are, what the skill sets are, so this communication is really allowing that, to take the demand side of the equation and feed it all the way to the beginning of the supply chain.

**Assemblyman Nguyen:**

I would also like to welcome back to the building former Assemblywoman Irene Bustamante Adams. She is here today in her capacity as the chief strategy officer for Nevada Workforce Connections to finish our presentation.

**Irene Bustamante Adams, Deputy Director and Chief Strategy Officer, Workforce Connections, Las Vegas, Nevada:**

In 2010 we created the Office of Economic Development, Office of the Governor (GOED). During that time it was the Great Recession. We had high unemployment. We needed to do something radical, and that was the big change in order to make the Governor the CEO of that office. That also included the state sector councils and at that time it was a great idea, but the implementation was not so good. It was much more difficult to get consensus. Technology was not available like it is now. It was rough to get the north and the south together and so, moving forward, what has worked is these regional sector partnerships where we know in the south where the puck is headed, and we have demonstrated the success that Mr. Cruz spoke about. I just wanted to let you know that there is progress that has been made. You should go back and look at the legislative evolution, and if it is still working for the state. In addition, I want you to have reassurance that in the southern and northern parts of Nevada, we have secured additional funding to continue the work from a regional approach. Thank you, and those are all the comments I have.

**Assemblyman Nguyen:**

We are ready for questions from the Committee.

**Chair Backus:**

Welcome back, now Trustee Bustamante Adams. Thank you for your continued public service, as well as what you do for workforce development in our state. My first question was, Why the name change? That was one of my first things I noticed because it created the bill to be a lot longer with that change throughout all those statutes.

**Assemblyman Nguyen:**

We have the executive director of the Governor's Office of Workforce Innovation in Las Vegas, Lisa Levine. Ms. Levine, can you answer this question for Madam Chair?

**Lisa Levine, Executive Director, Office of Workforce Innovation, Office of the Governor:**

That is a good question. I am not sure when the Governor's Workforce Development Board digressed away from the Governor's Workforce Investment Board. If you look at the language from the Workforce Innovation Opportunity Act, the federal Department of Labor is where the money comes from and kind of prescribes the Governor's Workforce Development Board for states to have. They call it the Governor's Workforce Investment Board, but in the state of Nevada, we have been calling it the Governor's Workforce Development Board for at least two years that I am aware of.

**Chair Backus:**

I am so grateful we had various representation throughout the state for both our rural areas as well as our bigger cities, but when I was looking at section 3, subsection 7, paragraph (b), page 7 of the bill, line 24, this overlays with another question I have with respect to who the appointed persons were to the Board. It seemed like you almost had to have these local boards at one level to rise up to be appointed to serve on the big board, instead of the Governor just selecting people from the industry. It may have been answered already. I did not know if that was what you were referring to in your modeling, if this is something we needed to do to ensure that we are getting federal funds or why there was that change to be more exclusive of who could serve on the Board that the Governor selects as going from these local boards, from just general industry selection.

**Lisa Levine:**

I do not believe the language prescribed in A.B. 98 has any type of proposals that would change the makeup of the Governor's Workforce Development Board. I do not believe the requirements set forth in NRS currently for members to be representing business, organized labor, as well as education and workforce organizations are changing. The big difference is just that the local workforce development boards and their sector councils would now be required to work and collaborate with the Governor's Workforce Development Board and vice versa. I do not believe the makeup of the Governor's Workforce Development Board changes in the current language.

**Chair Backus:**

I just noticed there was "and" language and the uniqueness of the boards. I know Mr. Cruz had indicated his representation of some of the smaller counties, but with this do we, at the

local level, have some of these workforce boards representation of counties outside of Clark and Washoe Counties?

**Jaime Cruz:**

Yes. These local boards are governed by members of the commissions of those counties. For me, in southern Nevada, we have eight local elected officials who form the governing consortium of this agency. The board is composed of a member of the commission from Nye, Esmeralda, Lincoln, and Clark Counties, along with four members of the largest cities of that area.

**Chair Backus:**

I appreciate that. We also have an answer on the name change. It occurred by executive order in 2015. I want to thank my Fiscal Division staff for having that knowledge to add, so our record is clear.

**Assemblyman Gray:**

You managed to ask the questions I was going to ask, so I got both my answers. Thank you.

**Assemblyman Hafen:**

I want to follow up on the Chair's question on the makeup of the board. In my reading of the bill, it is actually section 3 that talks about the change in the membership that the Chair was referring to, not section 7. If you look at section 3 on page 4, line 37, could you address the Chair's question please?

**Lisa Levine:**

Assemblyman Nguyen or the local workforce boards in the room can add to this, but it is my understanding the makeup of the Board does not change from A.B. 98. It remains employers within the industry, organized labor, universities, community colleges, and any other relevant group of persons deemed to be appropriate.

**Chair Backus:**

I think there is some confusion. Thank you, Assemblyman Hafen, for correcting me. The makeup of the board is under section 3. I went back and looked at it and it does seem like when you read it, just from that, but when you cross over to the definition under section 3, subsection 7, paragraph (b) it does look like it is narrowing who could be on the Board, going from the industry to the regional industry or sector partnership. Actually, I am misrepresenting that. We were trying to figure this out, but you do have the "and" there so I guess it does keep the other industry. We may need to take this offline because I think there is some confusion. It does look like the Board is narrowing and not still allowing that flexibility with those in the industry.

**Assemblyman Nguyen:**

We made note of that and will get back to you and the Committee.

**Chair Backus:**

We appreciate that.

**Assemblywoman Anderson:**

I was also confused by those same areas, so I am happy it was brought up. My question comes from page 16 of the bill, section 8, subsection 2, where I believe we already have existing language with this. I am curious as to why, or if there is a need, for some clarification on "The Superintendent of Public Instruction shall review the recommendations of the representatives of the regional industry or sector . . ." but with section 8, subsection 2, I am not sure if that is supposed to be yearly, quarterly, or if there is some sort of time frame that the Superintendent of Public Instruction should be reviewing these items. My interest was a little bit piqued from Mr. Cruz's presentation as to what role the school districts and school superintendent would have with that. I just wanted some clarification about how often this review is supposed to take place, or if it is on an as-needed basis?

**Jaime Cruz:**

My understanding again, as Director Levine said of the bill, is that it does not change any existing requirements of time. I do not have a copy of the bill now, but it is meant to just change who is doing the presenting. In the past, NRS required that the state sector partnerships or councils would be the ones doing the presenting to the superintendent, or recommending if you will, and now the intent is that that be replaced by these regional bodies. As you said, I am not seeing a timeline. It shows that the superintendent shall review the recommendations for awards, but like you I am not seeing a timeline. I would want Director Levine to weigh in on this, but I cannot recall a time where that has happened, where the Superintendent of Public Instruction has received recommendations from any statewide sector councils. That is just my recollection. I do not attend all of them. I think the intent here is that since there is effective regional sector partnerships now that that intelligence, the labor market information we share with you, would be shared with the superintendent at the state level so that some of the stuff that is happening in the regional school districts can also be considered by them.

**Assemblywoman Anderson:**

Thank you for that clarification that it is here, but you do not remember it ever actually happening. I recognize that you are not with the Department of Education, so I will follow up with them. Do you believe, from your experience, that that is based upon just no interest, or the fact that it just was never a priority, and instead utilizing section 1 of the bill—that is not changing—this is simply adding a different layer? From your opinion, in your experience, what do you believe that is based upon that it has never gone to the state level?

**Jaime Cruz:**

From my recollection, I think it was the fact that state-level or statewide industry sector partnerships were never stood up effectively.

**Assemblywoman Anderson:**

Thank you for that honesty.

**Chair Backus:**

Do we have any other Committee members who have questions for the presenters? [There were none.] Thank you for your presentation, and I am sorry about the confusion. We will now hear testimony in support of A.B. 98. We will start in Carson City.

**Dylan Keith, Assistant Director of Government Affairs, Vegas Chamber:**

We would like to thank the bill sponsor for bringing this bill forward. We are in support of the Governor's Office of Economic Development. They have been fantastic partners in advocating for business, not only to increase our workforce development, but also to advocate for them to employers, as well as increasing diversity within our economy. We are in full support.

**Tina Quigley, President and Chief Executive Officer, Las Vegas Global Economic Alliance:**

I will share with you that every year the Economic Development Industry Association talks with site selectors about what are the most important factors when companies are looking to locate or grow. For the past nine years, every single time the top two have been workforce development and access to workforce. The remainder kind of rotate as to what is important, but those two are always at the top. The ability to pull workforce data into one place and place deliberate focus on specific sectors of businesses our state can help grow is something we are highly interested in and believe could help our collective statewide effort to support our local communities and grow and diversify our economy. We support A.B. 98.

**Zach Bucher, Government Affairs Officer, Government and Community Affairs, City of Las Vegas:**

We are in support of this bill. We are very supportive of our local Workforce Connections.

**Chair Backus:**

Do we have anyone else here in Carson City who wishes to give testimony in support of A.B. 98? [There was no one.] We will go to Las Vegas. Is there anyone who wishes to give testimony in support of A.B. 98? [There was no one.] Is there anyone on the phone lines wishing to give testimony in support of A.B. 98? [There was no one.] We will move to testimony in opposition of A.B. 98. Is there anyone in Carson City wishing to give testimony in opposition of A.B. 98? [There was no one.] Is there anyone in Las Vegas who wishes to give testimony in opposition of A.B. 98? [There was no one.] Is there anyone on the phone lines wishing to give testimony in opposition of A.B. 98? [There was no one.]

**Maureen Schafer, Governor's Workforce Development Board, Department of Employment, Training and Rehabilitation:**

I am here in support of A.B. 98. I am a recent new member of the Governor's Workforce Development Board. I have been a health care executive for 15 years, and for the last 3 years in my position as the president and CEO of the Nevada Health and Bioscience Corporation, focusing on partnering and building health care, education, and clinical programming assets in Nevada. For the last 18 years I have been the executive director of the Council for a Better Nevada, focusing on quality-of-life issues in the state of Nevada.

The one string that aligns all of these issues in my roles in Nevada is that we need to have a qualified and talented workforce who understands and addresses the workforce needs to meet these challenges, jobs and old questions that invariably have future new answers. We need and must be prepared and, if we can, create these systems that allow for us to be prepared for the future workforce challenges.

In closing, please consider the vital recommendations contained in this important and invaluable bill by the Workforce Development staff and the efficiencies that will be created by taking these invaluable and important approaches. Thank you for the consideration of the provisions contained in this bill.

**Chair Backus:**

Ms. Schafer, we are doing testimony in opposition. It looks like you missed the testimony in support. We will mark your testimony tonight as in support of A.B. 98. Is there anyone else on the phone lines wishing to testify in opposition to A.B. 98? [There was no one.] We will move to neutral testimony. Is there anyone here in Carson City who wishes to give testimony neutral to A.B. 98?

**Milt Stewart, Chief Executive Officer, Nevadaworks:**

Nevadaworks is the local workforce development board for the 13 counties Mr. Cruz's Workforce Connections does not serve, so we have a very large geographic area. As we have all mentioned, strengthening Nevada's workforce development system is a top priority for all of us. In our endeavor to develop a workforce development system that works for both businesses and job seekers, Nevadaworks applied for and is grateful to have received, a \$14.9 million Good Job Challenge grant from the U.S. Department of Commerce, Economic Development Administration (EDA). We are especially proud that this is one of only 32 grants that were awarded throughout the United States out of 509 applications.

Our goal with what we are calling the Good Jobs in Northern Nevada is to create employer-driven regional workforce training systems. As you can imagine, this is right in line with what this bill is about. What we are doing is convening employers in these industry sector partners throughout our entire region. For the beginning we have busted up into four different regions. We are starting there. Our grant is primarily focused on rural areas. That is a significant focus for the grant, per the EDA. We are using the same model that Workforce Connections is using. In fact, we collaborate with them. I have attended their kickoff meetings, and we are really using their model as a best practice for what we would do up here in northern Nevada.

Our efforts are to stand up these regional sector partnerships because we recognize the requirements for businesses vary per region—what the businesses and employers in southern Nevada would need is not always the exact same thing that businesses and employers in northern Nevada would need. We believe this regional industry sector partnership model is in the best interest of everyone with regard to workforce development. Nevadaworks' efforts to stand up regional industry sector partnerships will result in the provision of living wage employment opportunities that provide economic security for many northern Nevada



workers. Nevadaworks believes that a skilled workforce is the key to a diverse and strong economy, and through these regional industry sector partnerships we are working to ensure northern Nevada citizens and businesses thrive.

**Christopher Sewell, Director, Department of Employment, Training and Rehabilitation:**

As you can probably tell, workforce is a very dynamic animal, and we need to all work together. It starts regionally. It has to start regionally. Someone in the state, and I will use myself as an example, does not know exactly what is going to happen in Winnemucca or Ely or Las Vegas. I want to talk to the people who are there. I want to listen to the people who are there. That is exactly what this bill does. This cleanup bill is spot on. It puts it at the regional level. It filters back up to the State's Governor's Workforce Development Board, and that is a good thing. Workforce is dynamic. The workforce in Las Vegas is different than the workforce in Ely, Elko, Reno, or Carson City. We need to change the law. We need to get with the times and get this thing done. I am neutral to the bill today as I am with a state agency, but this is a good cleanup bill. It puts it where it needs to be.

I also want to introduce my two deputy directors because you might not have me all the time. Josh Marhevka is one of my deputy directors, and Troy Jordan is another one of my deputy directors. I encourage any of you, if I am not available, to please reach out to them. They have a lot of knowledge about DETR [Department of Employment, Training and Rehabilitation]. I may be the director, but they are the ones who really get things done.

**Chair Backus:**

Thank you for clarifying that you are with an agency and giving testimony in neutral because I was probably going to list it as testimony in support. Do either of your deputy directors have anything further to add in testimony neutral to A.B. 98? [They did not.] Is there anyone else in Carson City who wishes to give testimony neutral to A.B. 98? [There was no one.] We will move to Las Vegas. If Ms. Levine is going to give testimony neutral to A.B. 98, please begin.

**Lisa Levine:**

The Governor's Office of Workforce Innovation is tasked with convening collaborative partnerships to strengthen Nevada's Workforce Development System so we can diversify the workforce. Aligned with economic development efforts, the Governor's Office of Economic Development and the regional development authority organizations in rural Nevada, urban Nevada, northern Nevada, and southern Nevada are working toward what will benefit the whole state. We are testifying in neutral as an agency, but definitely applaud Assemblyman Nguyen's efforts and thank all of the testimony that was given today showing all of the support to strengthen Nevada's workforce development system and streamline the approach so more organizations at the local level can have a voice in the process of the Governor's Workforce Development Board.

**Chair Backus:**

Is there anyone on the phone lines who wishes to give testimony neutral to A.B. 98? [There was no one.] We will invite the presenters back to give closing remarks.

**Assemblyman Nguyen:**

Thank you for allowing me to present A.B. 98 today. You have heard from business associations and regional one-stops that are the experts on the ground in our local neighborhoods and communities, who are the closest and best aligned to understand the workforce needs the businesses and their regions have. Streamlining industry sector councils so information can move up through the chain to state legislators reduces redundancy, increases career pathways for Nevadans, and strengthens Nevada's workforce and economic development goals. Thank you for your consideration, and I am asking you to support A.B. 98.

[[Exhibit C](#) was submitted but not discussed and is included as an exhibit of the meeting.]

**Chair Backus:**

I will close the hearing on A.B. 98. The next item on our agenda is public comment. Is there anyone in Carson City who wishes to give public comment? [There was no one.] We will move to Las Vegas. Is there anyone wishing to give public comment in Las Vegas? [There was no one.] Is there anyone on the phone lines wishing to give public comment? [There was no one.] This concludes our meeting this evening. Our next meeting is March 7, 2023, here in Room 4100 at 4 p.m. We are adjourned [at 5:41 p.m.].

RESPECTFULLY SUBMITTED:

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Gina Hall  
Committee Secretary

APPROVED BY:

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Assemblywoman Shea Backus, Chair

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

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a letter submitted on behalf of the Henderson Chamber of Commerce, dated February 28, 2023, signed by Aviva Gordon, Chair, Legislative Committee, Henderson Chamber of Commerce; and Emily Osterberg, Director, Government Affairs, Henderson Chamber of Commerce; in support of Assembly Bill 98.