

MINUTES OF THE  
INTERIM FINANCE COMMITTEE'S  
SUBCOMMITTEE FOR FEDERAL STIMULUS OVERSIGHT  
(A.C.R. 34, 2009 SESSION)  
November 10, 2009

The third meeting of the Interim Finance Committee's Subcommittee for Federal Stimulus Oversight (A.C.R. 34) was held on November 10, 2009, in room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada.

**COMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Assemblywoman Debbie Smith, Chairwoman  
Assemblyman Marcus Conklin  
Assemblyman Pete Goicoechea  
Assemblywoman Sheila Leslie  
Senator William J. Raggio  
Senator Bernice Mathews  
Senator Randolph Townsend

**COMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

Assemblyman Kelvin Atkinson  
Senator Shirley Breeden  
Senator David Parks for Senator Horsford  
Senator Allison Copening for Senator Schneider  
Assemblyman Joseph Hardy

**COMMITTEE MEMBERS ABSENT:**

Senator Steven Horsford  
Senator Michael Schneider

**STAFF MEMBERS PRESENT IN CARSON CITY:**

Tracy Raxter, Assembly Fiscal Analyst, Fiscal Analysis Division  
Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division  
Eileen O'Grady, Chief Deputy Legislative Counsel, Legal Division  
Donna Thomas, Secretary, Fiscal Analysis Division

**EXHIBITS:**

[Exhibit A:](#) Agenda and Meeting Packet  
[Exhibit B:](#) Attendance Record  
[Exhibit C:](#) Spreadsheet – Nevada League of Cities and Municipalities  
[Exhibit D:](#) ARRA Funding Allocated/Awarded to Nevada Counties – Nevada Association of Counties

- [Exhibit E](#): The City of Fallon – ARRA Funds Administered by the State Energy Office  
[Exhibit F](#): Workforce Connections – ARRA Overview  
[Exhibit G](#): Nevadaworks – ARRA Activities  
[Exhibit H](#): ARRA Reporting System Talking Points  
[Exhibit I](#): International Energy Conservation – Residential Energy Efficiency Retrofit Program

## **A. ROLL CALL**

The meeting of the Interim Finance Committee's Subcommittee for Federal Stimulus Oversight was called to order by Chairwoman Smith at 1:35 p.m. The secretary called roll; Senator Copening served as an alternate for Senator Schneider, and Senator Parks served as an alternate for Senator Horsford.

Chairwoman Smith welcomed everyone to the meeting and said the Subcommittee would continue to evaluate the programs that bring stimulus funding to the state of Nevada. She noted the Subcommittee was interested in how effective the funds were to the local governments and how transparent the funds were for the citizens of the state. An area of focus for the meeting was the funding directed to the local governments and how it was utilized since the 1512 reporting requirements went directly to the federal government and not to the state.

## **B. REVIEW OF PLANS AND SPENDING OF AMERICAN RECOVERY AND REINVESTMENT ACT FUNDS ADMINISTERED BY LOCAL GOVERNMENTS IN NEVADA**

### **Nevada League of Cities and Municipalities**

David Fraser, Executive Director, Nevada League of Cities and Municipalities, introduced Jeff Fontaine, Executive Director, Nevada Association of Counties. He referred the Subcommittee to the Nevada League of Cities and Municipalities spreadsheet ([Exhibit C](#)), which categorized the ARRA funding by source of funding, amount of funding, and the number of jobs created or retained. Mr. Fraser noted that attached to the spreadsheet was backup reference and detailed information for the funding amounts. He displayed the funding received by the cities on the spreadsheet; however, some cities applied for other funding that was not approved or received yet, and that funding was in various phases of being committed and received. He noted that many of the jobs created or retained were not fully funded by ARRA, but ARRA supported, and the ARRA funding allowed the cities and counties to proceed with projects when combined with other sources of funds. Mr. Fraser clarified the dollar amount on the spreadsheet for the City of Yerington was a misprint. He indicated that the total amount of ARRA funding for the cities and municipalities was \$52,802,615, which created or retained 472 jobs.

Chairwoman Smith asked if the City of Yerington received ARRA funding. Mr. Fraser responded that Yerington applied for \$300,000 in Department of Energy (DOE) funds for energy efficiency projects, and at this time it was uncertain if the city would receive the funds. Additionally, Yerington applied for \$3,631,000 in ARRA funds to build an arsenic plant, which was a \$5.0 million project. He noted the City of Fallon was the first to apply for funding to build a plant to address the increased arsenic standards, and Fernley recently provided a plan for a potential arsenic plant as well.

Assemblyman Goicoechea asked about the other cities not displayed on the League of Cities and Municipalities spreadsheet. Mr. Fraser replied that the cities not shown on the spreadsheet have not received ARRA funds. In addition, the City of Fallon sent a letter directly to the Chair of the Subcommittee rather than through the Nevada League of Cities and Municipalities, therefore Fallon was not displayed on the spreadsheet.

Assemblyman Goicoechea commented that it seemed the ten larger cities received a direct allocation; however, that was not the case because Fallon was a larger city than Ely. Mr. Goicoechea was concerned about Lovelock, Wendover and some of the smaller jurisdictions he represented because he believed those cities had a greater need for funding than some of the cities displayed on the spreadsheet.

Mr. Fraser clarified that the information on the spreadsheets was all he was able to gather to date and he would provide updated information to the Subcommittee as it came in.

Senator Raggio stated that he was been trying to assimilate the information regarding the ARRA funding, not only funds received by the local governments, but funds received overall. He said the original intent of the ARRA funding was the creation of jobs, and with the rising unemployment in the nation and particularly in Nevada, he questioned the credibility of the reports. Senator Raggio did not believe there was an accurate assessment of the jobs created from the ARRA funding. For example, he heard that more than 4,000 jobs were created or retained in the state, most of which were in the school districts. However, the spreadsheet from the Nevada League of Cities and Municipalities showed that 472 jobs were created or retained – 257 jobs were created or retained in Reno, and he wondered how many jobs were created as opposed to retained. In addition, he wondered if the jobs retained would have been eliminated if not for the ARRA funding. Senator Raggio requested specific information on the jobs created rather than stating that people probably would have been laid off if not for the funding. He believed the public was interested in understanding how the ARRA funding was creating jobs at the same time the unemployment rate was rising in the state and across the country.

Mr. Fraser clarified that when he requested information from the cities and counties on the number of jobs created versus retained he did not ask for the numbers to be broken down. However, he would request a breakdown of jobs created versus retained if it was the desire of the Subcommittee.

Senator Raggio did not believe 4,000 teachers would have been laid off without the ARRA funding. He said the Subcommittee and public should know how many jobs were created for the entities that received funding and he was not getting that information from the state or federal report.

Senator Mathews noted that the backup documentation from the Nevada League of Cities and Municipalities showed 4,100 jobs were created or retained in education and the remaining jobs outside of education made up the difference of the 5,000 jobs. She concurred with Senator Raggio that the Subcommittee needed to know the number of jobs retained as a result of the ARRA funding.

Mr. Fraser clarified that most of the jobs reported by the Nevada League of Cities and Municipalities were only partially funded by ARRA.

Chairwoman Smith stated that the Cops Hiring Recovery Program (CHRP) was consistently seen in the local governments report. She wondered if those jobs were generally new hires or retained positions. Mr. Fraser indicated the positions were mainly new hires. He had hoped representatives from the local governments would be in attendance at the meeting to address the issues.

Chairwoman Smith said it appeared that most of the local governments were able to avoid layoffs in the area of police officers and public safety.

Chairwoman Smith questioned the funding that was discussed at the recent Interim Finance Committee (IFC) meeting regarding the Energy Efficiency and Conservation Block Grants (EECBG). She wondered how the local governments were moving forward to receive that funding. Also, Chairwoman Smith asked to which entity the local governments reported the information; the grants went directly to the local governments but were not reported on the state's website. She wondered if the grants were only reported in the federal government reporting website.

Romeo Betea, Economic Development Manager, City of Las Vegas, introduced Becky Spray, ARRA Grants Coordinator, City of Las Vegas. He asked Chairwoman Smith if she just wanted a brief overview of how the City of Las Vegas utilized the ARRA funds.

Chairwoman Smith replied that information was provided to the Subcommittee on the funding the City of Las Vegas received. She was interested in the number of jobs created versus retained as a result of the funding. In addition, Chairwoman Smith asked where the reports for the City of Las Vegas were registered, because she did not see the reports on the state website.

Mr. Betea indicated that the City of Las Vegas listed actual and projected jobs on its website and the total actual jobs created was one part-time person working for the Department of Cultural Affairs Division, from a Sustaining Nevada's Arts Programs (SNAP) grant from the state. In addition, there were 14 full-time (FTE) positions, which were ARRA Byrne Justice Assistance Grant (JAG) awards.

Ms. Spray interjected that FTE jobs were calculated based on a formula provided – the number of hours that one full-time employee worked in a reporting period, divided by the total number of hours for the employee, whether part-time, full-time or contract employee. Ms. Spray said there were three different types of reporting and primary grants received to date were reported on the [federalreporting.gov](http://federalreporting.gov) website and state ARRA website. The Department of Transportation grants and the SNAP grants were reported to the state.

Mr. Betea added that City of Las Vegas was not providing the so called "heavy-duty" projections and reporting on the actual grants with awards in place, which was why the numbers were lower in the spreadsheet. Mr. Betea indicated that the DOE recently awarded a \$5.0 million EECBG to the City of Las Vegas.

Chairwoman Smith asked if the most recent grant award came directly from the federal government or through the Nevada Office of Energy. Mr. Betea replied that the EECBG came directly from the federal government.

Senator Mathews requested that in the future the reports indicate whether the grant awards and jobs created were from the Nevada Office of Energy or through the local governments. Mr. Betea clarified that one part-time job was created from the SNAP grant from the state of Nevada. The other 14 positions were from the JAG, which provided economic stimulus to local governments through an existing grant process from the Bureau of Justice Assistance, Department of Justice. He stated that 15 jobs were created with some type of stimulus funding.

Ms. Spray explained that the one part-time job came from the SNAP grant, which was a state pass-through grant. Because they are a disparate jurisdiction for the Byrne JAG grant, the City of Las Vegas estimated a total of 8.47 FTE positions created with 6 FTE positions retained. One FTE was created for Clark County, and 2.52 positions were retained. The City of Henderson created 2 positions, and the City of Mesquite created 0.95 FTE positions. Of the positions being restored; 2 positions were restored for the City of Las Vegas; Clark County restored 6.08 FTE positions; and 3.33 FTE positions were being prevented from loss in Clark County. In addition, 0.50 position was restored through the City of North Las Vegas, and 1 position was being restored for the City of Henderson. Ms. Spray stated that City of Las Vegas was using the federal requirements for calculating the positions.

Assemblyman Conklin thought it was imperative that the Subcommittee grasp the situation of jobs reported as a result of the ARRA funding. He asked if the jobs being reported were city jobs that have been restored, retained or created and whether funding not only went to jobs, but also to services. Therefore, an employee in a job retained spends money in the economy for services, which in turn created more jobs and those employees spent money in the state, which created more jobs. Just because there was \$52 million in stimulus funding and 472 jobs were created, it only reflected the jobs created, retained or restored at the city level and it was not an actual indicator of how many jobs were created from the ARRA funding.

Ms. Spray replied that the federal guidelines recommended a calculation that every \$92,000 spent was the equivalent of a one-year position.

Assemblyman Conklin asked if one job was created for every \$92,000 the city spent on services. Ms. Spray replied that the calculation currently being used was one job was created for every \$92,000 spent through ARRA funding for everything, including services. She has not seen an actual region-specific calculation. The calculation was an aggregate, and on average every \$92,000 of ARRA funding spent created one job year.

Mr. Betea added that currently there was no way of calculating indirect jobs and as a result, the City of Las Vegas was not trying to calculate indirect jobs until there was a proper formula to make that happen.

Chairwoman Smith stated that although everyone was focused on jobs, particularly local jobs, they needed to be mindful that part of the stimulus funding was also for tax relief and assistance to the citizens of the state.

#### Nevada Association of Counties

Jeff Fontaine, Executive Director, Nevada Association of Counties (NACO), referred to the spreadsheet, ARRA Funding Allocated/Awarded to Nevada Counties, ([Exhibit D](#)). Mr. Fontaine stated that the spreadsheet included all ARRA funding allocated or awarded to Nevada counties, including funding received by counties, either as a direct recipient, which meant the county reported to the federal government, or a sub-recipient, which meant the county reported to the state. However, in some cases the sub-recipients also reported to the federal government. Mr. Fontaine obtained his information from a number of sources including responses to his request for information (RFI) to the counties. In addition, he used the [recovery.gov](http://recovery.gov) website, as well as the state website, to coordinate all the information in the spreadsheet, which was not an easy task because in some cases the information did not match. Mr. Fontaine did not believe the information was erroneous; rather the difference was a result of the way the information was labeled and the categories under which it was reported.

Continuing, Mr. Fontaine said he would provide a brief overview of the major categories and address any questions or concerns of the Subcommittee. He indicated that Clark County had a website [www.accessclarkcounty.com/recovery](http://www.accessclarkcounty.com/recovery), which listed funds by the type of program and not necessarily by funding agency. Mr. Fontaine chose to list the funding awarded to Nevada's counties by federal funding agencies. The first two columns on the spreadsheet displayed the EECBG recipients and sub-recipients from the U.S. DOE. The direct recipients were the top ten counties in the state that received appropriations directly from the federal government and reported to the federal government. The remaining six counties, the sub-recipients, which included Carson City because it was listed as a top ten city, received its funding through the Nevada State Office of Energy, and those funds were approved by the IFC. Mr. Fontaine said the projects of the sub-recipients of the EECBG ranged from replacing street lights with energy efficient lights, solar generation, replacing heating, ventilating and air conditioning (HVAC) systems and old boilers, which did not involve a lot of money but meant a lot for the counties. Mr. Fontaine did not have a list of the projects for the direct recipients, but believed the funding was used for energy efficiency and retrofits of public buildings, replacement of energy type components on highway street lights and signs, and in some cases in Clark County, building solar arrays and things of that nature.

Mr. Fontaine explained that the next two columns on the spreadsheet showed the various Department of Justice grants, including the Byrne Justice Assistance Grant (JAG). The Department of Health and Human Services (DHHS) grants primarily dealt with employment assistance under the Community Services Block Grant (CSBG), and were mainly sub-grants from the DHHS. In addition, there was a nutrition services program for older Americans. Mr. Fontaine indicated that some of the programs helped create jobs, but were mainly programs to serve people facing difficult times and the unemployed. Moving to the Department of Housing and Urban Development, Mr. Fontaine said the grants were mixed in terms of whether the counties were direct recipients or sub-recipients. Another major program was the Homeless Prevention and Rapid Re-housing Program (HPRP) intended to prevent people from becoming homeless or in the cases of people that were already homeless, to get them stabilized and re-housed. This sub-grant was through the Department of Business and Industry (B&I). The re-seeding and re-vegetating program through the Department of Agriculture was important for Washoe County and would create new jobs for the major burn areas as a result of fires over the last decade. Mr. Fontaine noted there were specific numbers reported on the jobs created for the re-seeding and re-vegetating projects, and even though the jobs were temporary, they provided work and some income for people.

Senator Mathews thought the \$3.8 million for the re-seeding and re-vegetating program was paid for out of the General Fund. She asked if the Governor's Office had an emergency fund that paid for that type of project. Mr. Fontaine was not aware of the re-seeding and re-vegetating program being paid for from the General Fund. It was his understanding that this particular program was very extensive; however, some remedial work may have been paid from the General Fund in order to stabilize the situation.

Senator Mathews commented that the burn area was re-seeded and paid for by the state and she was trying to figure out why that project was duplicated. She believed that the \$3.8 million spent on the re-seeding and re-vegetating project could be put toward another program. Mr. Fontaine replied that he would look into that and provide the findings to Senator Mathews and the Subcommittee.

Continuing with his presentation, Mr. Fontaine said the Corps of Engineers received ARRA funding in the amount of \$1,680,000 for various water projects. The Nevada Department of Transportation (NDOT) was a direct recipient and sub-recipient of ARRA funding and the majority of the direct recipient funding was for airport improvements and transit type projects, such as acquiring buses and things of that nature. Mr. Fontaine was unaware of any county that received a direct grant from the Federal Highway Administration (FHWA) or the U.S. Department of Transportation for a road project. The NDOT sub-recipient received ARRA funding for various projects across the state. Mr. Fontaine was pleased with NDOT's consideration to allow the rural counties to receive a portion of the funding. He indicated that every county and some cities received a small portion of ARRA funds to do maintenance projects to help preserve county and city roads.

The next category on the spreadsheet was the programs administered by the Nevada Division of Environmental Protection (DEP), the sub-grants and revolving loan type projects. He understood that the loans under ARRA were no longer loans but grants to help pay off a part of the loan. Mr. Fontaine said the ARRA funding went toward water and wastewater projects considered priority needs by the DEP. The last column on the spreadsheet displayed miscellaneous awards, funding amounts, and jobs created.

Concluding his presentation, Mr. Fontaine said that the Nevada League of Cities and Municipalities and Nevada Association of Counties did not request a differentiation between the jobs retained and jobs created from the funding, and the spreadsheet reflected the best available information to date on the jobs created or expected to be created as a result of the ARRA funding. In his opinion, particularly with respect to infrastructure and capital type projects, the construction industry in the state has taken a beating. He stated that the transportation funding for the water and wastewater grants and some of the energy grants preserved jobs that would have been in jeopardy. Given the nature of the construction industry, Mr. Fontaine said if the projects were not there the jobs were not there. Given the current economy, particularly with local governments that had to make budget reductions to balance their budgets, there was not a lot of capital projects or public works projects put out to bid in the last year and there probably would not be any bids in the foreseeable future.

Chairwoman Smith commented that it was difficult to determine the number of jobs retained or hired in the construction industry because many construction workers were unemployed for a few weeks and then obtained work as a result of the ARRA funding. She said the NDOT direct and sub-recipient allocations were significant and she was



sure more jobs would be created than indicated on the spreadsheet. She stated that the progress of jobs created and retained could be followed through the federal government website. Looking at the job numbers on the NACO spreadsheet, Chairwoman Smith said some information was posted on the federal government website and state websites making it difficult to coordinate everything at the local level.

Mr. Fontaine clarified that most of the information on the spreadsheet was displayed on the recovery.gov website. For example, someone could go the federal agency website such as the U.S. Department of Health and Human Services to see the grants made to the state of Nevada; in some cases the grants made to a local government or state DHHS were listed. In addition, there was a link to the state DHHS on the federal website with a list of the sub-grants to the various local entities.

Chairwoman Smith replied that was currently true because the grants were just recently reported; however, she wondered if the number for jobs for the local governments would be updated on the federal website on an ongoing basis. Mr. Fontaine replied that the local governments that were direct recipients of awards would report directly to the federal government. Chairwoman Smith asked if the information was posted on the local governments' websites or were the local governments directing their constituencies to post the information on each individual website. Mr. Fontaine replied that he specifically looked at Clark County's website and every project was posted on that website.

Chairwoman Smith asked Mr. Fontaine to ensure that the local governments had a link on each individual website so citizens could go from the local governments' website directly to the federal government and state website. In addition, she believed it was important to let the citizens of the state know when a construction project was complete using federal stimulus funding, which was usually done with road projects.

Senator Mathews asked if any of the ARRA funding was used for administration or did all the funding go directly to programs. She asked if the administration piece of the funding could be displayed in a column on future spreadsheets. Chairwoman Smith noted that there were variables in how the funding was allocated for programs and administration.

Chairwoman Smith thanked the representatives from the local governments for their presentations. She noted that they may be asked to provide additional testimony or a written update at future meetings as the projects from the ARRA funding progress.

Senator Raggio knew there was some guess work when reporting the number of jobs created or retained from the ARRA funds. However, the ARRA funding was meant to create jobs for people in the state and he believed that information should be included on the spreadsheets, even if it was an estimate.

Chairwoman Smith added that the goal of the Subcommittee was to help the citizens of state understand the ARRA funding allocated to the state and provide transparency in how it was being utilized to benefit the citizens of Nevada.

Chairwoman Smith referenced a letter from the City of Fallon regarding its review of plans and spending of ARRA funds administered by the state Office of Energy – EECBG ([Exhibit E](#)). She noted the letter displayed the projects and positions created with the ARRA funding.

### Local Workforce Investment Boards

Ardelle Galbreth, Deputy Director, Department of Employment, Training and Rehabilitation (DETR), provided a brief overview of Nevada's workforce development system. He indicated that the Governor, by Executive Order, designated two local workforce investment areas – Nevadaworks in northern Nevada, and Workforce Connections in southern Nevada. The southern workforce investment area consists of Clark County, Esmeralda County, Lincoln County and Nye County, and the remaining 13 counties were in the northern workforce investment area.

Mr. Galbreth stated that DETR's role as a state agency was to oversee the workforce investment system, while the local workforce investment boards would oversee the front-line services delivered to clients throughout the state. Mr. Galbreth introduced, Tom Fitzgerald, Chief Executive Officer, Nevadaworks and John Ball, Executive Director, Workforce Connections. Mr. Galbreth noted that both workforce investment boards were doing great things with the ARRA funds in the local areas.

Chairwoman Smith asked Mr. Galbreth to explain the process for distribution of the funds and how the money was channeled through the local workforce investment boards.

Mr. Galbreth replied that the funds came from the U.S. Department of Labor (DOL) to the state of Nevada and DETR served as the state agency that received the funds. The funds were then allocated to the local workforce investment areas based on a formula grant process, which consisted of variables such as population, unemployment rates and poverty rates. In turn, the local workforce investment boards contract with service providers that deliver the services to clients.

Chairwoman Smith asked if the same process was applied to both stimulus funding and the normal workforce investment funding, or were there different requirements. Mr. Galbreth replied that the allocation of the stimulus funding was the same as the regular workforce investment funding; however, up to 15 percent of the funding received was used for the Governor's Discretionary Funds, and 5 percent of that funding was used as state administrative funding.

Chairwoman Smith asked where the reporting of the workforce investment stimulus funding was displayed on the DETR website. Mr. Galbreth replied that ARRA funds

were reported on the DETR website and the state ARRA website. He indicated that the local workforce investment boards report their activities to DETR, and then DETR reports the information to the federal government.

Assemblyman Goicoechea asked if the Governor was ultimately responsible for reporting the information to DETR. In addition, he asked if there was a check and balance system between the Governor's Office and DETR. Mr. Galbreth replied the funding came from the federal government to DETR, which served as the state agency to receive the funds. Mr. Galbreth noted that the funds do not actually go through the Governor's Office; however, since Mr. Harvey was the stimulus oversight director, the information reported to the federal government was also reported to Mr. Harvey. Mr. Galbreth stated that there was a check and balance system for the ARRA funding.

John Ball, Executive Director, Workforce Connections introduced Cornehius Eason, Manager, ARRA Programming, Workforce Connections. He referred the Subcommittee to the handout – ARRA Overview for Workforce Connections ([Exhibit F](#)). He indicated that the summer youth program was very successful with approximately 24 contractors engaged employing approximately 1,500 youth for the summer, and most of the employers were new to the service system. He said the jobs offered work experience for young people across a wide variety of employers in the community. Mr. Ball stated that the ARRA funding was a significant contribution to the youth in the communities and there were gratifying stories from youth that took the proceeds of the work home to help their disadvantaged families in southern Nevada.

Continuing, Mr. Ball noted that one particularly successful aspect of the program was the close partnership between the education community and business sectors. Working closely with the Nevada Public Education Foundation and the Clark County School District, Workforce Connections was able to work out a process in which youth in the program not only got on the job experience, but also credit for the academic part of the program, which in many cases helped youth who were deficient in high school credits to catch up with the class to graduate. Mr. Ball noted that the list of contractors, which included some of the best nonprofit agencies in southern Nevada, was shown on page 5 of the handout. He indicated the timelines showed a quick start-up and it reminded him of a line in an old country western song by Jerry Reed, "a long way to go and a short time to get there," which is what they had to do to get the program off the ground. A large percentage of the funds were expended through October 31, 2009, which was the original cutoff date. Mr. Ball stated that Workforce Connections, in conjunction with DETR and the DOL, obtained a waiver on the cutoff date allowing them to extend the work experience model an additional six months, through March 2010, for approximately ten of the program providers. He noted that Workforce Connections would continue to expend some program funds and provide additional placements during that time.

Concluding, Mr. Ball noted there was not just success in running the youth program, but substantial success in putting together a network of business participants and youth services organizations that worked very effectively toward the outcomes displayed in the

handout ([Exhibit F](#)). Currently, the Youth Counsel chaired by Ken LoBene, Regional Director, Housing and Urban Development (HUD), was putting in place a very ambitious plan for the summer of 2010 to expand the ARRA funding to a targeted 5,000 youth across southern Nevada. Mr. Ball said it might be a one-time opportunity, but the foundation was building a very strong coalition moving forward.

Cornehius Eason, Manager, ARRA Programming, stated that Workforce Connections funded service providers for adult and dislocated workers and those contracts commenced on July 1, 2009. Of the ten providers, seven were new to the process and started from scratch. Of the ten providers that were funded, five reported and the remaining five were expected to report before the next Subcommittee meeting. Training and job placement was done in a number of fields including health care, hospitality, renewable energy and weatherization, and recycling. Recently, Mr. Eason visited Goldfield in northern Nye County. County officials were excited to have someone visit from Las Vegas who was concerned about the employment situation in the county. As a result of that visit, Workforce Connections was able to place four people in jobs doing various repair work on schools, which would be finished before the onset of winter. In addition, Workforce Connections was working on developing work opportunities in Tonopah and was expected to have those in place before the end of the year. Mr. Eason said that eight individuals started working for the Clark County Code Enforcement Department and that program was expected to expand to approximately 24 people in Clark County and surrounding municipalities. He indicated that Workforce Connections was creating real jobs and he hoped to report higher job numbers at the next Subcommittee meeting. In addition, Mr. Eason stated that Workforce Connections worked with Evergreen Recycling and through that effort 22 part-time and full-time jobs were created. Those jobs helped people referred by the Catholic charities system and some were homeless before they had the jobs. Mr. Eason stated that at a recent Workforce Connections board meeting, the Executive Director and Chief Financial Officer from Evergreen Recycling reported that those who had been homeless were able to obtain housing and were off the street as a result of that work experience.

Concluding, Mr. Eason said that Workforce Connections was seeing success stories and he hoped to have a rosier picture on top of a picture that was already good in the next report to the Subcommittee.

Mr. Ball added that the timing of the large sum of allocations, which was more than double the local governments' annual allocation, caused some operational challenges. Also, the policy framework the local governments were working under was a perfect example of a state agency and two local components trying hard to work together to create jobs. As Congress moved the bill to put the funding on the table, Workforce Connections looked for mechanisms to allocate the money. In the case of the local workforce, the mechanism was the Workforce Investment Act, which was a piece of legislation that was designed and debated in the mid-1990s and implemented by Congress in 1998. Mr. Ball recalled that the 1998 economy could not have been any more dramatically different than the current economy, so the rules, regulations and

operational framework that came out of the Workforce Investment Act were tuned to a time when the task they were trying to accomplish was to train people as quickly as possible and get them into the hottest economy in the history of the county, because the jobs were plentiful for trained individuals. Currently, the federal government allocated money that was designed to do exactly the opposite with the same set of rules and regulations. That hamstrings the local governments on a daily basis because there was no flexibility to work with the companies and municipalities. Mr. Ball commented that it was cautionary tale about how the best intended policies could be problematic if they were not matched with the regulatory flexibility to meet current demands.

Chairwoman Smith noted that states would be waiting years for the funding if they waited for regulatory changes to take place.

Chairwoman Smith said she could see the allocation of funding and how it was utilized on the recovery.gov website and wondered if that information was also on the local workforce investment board website. Mr. Ball was unsure if the workforce investment board's information was tracked on the recovery.gov website; however, the allocations were tracked down to the contract level on the local workforce investment board's website. In addition, the local workforce investment board did performance reporting through DETR to show how many job placements came out of an allocation, the retention rate of the candidates for a certain period of time, and the increases in wages over a period of time. He indicated that all the standard DOL performance accounting measures were reported through DETR.

Chairwoman Smith asked Mr. Ball to show the Subcommittee where that information was located on the local workforce investment board's website. Mr. Ball said it was not currently displayed on the website because the measures were retrospective for the DOL performance piece; however, the contract details were available.

Chairwoman Smith said this brought up the overarching issue of the need to make information easily available and transparent to the public. She wanted the DETR website to connect directly to the workforce investment and recovery.gov website so people would be able to find all the information with ease.

#### Nevadaworks

Chairwoman Smith asked that the record to reflect that her husband was a board member of Nevadaworks.

Tom Fitzgerald, Chief Executive Officer, Nevadaworks, stated that Workforce Connections, in southern Nevada had substantially more money than Nevadaworks because of its population and greater needs. He provided a handout to the Subcommittee, Nevadaworks – ARRA Activities, ([Exhibit G](#)). Mr. Fitzgerald indicated that Nevadaworks had 23 providers for the summer youth work experience program, 472 youth participated in the program, and all the money allocated to the program was

spent. Mr. Fitzgerald noted that he attended several of the graduations and received positive input from the individuals that participated in the program.

Mr. Fitzgerald stated that 323 participants received a variety of training through the adult and dislocated worker program to increase their employability when the job market recovered. He read an e-mail from a participant in the adult and dislocated worker program:

Dear Tom,

I was an intern at New to You Computers. I very highly praise their program and thank Nevadaworks for giving them an opportunity to implement it. Under the program I learned things I didn't know...I didn't know. They were also able to give me résumé and interview coaching. Because of the internship, I was able to interview for the job I have at my new employers. I am now working as an IT support person at the Children's Cabinet. The opportunities the New to You internship open for me were astounding. I am very pleased to be working for a company that does so much good.

Chairwoman Smith asked Mr. Fitzgerald how much ARRA funding was allocated to Nevadaworks. Mr. Fitzgerald replied that Nevadaworks received approximately \$2.0 million in ARRA funding.

Chairwoman Smith asked whether the training programs that helped individuals learn interpersonal skills for job searches were done in-house or were contractors sub-granted to provide those classes for the participants. Mr. Fitzgerald replied that there was a process by which the funding for workforce development was distributed. He explained that Nevadaworks distributed a request for proposals (RFP), and training providers like New to You Computers, Children's Cabinet, and Job Opportunities in Nevada (JOIN), responded with programs. After an appropriate review process, Nevadaworks awarded the funding to the various agencies, and in-turn the agencies provided the training. He noted that some agencies used in-house staff and others hired individuals within the community on a temporary basis; however, it was up to each contractor to decide how to provide the services.

Mr. Fitzgerald noted that under the Workforce Investment Act, Nevadaworks and Workforce Connections were not permitted to provide any training and were strictly administrative agencies and must pass the money on to other agencies, whether profit, non-profit, or governmental agencies. He noted that the workforce investment board's responsibility was to properly administer, monitor, and report all the information through the appropriate channels.

Chairwoman Smith asked where she could find the allocation of the funds and the list of sub-grantees from the local workforce investment boards. Mr. Fitzgerald replied that a

list of each service provider was displayed on the nevadaworks.com website and there was a link to the provider's website; however, he was unsure whether each provider listed that information on their websites. Mr. Fitzgerald would request that the service providers include that information on the individual websites.

Chairwoman Smith thought that some of the information would be displayed on the website after the October 2009 reporting date. She believed that DETR needed to find a way to coordinate that information, for example, the Workforce Connections website had a long list of providers and rather than having to go to every agency, she hoped that information could be displayed in one location. She said it was interesting and informative to know the various ways the nonprofits utilized the funding. Chairwoman Smith recently read an article about a person in her district that was grateful for the job search skills he received from a local service provider as a result of the funding. She believed that information was helpful and it would be better if people did not have to search through different agency websites to find the information.

Mr. Galbreth responded that DETR would strive to coordinate the information on its website.

Chairwoman Smith said she was getting mixed messages regarding job search requirements for people on extended unemployment benefits and wondered if the work search requirements were a federal or state requirement.

Cindy Jones, Administrator, Employment Security Division (ESD), DETR, stated that the meeting packet contained updated information regarding the unemployment insurance benefits, page 29, [Exhibit C](#). She noted that the current unemployment rate was 13.3 percent and a continuing escalating unemployment rate was expected as the recession continues. The recent federal unemployment rate was 10.2 percent, which was up 4 ticks. Ms. Jones was hopeful that Nevada would not follow the federal unemployment trend; however, that information would not be released until November 20, 2009, because the Bureau of Labor Statistics reported state information later than federal information. For the week ending October 31, 2009, approximately 118,000 unemployed workers were receiving Nevada unemployment insurance benefits. The new unemployment insurance benefits extension recently passed adding up to 20 weeks of unemployment insurance benefits on top of the 79 weeks previously available through the variety of state and federal extensions. The 20-week extension was available to Nevada and 6 weeks of benefits was a result of being a high unemployment state with unemployment over 8.5 percent. However, Ms. Jones noted that there was a hitch in the initiative, because the time period to file for federal extended unemployment claims expired December 31, 2009, so the state had eight weeks to pay an extension that was 20 weeks long. Ms. Jones noted that Nevada and other states were hopeful that the federal government would pass additional legislation before the end of the year to extend the federal emergency unemployment compensation programs. Ms. Jones stated that the 20-week unemployment insurance benefit was

good news and she was hopeful the program would be extended so unemployed workers could receive the full benefits.

Concluding, Ms. Jones noted that the change in the state unemployment insurance benefits job search was a federal requirement with a different standard. The regular state unemployment insurance benefit programs, as well as the federal extensions, required all workers to maintain a work search log that could be monitored, evaluated and validated through a variety of call-in mechanisms. Federal law required tangible proof of work search, which was basically submitting a piece of paper demonstrating the work search that was done for that week, prior to the payment of state-extended benefits. She said that requirement was an administrative burden for all states. Ms. Jones noted that anyone on the state-extended benefits program would be paid last based on the way the federal extensions were written. She explained that a worker who was a member of a hiring hall must be willing to look for and accept work that was appropriate for their knowledge, skills and abilities; however, that worker was not required to look for work that would be in direct competition of their union membership. For example, a union carpenter was not required to look for non-union carpenter work; however, the worker had to look for other work in other lines that they might be qualified to accept, which was a federal law regardless if pay was half of their previous wages. Ms. Jones noted that when a person was far enough out on their unemployment insurance claims, which with the new extension was up to 99 weeks, at the point of the state-extended benefits, the expectation of the unemployment insurance system nationally was that they had to accept any work that was reasonable for them that paid more than their unemployment insurance benefit.

Assemblyman Goicoechea asked for a report on the state borrowing federal money for unemployment claims. Ms. Jones replied that DETR has borrowed over \$16 million to date and was currently in a mass mail cycle, collecting quarterly funds from their employers so less would be borrowed in the next couple of weeks. She added that based on the tax rate structure in place, the state could borrow close to \$1.0 billion by the end of 2010. However, she was hopeful the federal government would provide some relief to the states because more than 40 states were expected to borrow over \$90 billion by the end of the current recession.

Chairwoman Smith wondered if there was discussion on extending Cobra provisions for healthcare. Since the unemployment benefits were extended it seemed like that would be helpful for constituents.

Ms. Jones replied that she has not seen anything in writing regarding the extension of Consolidated Omnibus Budget Reconciliation Act (COBRA) benefits, but it was one of the ARRA provisions the states hoped would be extended through the national organization and they were advocating for that. Ms. Jones was hopeful that the COBRA provisions would be extended and the Federal Additional Compensation program (FAC), which paid the extra \$25 on top of additional benefits, would be extended. She noted that \$25 may not seem like a lot individually, but over a week it pumped over \$94 million



into Nevada's economy since the implementation of that program. She added that DETR was hopeful that the interest-free period for loans would be extended and the loan forgiveness concept would be adopted as well.

Chairwoman Smith asked when the COBRA subsidy would run out. Ms. Jones thought that the application period was over in December 2009; however, she would check and provide the findings to the Subcommittee.

Chairwoman Smith thanked Ms. Jones and the ESD for being accessible to people and helping them with their claims so they could receive unemployment as fast as possible. She said their efforts were appreciated.

#### State Energy Office

James Brandmueller, Director, State Office of Energy, provided an update on the activities undertaken by the Office of Energy. He wished he could tell the Subcommittee that more funding was put into the economy, but the process of having buildings surveyed and engineered took time. The Office of Energy anticipated having several contracts out for bid by early December 2009, with the bulk of the funding hitting in early January 2010. In addition, the Office of Energy was in the final stages of negotiations with the U.S. Department of Energy (DOE) on the appliance rebate program. The implementation of the Energy Efficiency Conservation Block Grant (EECBG), recently approved by the Interim Finance Committee, has begun with notifications to the cities and counties.

Chairwoman Smith asked when the EECBG funding would be allocated to the cities and counties. Mr. Brandmueller replied that the Office of Energy was going to maintain the 1512 federal reporting requirements to help the process since some cities and counties were having difficulty handling the administrative burden. The Office of Energy was negotiating with several of the cities and counties to ensure they were in compliance. The Office of Energy would undertake an interlocal agreement between the cities and counties and present it to the Board of Examiners as soon as possible. In addition, the Office of Energy received assurance from the Governor's Office that if those agreements were amalgamated, the Governor's Office would expedite the agreements to the Board of Examiners meeting so the projects could be out to bid by late January or early February 2010. Mr. Brandmueller noted that information for the bids were requested last summer, so his office already had a good deal of information. It was only a matter of having the proper forms and assurances. He would provide a copy of the breakdown of EECBG funding for the cities and counties and how much was directly funded by the U.S. DOE and the Office of Energy. He noted that the Office of Energy and the DOE used the same formula for distributing the funds to the counties and cities.

Mr. Goicoechea asked Mr. Brandmueller if there was a list of the funds so the jurisdictions could anticipate the funding that was allocated to them. Mr. Brandmueller replied that a list would be posted on the Office of Energy website. He thought all the

jurisdictions had been advised of the anticipated amounts allocated to them; however, he was aware there were problems getting the information to the appropriate people.

Chairwoman Smith asked Mr. Brandmueller about the money allocated for the school districts. Mr. Brandmueller noted the Office of Energy asked the U.S. DOE to reprogram \$1.5 million previously allocated to a couple of programs and reallocate to the school districts by giving \$500,000 to the Washoe County School District, and an additional \$1.0 million to the Clark County School District. Mr. Brandmueller admitted that this was not the perfect situation, but it the closest fix that could be made without disturbing the program and causing further delays. He noted the projects were received from the remaining 15 school districts that were under the base program. He encouraged Washoe County and Clark County to submit proposals to the Office of Energy, and as soon as the Office of Energy received official confirmation from the U.S. DOE on the grant amendment, that information would be out and moving as fast as possible.

Chairwoman Smith asked when the other 15 school districts would receive funding. Mr. Brandmueller replied that the other 15 school districts would not receive funding directly, rather they would enter into an interlocal agreement with the Office of Energy and bids would be processed through State Purchasing.

Chairwoman Smith clarified that she was asking when the 15 school districts could spend their funding. Mr. Brandmueller replied that would likely happen within the next 30 to 50 days depending on how everything links together in the procedural part of the process. He noted that all the school district proposals were due on November 20, 2009. Unfortunately, there were environmental issues to be addressed, which caused a delay with some of the projects. Mr. Brandmueller anticipated having the request for proposals (RFP) out for services in January or February 2010. He reiterated that the Office of Energy had to go through the Board of Examiners for the interlocal agreements. He noted that most of the school districts wanted the Office of Energy to program the work to begin during the summer, June 2010, which gave the districts more time to fine tune some of the projects.

Chairwoman Smith commented that some of the school districts were requesting projects begin in June because they did not want to interrupt school. In addition, the state building projects would be ready to go to bid in the beginning of 2010. Mr. Brandmueller replied that State Public Works Board (SPWB) was diligently working through the list of nominated buildings and projects. State Purchasing was working on the agreements and moving forward with the bids. He indicated that the first project to go to bid was the solar project for the roof of the State Capitol Building. In addition, there was the solar project on the Legislative Building, which he hoped would be out for bid soon.

Chairwoman Smith asked about the announcement that NV Energy applied for \$138 million in stimulus funding for the Smart Grid Infrastructure Grant to support the company's Advanced Service Delivery (ASD) project, which will help build modern

infrastructure for the state of Nevada. She asked if that funding was being filtered through the Office of Energy. Mr. Brandmueller replied those were direct grant funds and NV Energy received the funding for the smart grid technology. He explained that the funding did interface with the Energy Assurance Grant through the Office of Energy, which was a direct funded grant. The geothermal grants were directly funded and there were energy efficiency/conservation competitive grants, which were currently open with a deadline for submission of December 7, 2009. The Office of Energy was working with the SPWB and other entities and would be submitting a project for that grant. In addition, Mr. Brandmueller was aware of a project coming out of Clark County and there may be others that the Office of Energy would be supporting. Mr. Brandmueller received assurances from representatives in Washington, D.C. that they were looking forward to multiple grant applications from Nevada and there was no impediment to funding multiple grants to the state.

Chairwoman Smith asked the date of the next reporting period. Mr. Brandmueller said the next reporting period was January 10, 2010. He hoped the federal government extended the date beyond 10 days because it was hard to make a 10-day deadline at the end of a quarter.

Chairwoman Smith was eager to know the number of jobs created with the energy projects. However, she was unsure if the January reporting numbers would be much better according to the information presented at the meeting. Mr. Brandmueller said the process would begin with the January 2010 reporting. He noted that after attending several meetings with the various ARRA reporting groups, the state Controller, ARRA Director, and the federal government, it appeared that several departments had different thresholds on the formula used for the amount of dollars spent to equal one job. He said the formula of \$92,000 spent created one job was what the Office of Energy was given by the DOE. He understood that the 1512 federal reporting asked states to report as close as possible actual jobs. The Office of Energy was trying to identify an actual job rather than using a formula of a certain amount of dollars equals one job. The Office of Energy was using the amount spent on a project and the amount of man hours that went into the project. Mr. Brandmueller noted that pursuant to ARRA, the certified wage information had to be maintained, which would come into the Office of Energy and ultimately to the ARRA Director's Office, and should provide a clear cut determination. In addition, he asked for clarification from the federal government because it was requested that the state determine, as best as possible, any sub vendors. For example, if a light bulb was purchased, what were the actual jobs earned from that purchase. They wanted to report the information accurately without using some "pie in the sky" formula to determine the number of jobs created pursuant to their actions.

Chairwoman Smith reiterated that the Subcommittee was anxious to see the actual number of jobs created. She understood that there was a multiplier effect; jobs were created when thousands of light bulbs were installed. However, she believed the Subcommittee and public were interested in the actual number of jobs, and not a formula. Chairwoman Smith understood that generally speaking they could assume that

so many dollars would equal one job, but they were anxious to see the hard numbers. She asked if the state met every federal deadline and had not lost any funding or opportunities at this point. Mr. Brandmueller replied that the Office of Energy was meeting every deadline and were responding as expeditiously as possible to every request received. In addition, he was trying to respond to the comments and concerns received from the Federal Stimulus Oversight Subcommittee and the Committee on Energy, Infrastructure and Transportation (S.C.R. 19) meetings to see how those requests could be combined with any of the Office of Energy projects and programs. Mr. Brandmueller welcomed input from the public. He did not believe it was a perfect document, but he wanted to get the funding out on the streets as fast as possible.

Chairwoman Smith asked for an update on the positions filled in the Office of Energy as a result of the ARRA funding. She noted that during the last legislative session there was a request for one position for each of the programs, which was ultimately scaled back. Mr. Brandmueller explained that when he assumed his current position he was asked to perform a personnel evaluation of the Office of Energy to make a determination on the actual needs of the office. He indicated there were some things that were not initially included in the requested positions, which he believed were necessary and the Office of Energy would be requesting four additional positions. Currently, three positions were authorized by the Interim Finance Committee (IFC) in August. In addition, an administrative assistant was added and the Office of Energy would be seeking up to four additional positions. He noted that as the Office of Energy progresses with the projects he would look carefully at the positions to determine if they were needed and only add the positions as needed to keep the spending to a minimum. He believed qualified candidates for the positions might not want to take the job if there was concern the funding may expire before they had a desire to retire. He reiterated that currently the funding for the positions was limited and they were no guarantees that additional funding would be available from the federal government in the future.

Assemblyman Goicoechea asked if the entities not directly funded had until November 20, 2009, to submit their proposed projects. Mr. Brandmueller replied that only applied to the school districts. The deadline for the other entities was approximately December 10, 2009, and the deadline could be extended if needed; however, most of the entities had their projects identified. Mr. Brandmueller said the assurances had to be physically signed, which was a major stumbling block. Mr. Brandmueller would work with the entities to ensure everything required was done to move the projects to the counties. He noted that the Office of Energy's role was merely to facilitate the process and ensure the counties were meeting the federal requirements.

Assemblyman Goicoechea asked if the entities would then enter into an interlocal agreement between State Purchasing and the Office of Energy. Mr. Brandmueller replied that the interlocal agreement would be primarily between the Office of Energy and the entity to facilitate the project. The entity would be in charge of the day-to-day operations. The Office of Energy would oversee that project to a certain extent and would write the checks for the project. The Office of Energy wanted to ensure the

entities' concerns were met, and also guarantee that the projects would be completed as planned before any money was paid.

Assemblyman Goicoechea wondered about the timeframe to create the interlocal agreement because he wanted the money paid to the entities as soon as possible. Mr. Brandmueller replied that he has received support from the Governor's Office to move the bids as soon as possible. If needed, the Office on Energy could supplement with personnel or retired state employees with grant experience to help with the interlocal agreements.

Chairwoman Smith thanked Mr. Brandmueller for his presentation and asked him to be available for the next meeting in January. She hoped to hear at the January meeting that the school districts and state buildings had their jobs out to bid so job creation would be seen in the next quarter.

**C. PRESENTATION ON INFORMATION AVAILABLE ONLINE AT THE STATE OF NEVADA'S WEBSITE ([www.nv.gov](http://www.nv.gov)) CONCERNING AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING AND STATUS OF THE REQUIREMENTS DEFINITION STUDY FOR AN AMERICAN RECOVERY AND REINVESTMENT ACT REPORTING SYSTEM**

Dave McTeer, Chief, Information Technology Division, Department of Administration, stated that his task was to oversee the weekly updates to the existing ARRA website, and in the absence of Charles Harvey, Director, ARRA, he would review the improvements made to the state ARRA website. In addition, Mr. McTeer was the project manager for the requirements analysis and the follow on reporting system development that was planned. He referred the Subcommittee to the handout, ARRA Reporting System Talking Points, ([Exhibit H](#)), which displayed the ARRA reporting requirements analysis. Mr. McTeer indicated that the vendor, Aeris Enterprises, Inc., completed the requirements analysis. He did not have the formal document from Aeris Enterprises, because they were preparing for Phase II, which was development of the website. He has met with Andrew Clinger, Director, Department of Administration, Mr. Harvey, and Dan Stockwell, Director, Department of Information Technology (DoIT), and they have agreed on the functionality that was appropriate for the cost and what the reporting system meant to the citizens in the reporting system.

Mr. McTeer said that the existing system drastically changed from what it was a month ago, which was primarily due to the efforts of Mr. Harvey and his staff and the Webmaster group at DoIT. Because the system was currently a good presentation, Mr. McTeer said they wanted to take advantage of that and expand and adapt the existing recovery website to leverage previous development efforts. He noted the expanded website would offer a state of Nevada-focused view of the ARRA data. The primary data source would be extracts from the federal recovery website, [www.recovery.gov](http://www.recovery.gov), containing the final version of all state reported 1512 data for each

reporting period, along with data reported by federal agencies. He noted that some federal agencies, such as the Forest Service, were directly contracting with vendors, and none of that reporting came through the state; however, that information would be pulled from the federal government website and reported on the state recovery website. In addition, the ARRA website would report on data that was reported by vendors directly to the federal government. Lastly, non-1512 data would be reported, such as FMAP and unemployment insurance. Mr. McTeer stated that all the data would be downloaded each quarter from [www.recovery.gov](http://www.recovery.gov), and then available on the state ARRA website. Where applicable, the capabilities of the federal website would be used instead of replicating efforts. Mr. McTeer was concentrating on where to add value to the website because it made no sense to duplicate the efforts of the federal government. He noted the totals would be produced and reconcile directly with the federal website, which would reduce confusion for users of the Nevada recovery website. Mr. McTeer said that additional data from within the state to incorporate anticipated or upcoming awards would be on the website. The expanded website would combine descriptive content such as news stories, progress reports, and links, with components that show tables and graphs based on a single, comprehensive, and accurate data source. Mr. McTeer noted that voluminous amounts of data would be displayed pictorially on the website so the information was easier to grasp. The expanded recovery website and the agency ARRA website would be moved into a Content Management System (CMS) to help ensure a consistent look and feel across all state of Nevada ARRA-related websites. Currently, the agency sites were constructed by different Webmasters so they had a slightly different look and feel. In addition, the CMS would allow non-technical users to manage the content resulting in more frequent, relevant updates to descriptive content. Mr. McTeer said the Nevada recovery site and the agency ARRA sites would work together more cohesively. The Nevada recovery site would provide summary level views and highlights and the agency ARRA sites would show the supporting detail. The data on the primary site would link to the agency site for more detail. Mr. McTeer noted that some of that detail existed on the current site, but not cohesively.

Mr. McTeer stated that this strategy would not require any additional technical resources within the state to maintain these collective sites. In addition, the totals and statistics that were presented would be consistent throughout the state of Nevada ARRA-related sites and reconcile easily with the federal information. Mr. McTeer stated that the improvements to the website were based upon input from Mr. Harvey, in conjunction with DoIT technical staff.

Assemblywoman Smith asked Mr. McTeer if the development of the state ARRA website was based on IFC approval at the November 19, 2009, meeting. Mr. McTeer replied that the expansion of the ARRA website was an agenda item for the upcoming IFC meeting. He clarified that the Governor determined that under NRS 353.220(5)(a), the request for the revision of the work provision was necessary for the protection of life or property and has taken reasonable and proper action to approve the work program and will report the action to IFC as required by statute. Mr. McTeer stated the Governor

has the discretion to determine what required immediate action, and under the statute and circumstances, the Governor determined that immediate action was appropriate in this case.

Assemblywoman Smith believed the enhanced website should be up and running soon based on the action of the Governor. Mr. McTeer replied that the intent was to have the enhanced website up soon.

Andrew Clinger, Director, Department of Administration explained that under the 1512 reporting tab was a spreadsheet that summarized the 1512 reporting data that was reported to the federal government. There was a table of contents for the 1512 reporting and a ARRA summary tab under the spreadsheet displaying the different recipient agencies along with a program description, amount of award from the federal government, CFDA number for the different awards, the amount of federal funds actually received, reported number of jobs created or retained, and the total federal amount of the ARRA expenditure through the first reporting period, September 30, 2009.

Navigating through the [www.nv.gov/recovery](http://www.nv.gov/recovery) website, Mr. Clinger showed an example of the Workforce Investment Act funds – \$4.7 million received from the federal government, which created 248 jobs. In addition, \$6.0 million was spent and there was a time issue between the money spent and the actual amount drawn down from the federal government. Vendor information was also included in the worksheets.

Chairwoman Smith asked if the upgrades would make the website more user-friendly and easier to navigate. Mr. Clinger replied that the data was currently contained in an Excel spreadsheet; in the future data would be downloaded into a database and published in a web content style, which would be easier to navigate.

Continuing with his presentation, Mr. McTeer explained that news and resource drop down tab was located on the recovery homepage, along with drop downs for frequently asked questions from the public and legislators concerning the ARRA reporting. Additional questions and facts would be added as they are received from Mr. Harvey's office.

Mr. McTeer stated that the pie chart on the left side of the recovery site previously took up most of the home page, and ARRA data for all departments was available by clicking on the pie chart. Included was a list that displayed each agency's part of the ARRA funding, which was an intermediate attempt to make the data somewhat consistent. The recovery news displayed a map of the United States, and each individual state had a link containing funding data for the specific state. Mr. McTeer noted that the data on the recovery website was good and well presented, but it was difficult to navigate. He noted the links to the site would be improved it would be linked in the federal website to make it easier to navigate.

In addition, on the home page under the frequently asked questions and resources tab was a link for fraud and waste. Under that tab there were four items that included Nevada Division of Internal Audits, which contained a template to e-mail a report of fraud, waste and abuse to the Internal Audit Division. The second item was the Nevada Fight Fraud Task Force, from the Department of Business and Industry, which displayed the scam alerts related to the ARRA funding. There was a link for Nevada 2-1-1, which offered access to basic needs to any health and human services program. The last item under the tab was the Recovery, Accountability, and Transparency Board, which was a direct link to the federal recovery website.

Moving to the bottom on the home page on the recovery website was a link for Nevada's recovery success stories and was an opportunity to look at the success of the ARRA related issues, jobs created, and programs.

Mr. McTeer said that on the far right of the recovery website was a link for jobs created as a result of the ARRA funding. He noted the data came directly from the 1512 reporting from the federal reporting site. Mr. McTeer stated that Mr. Harvey and the Department of Administration made a conscious decision early in the process to report data from the federal website. If there were problems with the data there was an opportunity to correct the data the next quarter, which was the only time the data could be corrected because the data was new each quarter. However, no attempt would be made to correct or adjust the data because of the risk of not being data that reconciled to the federal ARRA website. He noted that the 5,079.98 jobs created came directly from the federal government website.

Mr. Clinger added that the jobs data allowed someone to link to the various departments, for example, the Department of Corrections showed 198 jobs were retained, but the 1512 reporting does not require those jobs to be separated by jobs retained or created so the jobs were not separated on the state website. However, the narrative for the departments stated whether the jobs were retained or created. In the case for the Department of Corrections, jobs were retained because of the stabilization funding that went into the Department of Corrections budget, and was an estimate of the number of jobs that were retained as a result of those stabilization funds being budgeted within the Department of Corrections for fiscal year 2011. Therefore, those were not new jobs, but jobs that theoretically would have been lost. He noted it becomes a "what if" game and it was not known whether the 198 positions would have been eliminated within the Department of Corrections if the federal funds were not granted.

Mr. Clinger stated that there was discussion earlier in the meeting regarding the education positions that were retained, and on the state ARRA website, the Department of Education showed that 4,158 jobs were retained from the Education Stabilization Grant. He reminded the Subcommittee that the state received \$396 million in stabilization funds and a good portion of that funding went into education. The description stated that 2,094 jobs were retained for K-12 and 2,064 jobs were



retained for education. The narrative stated that the estimates were based on an average annual salary and benefits of \$67,000 for K-12 and \$45,000 for higher education. The stabilization funds that went to those two organizations were divided by the average annual salary to estimate for the number of jobs retained. Mr. Clinger said he did not want to answer the question of whether the state would eliminate 2,000 positions in higher education or 2,000 positions in K-12. He was just reporting the data as it was reported to the federal government.

Mr. Clinger said that the job section of the recovery website included a counting ARRA job created/retained document, which was a good description of the calculation used for jobs created and retained. He noted that the Department of Administration did not report those items separately, but it offered users of the website a way to educate themselves on the difference between a job created and retained and how those job numbers were calculated.

Mr. McTeer stated that concluded the Department of Administration's presentation on the improvements made to the existing website and he and Mr. Clinger would be happy to answer any questions.

Chairwoman Smith asked about the Department of Administration's plan for the emergency declaration from the Governor. She indicated that staff did not receive the declaration. Mr. Clinger stated that he would provide that information to staff and the Subcommittee.

**D. PRESENTATION ON INFORMATION REPORTED AS REQUIRED IN SECTION 1512 OF THE AMERICAN RECOVERY AND REINVESTMENT ACT FOR THE PERIOD ENDING SEPTEMBER 30, 2009**

Lynn Hettrick, Deputy Chief of Staff, Office of the Governor, said he was sitting in for Charles Harvey. He explained that Mr. Harvey was attending a statewide ARRA meeting in Washington D.C. to provide input on how the ARRA process could be improved. He introduced Emily Nunez, Executive Assistant to Mr. Harvey. He would read a presentation prepared by Mr. Harvey and would make additional comments having participated in the preparation of the October 1, to October 10, 2009, reporting period deadline, which he noted was particularly stressful.

Mr. Hettrick stated that in accordance with Section 1512 of the ARRA of 2009, the state of Nevada successfully met its first federal reporting requirement. Under the federal guidelines, state agencies that received stimulus funding were required to submit a separate report for each federal funding award received. During the period of October 1, 2009, through October 10, 2009, the state of Nevada agencies transmitted more than 100 project reports via the federal government reporting website for the quarter ending September 30, 2009. During the initial period, the state of Nevada linked stimulus funds with creating or retaining 5,080 jobs. Mr. Hettrick said the most significant number of jobs created or saved was related to the State Fiscal Stabilization

Fund (SFSF). The job numbers illustrated the positive impact the stimulus funds were having in the state; however, those jobs only represented a portion thereof because of the spread from the money, when the money was spent, and the various jobs and support. He noted that the funding had a larger impact than the job numbers implied. Given that, Mr. Hettrick said that a part of the problem, which Mr. Harvey was currently working on in Washington D.C., was the inconsistent terminology. Funding received was reported by the different agencies as money that was obligated, invoiced, spent or expended, which made it hard to match the terminology.

Continuing, Mr. Hettrick said that 198 jobs were retained in the Nevada Department of Corrections (DOC). However, those jobs actually extend to the 2011 budget year, so 198 jobs were saved without expending any money until 2011, which was why NDOC was able to retain the jobs. The job numbers accounted for the reporting discrepancies because of how they were reported. In addition, the federal government asked the state to apply the formula differently and to move jobs into a different category, which caused minor discrepancies.

Mr. Hettrick said the one issue for Nevada in the data reported during the October 1, 2009, through October 10, 2009, reporting period was the conflicting information received at the federal level that was filtered through various agencies and technical issues related to the upload of data through the federal recovery website. As documented in the federal government's letter dated October 15, 2009, contradictory federal guidance and technical difficulties prevented the Nevada Department of Education (NDE) and their sub-recipients from successfully submitting all their reports on the federal reporting website prior to the initial deadline. While they were ultimately able to complete their reporting, the NDE had to undertake every possible action imaginable to satisfy the reporting requirements. The NDE worked directly with the sub-recipients – the state ARRA units, state and federal liaisons, funding agencies, federal reporting website helpdesk, National Association of State Auditors, Controllers and Treasurers, and numerous attempts were made to electronically transmit the data. When all attempts to transit the information failed, the NDE submitted written and DVD copies of the data to the federal government. Mr. Hettrick participated in phone calls with Jim Wells, NDE, along with Ms. Nunez and Mr. Harvey on the final reporting day, October 9, 2009, to deal with the issue. Mr. Wells and his staff were extremely frustrated trying to complete the reporting requirements and often he was provided multiple instructions from the federal government, and hours of data was input into the federal website only to be denied. Mr. Hettrick said the process was difficult and NDE made a supreme effort and submitted all data as best as possible.

Mr. Hettrick indicated that Nevada was not alone in experiencing technical difficulties, problems and frustrations in their efforts to satisfy the reporting requirements. Due to the multitude of unforeseen issues, the ten-day reporting filing period was extended by the federal government. During the additional ten-day grace period, late filers were allowed to continue to submit their required quarterly reports, as well as make any necessary changes to previously submitted reports; however, they had to provide an

explanation for the delayed reporting and furthermore reports submitted during the grace period were identified on the recovery.gov website as late filers. Mr. Hettrick did not think it was fair to the NDE to be listed as a late filer because it was not a lack of data or effort on their part and not a fair characterization of the work of NDE. However, those were the rules and the state would abide by the rules. Other than the terminology issue, Mr. Hettrick stated that Nevada had a good first reporting.

Chairwoman Smith asked what Mr. Harvey's focus was now that the state was past its first reporting period. Mr. Hettrick replied that Mr. Harvey was in Washington D.C. trying to help with the reporting issues faced by Nevada and other states. In addition, Mr. Harvey was working on the inconsistency in the terminology and smoothing out the system in general. Mr. Hettrick commented that for the most part everything went well and everyone was prepared to meet the first reporting deadline.

**E. INFORMATIONAL ITEM – RESPONSES FROM THE STATE ENERGY OFFICE AND THE DEPARTMENT OF EMPLOYMENT, TRAINING AND REHABILITATION TO QUESTIONS OF THE SUBCOMMITTEE AT THE SEPTEMBER 24, 2009, MEETING RELATING TO ALLOCATION AND ADMINISTRATION OF AMERICAN RECOVERY AND REINVESTMENT ACT FUNDING**

Chairwoman Smith directed the Subcommittee to page 25, [Exhibit A](#), which contained responses to questions from the Subcommittee at the September 24, 2009, meeting relating to allocation and administration of ARRA funding. She noted that several of the issues were already addressed during the presentations.

**F. SCHEDULING OF FUTURE MEETINGS**

Chairwoman Smith proposed a schedule of future meeting dates: January 12, 2010, March 9, 2010, April 27, 2010, and June 8, 2010. She asked the Subcommittee to inform staff of conflicts they foresee with any of the meeting dates.

**G. PUBLIC COMMENT**

Chairwoman Smith asked for public comment.

Robert Tretiak, Business Development Officer, International Energy Conservation, commented that he believed the state was missing an opportunity to create more jobs and help low-income citizens reduce their power bills through energy efficiency. He referred to the handout, International Energy Conservation, ([Exhibit I](#)). He stated that 4 1/2 years ago he lobbied under the concept that it should be against the law to waste taxpayer dollars on energy inefficient state facilities. He noted that Assembly Bill 3, 72<sup>nd</sup> Special Session, sponsored by Assemblywoman Chris Giunchigliani, was passed and a provision was inserted into law that required that states reduce energy consumption in buildings by 20 percent by 2015. Unfortunately, Mr. Tretiak said that

little has been done on that initiative because of the lack of funding. However, with the ARRA there was funding to implement the initiative and the State Public Works Board, Purchasing, and Buildings and Grounds were moving forward on the initiative. In addition, James Brandmueller, Director, State Office of Energy, was embracing the concept and was pushing forward to make sure the ARRA funds provided as much energy efficiency as possible to help the taxpayers of the state.

Mr. Tretiak stated that the Weatherization Assistance Program began in the fall of 1998, through the U.S. Department of Energy. He directed the Subcommittee to the page 5 of the handout, [Exhibit I](#), which included printouts from the U.S. Department of Energy on weatherization assistance. Page 5 displayed the program accomplishments and the national average cost per unit spent on weatherization was \$2,380. However, Nevada, in part because they were using a rural model and serving a lot of underserved people, was spending approximately \$5,000 on weatherization, which was twice as much as the national average. Mr. Tretiak stated that was a 20<sup>th</sup> century model and looking at pages 6 through 8, [Exhibit I](#), there was a 21<sup>st</sup> century model that was promulgated by the Millennium Committee, a planning group through the Department of Energy.

Mr. Tretiak explained the Millennium Committee developed a visionary report containing a strategy for strengthening and expanding the Weatherization Assistance Program for the future, named "Weatherization Plus: Opportunities for the 21<sup>st</sup> Century," and this strategic plan urged the department to support the network of state and local weatherization agencies in flexibly adopting a whole-house and whole-community approach to better serve low-income Americans.

Mr. Tretiak stated that one of the initiatives was to advance the network's technological capabilities through an integrated strategy of training and technical assistance to employ new and advanced technologies, which have been determined to be cost effective, but have not been readily available to the weatherization network in the past.

Mr. Tretiak stated that the Weatherization Plus was a term that describes the evolution of the Weatherization Assistance Program from its traditional focus on heating and cooling energy conservation to an expanded focus on whole-house energy usage and whole-community efforts. The whole-house approach incorporated advanced technologies, because 30 years ago there was not a lot of advance technologies for energy efficiency and people that invented those types of technologies did not receive a lot of support. Mr. Tretiak said he was aware of people that worked for utilities companies in California and invented technologies to save energy and were fired because the utilities companies believed it was counter intuitive for the utility companies to help people use less energy. According to the Department of Energy, the goal of Weatherization Plus was to achieve significantly greater energy cost savings for more low-income households and to increase the programs contribution to the economic and environmental health and sustainability of the nation's communities. Mr. Tretiak said this was a pre-cursor to ARRA and to the virtual collapse of the economy in Nevada and

the nation. He asked if it was incumbent on the state to help as many people as possible save on their power bills and produce as many jobs as possible.

Mr. Tretiak noted that International Energy Conservation has not historically worked with residential situations, but were aware of a program that Mayor Bill White (former U.S. Deputy Secretary of Energy, 1993-1995) in the Clinton Administration, and now a three-term Mayor in Houston, as part of their neighbor revitalization have been using neighborhood block approach to find low-income neighborhoods and deliver on a moving assembly-line approach, thus eliminating many of the financial inefficiencies typically associated with residential and small commercial retrofit contracting. He added that the assembly line was what Ford Motors did versus building one car at a time and the difference in the price of a Rolls Royce versus a Ford. Building one at a time was an ineffective means of delivering the Weatherization Plus project, but it was exactly what the Division of Housing continued to do. Mr. Tretiak suggested, and so far has not been able to gain traction with the Division of Housing on using the Weatherization Plus method. In addition, another issue of concern was the measurement and verification. Mr. Tretiak recalled that when he was lobbying for energy bills, Senator Raggio provided him with a Legislative Counsel Bureau audit on the energy efficiency programs and the \$10 million energy efficiency retrofits that were done by the Nevada System of Higher Education (NSHE), and one the biggest critiques was there was no independent measurement and verification of the performance contracts. He noted that in 2011, independent home energy readers were suppose to do home energy audits on homes when sold so buyers were aware of the energy efficiency of the home. Mr. Tretiak suggested that industry, in which the International Energy Conservation did not have a financial interest, could get a kick-start by providing green collar jobs. Mr. Tretiak referred to pages 3 and 4 of his handout, displaying Residential Energy Efficiency Retrofit Program (REEP), which talked about creating green collar jobs for energy auditors and measurement and verification personnel. Under the existing program, measurement and verification was being done by employees of the companies that were doing the Weatherization Programs, and he contended that the blower-door testing and prescriptive remedies for remediation that were issued, the verification, and the measurement that energy was being saved, should be done by independent auditors rather than by employees of the firm actually doing the work, which also has not gained traction with the Division of Housing. Mr. Tretiak was aware there were some municipalities and political subdivisions within the state that were going directly to the federal government to do the Weatherization Plus on a neighborhood Block Grant basis, but he believed that the state could triple the number of jobs that created in weatherization and serve three times the number of houses by using a more efficient method of delivery.

Concluding his presentation, Mr. Tretiak stated that he appreciated the dedication and work of the Legislature. He said that most people did not realize that legislators faced sleep deprivation only known to medical residents and birth mothers and he believed they should be thanked and congratulated. He added that people do not realize the

work of the Legislature continued during the interim with studies and committees, in addition to monitoring regulations in the state.

Chairwoman Smith thanked Mr. Tretiak for his presentation and said the weatherization issues were important.

#### **H. ADJOURNMENT**

The meeting was adjourned at 4:06 p.m.

Respectfully submitted,

\_\_\_\_\_  
Donna Thomas, Committee Secretary

APPROVED:

\_\_\_\_\_  
Assemblywoman Debbie Smith, Chairwoman

Date:\_\_\_\_\_

**Copies of exhibits mentioned in these minutes are on file in the Fiscal Analysis Division at the Legislative Counsel Bureau, Carson City, Nevada. The division may be contacted at (775) 684-6821.**