

**MINUTES OF THE
SENATE COMMITTEE ON GOVERNMENT AFFAIRS**

**Eighty-second Session
May 10, 2023**

The Senate Committee on Government Affairs was called to order by Chair Edgar Flores at 3:36 p.m. on Wednesday, May 10, 2023, in Room 2149 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Edgar Flores, Chair
Senator James Ohrenschall, Vice Chair
Senator Skip Daly
Senator Pete Goicoechea
Senator Lisa Krasner

GUEST LEGISLATORS PRESENT:

Assemblywoman Venicia Considine, Assembly District No. 18
Assemblywoman Daniele Monroe-Moreno, Assembly District No. 1
Assemblywoman Clara (Claire) Thomas, Assembly District No. 17

STAFF MEMBERS PRESENT:

Jered McDonald, Policy Analyst
Heidi Chlarson, Counsel
Spencer Jones, Committee Secretary

OTHERS PRESENT:

Miles Dickson, Nevada GrantLab
Dylan Keith, Vegas Chamber
Areli Larcon, Las Vegas Global Economic Alliance
Joanna Jacob, Clark County
Michael Brown
Kelly Crompton, City of Las Vegas

Senate Committee on Government Affairs
May 10, 2023
Page 2

Emily Woodall, Dream.org
Nicole Rourke, City of Henderson
Leonardo Benavides, City of North Las Vegas
Jack Giese, Regional Transportation Commission of Southern Nevada
Peter Guzman, President, Latin Chamber of Commerce Nevada
Evelyn Pacheco, Nevada Women in Trades
Jordan Iniguez-Pacheco
Royal Pacheco-Dillon
Greg Esposito, Plumbers, Pipefitters, and Service Technicians Local 525
Randy Soltero, International Alliance of Theatrical Stage Employees
Andrew LePeilbet, United Veterans Legislative Council
Marc Ellis, Communications Workers of America Local 9413
Susie Martinez, Nevada State AFL-CIO
Marlene Lockard, Service Employees International Union Local 1107
Ronnie Young, International Brotherhood of Electrical Workers Local 357
Alfonso Lopez, International Association of Sheet Metal, Air, Rail and
Transportation Workers Local 88
Jeri Burton, National Organization for Women Nevada Chapter
Robert Diaz, International Association of Sheet Metal, Air, Rail and
Transportation Workers Local 88
Liz Sorenson, Nevada State AFL-CIO
Cesar Marquez, Move Nevada Forward
Alexis Motarex, Nevada Chapter, Associated General Contractors
Jarrett Rosenau, Clark/Sullivan Construction
Paige Barnes, Granite Construction
Brett Harris, Labor Commissioner, Nevada Department of Business and Industry
Russ James, Nevada AFL-CIO
Charles Zemp, International Union of Bricklayers and Allied Craftworkers
Dionne Klug, United Food and Commercial Workers Union Local 711
Warren Hardy, Urban Consortium; Associated Builders and Contractors, Nevada
Chapter
Jake Matthews, Mechanical Contractors Association of Las Vegas; Sheet Metal
and Air Conditioning Contractors' National Association of Southern
Nevada
Robert Sandoval, Vice President, RHP Mechanical Systems
David Cherry, City of Henderson
Stephen Wood, Nevada League of Cities and Municipalities
Paul Moradkhan, Vegas Chamber
Glen Leavitt, Nevada Contractors Association

Senate Committee on Government Affairs
May 10, 2023
Page 3

Len Savage, Savage and Son
Danny Thompson, Southern Nevada Building Trades Unions
Dan Musgrove, Southern Nevada Building Trades Unions
Aaron Ibarra, Southern Nevada Building Trades Unions
Jimmy Schwarz, Ironworkers Local 433
Ricardo Estrada, Ironworkers Local 433
Deanne Mattera, International Brotherhood of Electrical Workers Local 357
Bob Horton, Ironworkers Local 433
John Carlo, Ironworkers Local 433
Alan Dire, Ironworkers Local 433
Matthew Ludwig, Ironworkers Local 433

CHAIR FLORES:

I open the hearing on Assembly Bill (A.B.) 361.

ASSEMBLY BILL 361: Revises provisions relating to state financial administration. (BDR 31-995)

ASSEMBLYWOMAN DANIELE MONROE-MORENO (Assembly District No. 1):

Nevada has long struggled to access and administer federal grant funding on a level competitive with other states. In fact, Nevada ranks forty-fifth nationally in federal grant funding per capita and much worse in key categories like education and health. The shortfall causes the State, along with local governments, public agencies and nonprofits, to be underfunded and inflates State and local taxes and fees. Every year, Nevadans are short-changed hundreds of millions of dollars in federal grants that could be invested in building stronger, more inclusive communities and a more resilient economy. Nevadans cannot afford to lose out on these resources. Federal grants are vital to balancing the costs for a wide range of community assets and services, from affordable housing to workforce development, which can strengthen Nevada's communities and economy. Unfortunately, our State consistently secures among the least federal grant funding despite having some of the most need. A State agency is required to request and obtain approval from the Governor's Finance Office (GFO) and Interim Finance Committee (IFC) to accept and implement a new federal grant of \$150,000 or more, unless the Governor declares an emergency or expeditious exception. State agencies begin this process after receiving their notices of award from the federal government. As such, this process delays the implementation of a federal grant award by three to six months and shortens the agency's federally mandated period of performance. Numerous reports,

studies and surveys during the past ten years have identified this process as a key barrier to securing and effectively spending more federal grant funds in Nevada.

MILES DICKSON (Nevada GrantLab):

Our mission is to support fellow nonprofits, local and State government agencies in identifying and applying for federal funds. The story about federal funds in Nevada has been long in the making, and the solutions will take time. This bill enacts one of many solutions that will move Nevada closer to getting our fair share, shortening the timeline between when a State agency is notified it has been awarded a federal grant and implementing it. The federal grant lifecycle can be complex, so I have a presentation ([Exhibit C](#)) to make things clearer.

[Exhibit C](#), page 2, details an overview of the process when a State agency seeks a federal grant. This bill focuses on the middle section of the process, page 3, the time between a State agency submitting its federal grant application and when it can start implementing the funds. Nevada statute requires a State agency to get approval from GFO and IFC before it begins implementing grant funds. This bill does not change any of the required approvals or thresholds; it changes when a State agency can start getting the approvals. Currently, a State agency must wait until it has won a grant before it can begin seeking approval from GFO and IFC to use the funds. The bill allows a State agency to seek approval when it submits its application for federal funding, so that State and federal approval processes can run concurrently.

[Exhibit C](#), page 4, details the problem with Nevada's current approach. A State agency must wait three to six months after it has won a grant to start using it. This is a problem not just for Nevadans who need the services those dollars would fund but for the federal government as well. Federal grant agreements require federally funded projects to be conducted during a period of performance, which usually starts as soon as the grant is awarded. Our current approach means State agencies are losing months to implement the funding they are getting from the federal government, leading to Nevada being given less federal funding. The basic idea behind [A.B. 361](#) is to let State agencies get GFO and IFC approval sooner, so that when they get a federal grant, they can start using it sooner.

Senate Committee on Government Affairs
May 10, 2023
Page 5

DYLAN KEITH (Vegas Chamber):

We thank Assemblywoman Monroe-Moreno for carrying A.B. No 445 of the 81st Session and now A.B. 361. Nevada badly needs this bill. We support A.B. 361 and ask the Committee to do the same.

ARELIA LARCON (Las Vegas Global Economic Alliance):

We support A.B. 361 and the government efficiencies it will bring.

JOANNA JACOB (Clark County):

Clark County has partnered with Mr. Dickson and the Nevada GrantLab on several measures. We support A.B. 361 because it will facilitate awards to get more work done at the local level.

MICHAEL BROWN:

Federal grant-making agencies have performance metrics on how fast they can get grant money out and working in the states. In my experience, federal agencies were reluctant to work with Nevada because they do not believe we can deploy the money fast enough and none want a poor performance review because of that. When I secured a million-dollar grant from the U.S. Economic Development Administration for state planning, my colleagues reacted as if the agency had done something wrong. I got more questions about the grant we had won from a State agency than from the federal agency giving us the money. In 1979, Nevada took steps that today have made us biased against grants at a time when the federal government is trying to invest billions of dollars into the reshoring and restructuring of American manufacturing, which is a major problem. I support A.B. 361.

KELLY CROMPTON (City of Las Vegas):

We have seen many different bills on grants work at the State level and are glad to support A.B. 361. The work Mr. Dickson has done in this area has helped the region come together collaboratively to prepare grant applications.

EMILY WOODALL (Dream.org):

Dream.org works at the intersection of environmental and economic justice and is working to ensure that government funding gets to Nevada communities that need it most. We support A.B. 361.

Senate Committee on Government Affairs
May 10, 2023
Page 6

NICOLE ROURKE (City of Henderson):

The City of Henderson has been actively seeking out federal grants and supports A.B. 361. As a former grant writer, streamlining the process will bring more dollars to the State.

LEONARDO BENAVIDES (City of North Las Vegas):

The City of North Las Vegas' grants team understands how important it is we get our fair share of federal dollars. We support A.B. 361.

JACK GIESEA (Regional Transportation Commission of Southern Nevada):

We echo the prior comments and appreciate the efficiency A.B. 361 promotes. We support the bill.

PETER GUZMAN (President, Latin Chamber of Commerce Nevada):

We strongly support A.B. 361. For far too long, Nevada has been at the bottom of the list when it comes to federal grants. This bill will help Nevada get its fair share of federal grants by streamlining the application process and removing unnecessary time barriers. Ultimately, this will mean more money to help our communities and small businesses.

CHAIR FLORES:

I close the hearing on A.B. 361 and open the hearing on A.B. 305.

ASSEMBLY BILL 305 (1st Reprint): Revises provisions governing public works.
(BDR 28-112)

ASSEMBLYWOMAN CLARA (CLAIRE) THOMAS (Assembly District No. 17):

This bill is about expanding apprenticeship opportunities for women. Section 1, subsection 10 of the bill provides the definition of apprentice and apprenticeship program that has been in statute since 2019.

ASSEMBLYWOMAN DANIELE MONROE-MORENO (Assembly District No. 1):

During the Interim, many of us held town halls, and this bill came out of a community event with women. A number of women veterans said that they were having a hard time getting into the trades apprenticeship programs. The bill requires that, to the extent practicable, at least 2 percent of the hours of labor required to be performed by apprentices in horizontal and vertical construction be performed by women. Originally, the bill proposed requiring 5 percent of the relevant labor be done by women, but many of the trade

unions said they did not have enough women to meet those thresholds. This bill will get the women already in the trades more work and encourage more women to enter apprenticeship programs.

ASSEMBLYWOMAN VENICIA CONSIDINE (Assembly District No. 18):

Trade jobs are good jobs that provide a life with dignity. The idea behind this bill is to create a pipeline for women to enter these jobs in the long term. We have heard from the trade unions that they have a hard time finding women. Many single women are struggling financially. We want to highlight to such women they can get into these good jobs, learn trades that provide good pay and benefits.

ASSEMBLYWOMAN MONROE-MORENO:

This bill would not take effect until January 1, 2024.

EVELYN PACHECO (Nevada Women in Trades):

I am owner and president of Nevada Women in Trades and an army veteran. I am the first Black woman commander of American Legion Post 51. I am the first Black woman to get a plumber's license in Nevada. Nevada Women in Trades was started in 2018. We have created a pipeline for women seeking a career in blue-collar trades with a comprehensive course for women to secure apprenticeships, on-the-job training and professions in the trades. Our course offers a way for women to enhance their skills and is one way of assuring women get equal opportunity to perform well on the trade exams that have historically been male-dominated. Last year, Nevada Women in Trades was recognized by Women Build Nations and led the parade on Las Vegas Boulevard.

This bill will help women veterans, convicts, orphans and minorities build wealth and change their lives to reenter society. It will help single moms find a job that can support their family. No Black women had a plumber's license in Nevada until 2007. We need a movement to change this state of affairs.

SENATOR DALY:

If anyone you know is having trouble applying for apprenticeship programs, you should direct them to the Nevada State Apprenticeship Council. To be affiliated with the State, apprenticeship programs are supposed to do outreach twice a year and advertise in the newspaper several times a year. They send letters to more than 100 outreach organizations. The efforts to recruit more apprentices are there. Issues like daycare, getting to the job and being able to pay for a

hotel room if you are working out of town apply to both men and women, minority or not. Daycare and other issues apply more to women, but not only. A lot of measures are already in place to handle those issues. This bill will not address those issues. I do not know what the answer is.

Every trade craft apprenticeship program I have ever dealt with does outreach continually to get women into trade. Only a couple of times in my experience has an employer not given a woman a chance, and action was taken against them. I want to give them a chance. Not everyone can run the 90-pound jackhammer, but a lot of positions in the different crafts would be appropriate for women. Unfortunately, women in the trades tend to get pigeonholed into certain things like flagging, and we have fought against that for years.

Getting back to A.B. 305, what does “to the extent practicable” mean? What are you envisioning with that? Will it make a difference? No one can use a hiring hold provision in a collective bargaining agreement to say they cannot send out a minority or woman if requested. Collective bargaining agreements allow a contractor to request that to comply with State or federal law to meet minority requirements.

ASSEMBLYWOMAN MONROE-MORENO:

Men and women approach things differently. A man might put in for a job even if he meets only a small portion of the requirements; a woman will often feel like she has to meet all the qualifications. There are programs and outreach for women, but sometimes they need to meet women where women are. I have gone out of my way to create avenues for that. I put on an annual community barbecue and resource fair. I invite the trades from mining to construction to come, so moms, dads and kids can learn about the construction industry. We need to change how we market to women. Women do not feel as welcome with the recruitment method that has been used for years.

ASSEMBLYWOMAN THOMAS:

I ditto what my colleague just said. As a 20-year veteran of the United States Air Force, we had a lot of women doing tasks similar to the trades. They competed with the men and were listed as exceptional. There are women who can do those jobs. But once they go back to being a civilian, no one wants to give them a chance. They are perceived as unfit for the job. When I became an air traffic controller, it was believed women could not do the job because they would not understand the 3D effect or be able to handle the stress.

SENATOR DALY:

Women can do it. You are absolutely right that there are some negative perceptions around women. I think they are coming down. We combat them every day, but they still exist. Most employers take action against such attitudes, but there are bad actors out there. I understand the pipeline of women issue, but I am not sure this bill will have the effect you want.

ASSEMBLYWOMAN MONROE-MORENO:

Assembly Bill 305 will not fix all the issues, but I will continue to work on them.

JORDAN INIGUEZ-PACHECO:

I support A.B. 305.

ROYAL PACHECO-DILLON:

I support A.B. 305.

GREG ESPOSITO (Plumbers, Pipefitters, and Service Technicians Local 525):

Apprenticeships are amazing opportunities. My apprenticeship turned into a great career for me. It started my adult life. Any opportunity to extend that to people in need should be taken advantage of. In 2019, the Apprenticeship Utilization Act passed and created a standard that led to hundreds of careers. This bill is the next evolution. Last week, the building trades held their apprenticeship day and Assemblywoman Monroe-Moreno expressed how she did not know that women would be welcome in the trades. This modification of the Apprenticeship Utilization Act is a way to begin helping women get into the trades. I support A.B. 305.

RANDY SOLTERO (International Alliance of Theatrical Stage Employees):

Apprenticeship is a pathway not to a job but to a career. Many folks have made a career in the entertainment industry. This bill will help others do the same. We support A.B. 305.

ANDREW LEPEILBET (United Veterans Legislative Council):

Thousands of women veterans have been trained by our military to do many types of trade jobs. We support A.B. 305. We are disappointed that the percentages went down with the amendment. We would like to see it higher. As a father of four daughters, my oldest—who is 5 foot 2 inches tall—got into trucking and bought her own big rigs. We used to ask her how she reached the

pedals. She ended up owning her own company with 6 18-wheelers. She drove big rigs with all the men for 28 years. Women can do any job.

MARC ELLIS (Communications Workers of America Local 9413):

We should attempt anything that will level the playing field between men and women. We support A.B. 305.

SUSIE MARTINEZ (Nevada State AFL-CIO):

When I was in high school, I signed up for shop class and because I was the only girl in the class, I got out of it. That was such a shame because it could have probably taken my life in so many other directions. But I am glad that women are going to get the opportunity to improve their lives, get a pension and have a good job. I support A.B. 305.

MARLENE LOCKARD (Service Employees International Union Local 1107):

From many years of my work for the Nevada Women's Lobby and domestic violence in northern Nevada programs, I cannot tell you how many women came to us needing help to develop life-sustaining skills to turn their lives around. This opportunity opens another door for them. We support A.B. 305.

RONNIE YOUNG (International Brotherhood of Electrical Workers Local 357):

We support A.B. 305.

ALFONSO LOPEZ (International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88):

The military has a program called Helmets to Hardhats to help veterans get into trades. We have SMART Heroes, an apprenticeship open the first Tuesday of every month. Women have the opportunity to get into our program. We normally take in one to three women each year. We support A.B. 305.

JERI BURTON (National Organization for Women Nevada Chapter):

We support A.B. 305. It is important there are equal opportunities for women in trades and veteran women. These jobs will make it possible for women to make a living wage. This bill gives them a chance to have an even playing field in typically male-dominated jobs. We fight for pay equity and paving a way for women to get into jobs and trades as an important way for women to earn equal pay to men. I worked for a fastener manufacturer here in Las Vegas, working my way into a sales job that was a mostly male-dominated field.

Senate Committee on Government Affairs
May 10, 2023
Page 11

Once able to work and get equal pay to the men, I was able to buy a home and raise my son. This bill is important to me.

ROBERT DIAZ (International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88):
I support A.B. 305.

LIZ SORENSON (Nevada State AFL-CIO):
I strongly support A.B. 305. I always support anything that will advance women in the workforce.

CESAR MARQUEZ (Move Nevada Forward)
I support A.B. 305 for the reasons laid out by others. I look forward to the next steps to create a culture that welcomes women into these environments.

ALEXIS MOTAREX (Nevada Chapter, Associated General Contractors):
I take no pleasure in having to say this, but we oppose A.B. 305. There are not enough women in apprenticeship programs for contractors to meet the requirements of this bill. Contractors get who they get from the union halls; they have no control over whether it is a man, woman, veteran or minority. If the contractor is a signatory to a collective bargaining agreement, he or she is specifically prohibited from hiring outside the union halls. Data from the Labor Commissioner shows 5,370 total apprentices in construction and extraction crafts in Nevada, of which 235 are women. In northern Nevada, there are 1,147 total apprentices of which 66 are women. Of those, 30 belong to programs that are not considered essential construction crafts for the purposes of the prevailing wage survey. This leaves only 36 in programs who could work on prevailing wage projects. For every contractor doing every public works job north of Tonopah, we have one female pipefitter, two female sheet metal workers, zero female ironworkers and zero female painters. This bill places a requirement on contractors which they simply cannot comply with.

While the bill has been amended to say as practicable, it still would place the burden of proof on the contractor. Why would it be the policy of this State to enact a law that will do nothing to address the issue and cannot be followed? There are hurdles upon hurdles to do public works in Nevada, and it is having a chilling effect on contractors. Fewer contractors are willing to do public works because the compliance is costly and the risk of accidental noncompliance too great. The fines and penalties can shutter a small business, disproportionately

impacting local companies. Instead of requiring contractors to hire people who do not exist, maybe we should be requiring apprenticeship programs in Nevada to beef up recruitment efforts beyond what is already required to get women into their programs. Contractors will hire women if they are available, qualified and want the job.

JARRETT ROSENAU (Clark/Sullivan Construction):

We are a union contractor signed with both local carpenters and laborers unions, and we oppose A.B. 305. Women are an extremely important part of the workforce; however, as Ms. Motarex pointed out, this bill places a burden on contractors which is simply not achievable. As a union contractor, I have agreed to run my business using only local labor for work covered on our agreement. I rely on the unions to provide workers who are professional, courteous, safety conscious, craft-trained and productive. I do not care if they are male, female, Hispanic, Black or White, so long as they meet those requirements. I cannot hire nonunion workers. I make a dispatch for the number of workers I need. Anything beyond that would potentially put me in a discriminatory situation.

Of the two unions we are signatories with, 4 of 209 apprentices are females in northern Nevada and 5 of 74 apprentices in the Laborers Union. In 2022, the International Laborers' Union of North America Local 169 worked a total of 1.7 million hours, including both journeymen and apprentices. If you took out the 74 apprentices now working full time, it leaves roughly 1.5 million hours that the 2 percent goal this bill would impose to be calculated against at 31,000 hours. You would need 11 more women, more than double the amount we already have, to meet requirements laid out in A.B. 305. These numbers would be consistent across all the building trades. This goal is unachievable. For this kind of legislation to be meaningful, unions should be responsible for bringing more women into the trades.

PAIGE BARNES (Granite Construction):

We appreciate the intent of A.B. 305 and support hiring more women into the workforce. However, we still believe this cannot be implemented. We would like to see the apprentice programs recruit more women to allow for contractors to hire them. Granite Construction is also a union contractor. We most often get workers assigned to our jobs and have little control over which workers come to us. This limits our ability to meet the provisions of the bill. We oppose A.B. 305.

Senate Committee on Government Affairs
May 10, 2023
Page 13

SENATOR DALY:

What does “to the extent practicable” mean and how would that be analyzed?

BRETT HARRIS (Labor Commissioner, Nevada Department of Business and Industry):

It is not defined. The current waiver process would apply to this requirement. If unpracticable, the contractor would submit a request for a waiver.

SENATOR KRASNER:

Would the “extent practicable” language force contractors to hire women?

MS. HARRIS:

I would not interpret it that way, no.

ASSEMBLYWOMAN THOMAS:

I am amazed that in 2023 we are still looking at women as second class, that we do not have enough women in Nevada to work in trades. When I was in the military, my first duty assignment was missile maintenance. Of the class of 25, mostly men, I was 1 of 6 women who graduated. I became an air traffic controller 40 years ago when they said women could not do the job; I was not only an air traffic controller but a crew chief. Women can do the job if women are given an opportunity to do the job. Can you imagine that there are not enough women in Nevada to do the job?

ASSEMBLYWOMAN CONSIDINE:

I echo my colleague’s comments and note that this kind of legislation is done in other states. This bill is a place to start. It is a way to build a pipeline for women to work in the trades. It will attract women who love working with their hands and have not yet seen career opportunities in the trades. If we need more people in this State for workers, we should be looking everywhere.

ASSEMBLYWOMAN MONROE-MORENO:

Before joining the Legislature, I served almost 30 years in law enforcement. There was a time when women were not in law enforcement, we were told it was a job for men. Our uniforms way back in the day were skirts, we could not even wear pants. But women can do the job. The police chief in the city I serve is now a Black woman. That would not have happened 20 years ago. When women are given opportunities, we can do amazing things.

Senate Committee on Government Affairs
May 10, 2023
Page 14

CHAIR FLORES:

I close the hearing on A.B. 305 and open the hearing on A.B. 235.

ASSEMBLY BILL 235 (1st Reprint): Revises provisions governing public works projects. (BDR 28-176)

ASSEMBLYWOMAN DANIELE MONROE-MORENO (Assembly District No. 1):

Assembly Bill 235 requires the payment of prevailing wages to workers who perform custom fabrications on public works for certain performance contracts for local governments and State agencies. Custom fabrication is defined in A.B. 235, section 1, subsection 5 to mean the manufacture, assembly or other production of any nonstandard good or material produced for a specific public work.

MR. SOLTERO:

What is a nonstandard good or material? Our litmus test is if you can buy it at Home Depot, it is a standard good or material. This bill only applies to nonstandard goods or noncatalog items, something that has to be specially made for that particular public works project.

Section 1, subsection 17 of the bill states that “nonstandard good or material” includes without limitation, any nonstandard good or material used in plumbing or pipefitting, ventilation system, air conditioning system, heating system, sheet metal or any other sheet metal product and signage including, without limitation, any illuminated or unilluminated sign. These are the trades we have been able to identify that commonly have to deal with nonstandard goods or materials.

The construction industry has changed as it modernized, and part of that modernization is how some of these products have to be built quickly and specifically. But often the facility to make these parts cannot be put on the job site where prevailing wage applies. This bill ensures producers of nonstandard parts for public works projects get paid prevailing wage even if their work is done off-site.

MR. LOPEZ:

I am here to explain the complex process it takes to build nonstandard fittings used in construction. As detailed in this presentation ([Exhibit D](#) contains copyrighted material. Original is available upon request of the Research Library.),

craftsmen take a flat piece of raw metal and run it through a computer system that dictates the patterns used to make the nonstandard parts. [Exhibit D](#) contains pictures of some nonstandard fittings and the machinery needed to make them. These are not things that anyone can buy in any store and put together. You need specialized computer programs and machinery to shape these metal parts needed for specific construction projects. These parts can be complex with advanced shapes, variable thickness and so on. Since all these parts must be designed in a computer, they should be easy to track for purposes of prevailing wage.

MR. SOLTERO:

Prevailing wage is only paid for an on-site public work. This bill will ensure workers manufacturing these specialized pieces off-site of a public work receive prevailing wage pay. The machine needed to make the nonstandard parts cannot be brought to a dirt field. Prevailing wage should apply for the labor needed to make nonstandard parts for a public work.

CHAIR FLORES:

Could you walk us through a scenario—something you may have seen in the past where prevailing wage was not paid—that would change if [A.B. 235](#) were to pass? How would we enforce it?

MR. LOPEZ:

Six different shops in Las Vegas and even the nonunion companies use them because they do not have the machinery to make these parts themselves. There are not any small shops that specialize in making these nonstandard parts.

SENATOR GOICOECHEA:

Typically, when a contractor bids on a job, it accounts for the need for and cost of specialized parts in the bid. Would [A.B. 235](#) force a local government to pay a shop in Reno for a public work in Battle Mountain because it does not have that technology in Battle Mountain?

MR. SOLTERO:

Correct, a contractor would account for known needs during a bid. However, stuff comes up while a job is being done. For example, maybe a part breaks or the plumbers put pipework in where ductwork was supposed to go. Sometimes, nonstandard parts need to be acquired quickly for construction to resume.

SENATOR GOICOECHEA:

I am aware these things can happen during a job, which is why there is a margin in these contracts. I see no reason for a shop owner to track which specialty projects to which he needs to pay his workers prevailing wage for a public work 300 miles away. That should be the contractor's responsibility.

MR. LOPEZ:

It is a matter of efficiency. It makes more sense to have these items built in a brick-and-mortar building. It costs a lot more to set up something temporarily in a dirt field across from the job site to ensure prevailing wage. I am sure the shops want to save as much money and work hours as possible by making the part in-house.

MR. ESPOSITO:

Plumbers, Pipefitters, and Service Technicians Local 525 supports A.B. 235. We qualify for what Mr. Lopez and Mr. Soltero described. We have jobs where we have to work indoors, where the welding processes need to be pure in order to be installed and meet certain X-ray exams, stress tests and food processing applications that have to be perfect. Shops need to use computerized welding machines and specialty fabrication processes to meet these criteria. It is only right that those workers make the prevailing wage while performing work intended for a public works project.

MR. YOUNG:

We work on prevailing wage projects that require signage created from scratch. The Raiders Stadium is a good example. Using our own shops, we had to create a multitude of things from the big sign outside the arena to the little placards on every door. We support A.B. 235.

MR. ELLIS:

The Communications Workers of America Local 9413 support A.B. 235.

MS. MARTINEZ:

Nevada State AFL-CIO supports A.B. 235.

MR. DIAZ:

The International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88 supports A.B. 235. It is our bill. Regarding shop fabrication of nonstandard parts, I have spent 20 years in and out of shops. Some of that

stuff is just not feasible laying in the dirt, cutting with tin snips, plasma cutters, et cetera. The size of the tooling is the most important part of this process.

Ms. SORENSON:
Nevada State AFL-CIO supports A.B. 235.

RUSS JAMES (Nevada AFL-CIO):
We support A.B. 235.

CHARLES ZEMP (International Union of Bricklayers and Allied Craftworkers):
We support A.B. 235.

DIONNE KLUG (United Food and Commercial Workers Union Local 711):
We strongly support A.B. 235.

WARREN HARDY (Urban Consortium; Associated Builders and Contractors, Nevada Chapter):

This is an issue that local governments have been dealing with for 15 years. Neither of my clients have a quarrel with prevailing wage or whether prevailing wage should be paid on public works jobs. The job is a public works job, prevailing wage applies. My local government clients are neutral on the issue of payment of prevailing wage. Our issue is how do we enforce it? If the custom fabrication goes out of state or to another country, neither we nor the Labor Commissioner can enforce prevailing wage. Yet, A.B. 235 creates a requirement in which an entity will be liable if prevailing wages are not paid to those making nonstandard parts for public works. It makes no sense to create a liability for something that cannot be enforced.

This bill also puts extra work on shops fabricating the custom parts. Now those shops will have to track which parts are for public works jobs and change the pay rates for hours worked on that specific part or parts, then readjust pay again. It will be a nightmare for businesses. The final concern is that these kinds of unclear laws can be weaponized and result in more lawsuits. I am working on two other bills to clarify where prevailing wage should be paid, but I do not know how to enforce this bill. We oppose A.B. 235.

JAKE MATTHEWS (Mechanical Contractors Association of Las Vegas; Sheet Metal and Air Conditioning Contractors' National Association of Southern Nevada):

We are opposed to A.B. 235. In fabrication shops, sheet metal contractors are permitted to use preapprentices, which allows the contractor to manage crew costs and enables the preapprentice the opportunity to learn the basics of the craft. This bill would prevent sheet metal employers from utilizing preapprentices in a fabrication shop when performing work for a public work. Allowing the contractor to keep crew costs down directly translates to keeping costs down for a public body desiring construction of a public work. Fabrication shops produce materials and products for public and private works projects. Fabrication shops do not have the means to open and operate a second shop under different rules dedicated to servicing public works projects. If this bill passes, it would require different rules for different workers depending on the type of project. That is untenable for the contractor to manage. This bill will deter contractors from bidding on public works projects, leaving Nevada's public entities without much-needed infrastructure.

MS. MOTAREX:

The Nevada Chapter of the Associated General Contractors has always supported prevailing wage and was instrumental in preventing its repeal in 2015. However, we oppose A.B. 235. This bill will impact members that fabricate plumbing systems for both public and private owners. Prevailing wage is not the problem, the cost of compliance is. Often employees in the shop are not aware of the installation location for the parts they are building. This bill would require the individual tracking of all parts and pieces used in fabrication from their origin to final installation to comply with certified payroll. This significant burden could result in the loss of local jobs. If this bill were to pass, to submit competitive bids on projects, it might be more cost-efficient for contractors to order custom products from out of state to avoid complying with certified payroll.

We are also concerned A.B. 235 will limit workforce development. The entry-level position for workers beginning their careers in plumbing is as a helper. Helpers are specifically prohibited from working on prevailing wage jobs. Contractors use helpers to provide the training necessary for preapprenticeship, familiarize the employee with the requirements of the craft, and ensure they are good fit. Nevada already has tremendous workforce challenges for a variety of reasons. This bill would only compound the problem.

ROBERT SANDOVAL (Vice President, RHP Mechanical Systems):

We are a single-source mechanical contractor, a signatory with plumbers and pipefitters and sheet metal workers unions. I oppose A.B. 235 as it will have a significant impact on our business operations. We do not differentiate pay rates between our fabrication shops in the field, so it is not a labor concern. However, the bill has an ancillary administrative and efficiency impact, forcing us to change our reporting practices on all public works. If the bill were to pass, it would require us to track public and private work separately in our shops and separate workflows between the two types of jobs. This bill would also prevent us from utilizing preapprentices and helpers in our shops on public works for tasks meant for entry-level positions including material staging, fabricating hangers and assembly that go with these custom fabrications.

DAVID CHERRY (City of Henderson):

The City of Henderson opposes A.B. 235. It is concerned about the ability to ensure the payment of prevailing wages for the jobs this legislation covers. This bill could result in the City being subject to enforcement complaints and lawsuits. This bill removes a clear standard with regard to requiring prevailing wage on custom fabrication and replaces it with a guessing game for the City. This situation becomes even more problematic if that work is done outside the borders of Nevada or the U.S. as we lack the ability to ascertain if prevailing wages apply or are being paid.

STEPHEN WOOD (Nevada League of Cities and Municipalities):

The League opposes A.B. 235 for the reasons previously mentioned by my local government colleagues. This bill will be virtually impossible for local governments to enforce and require businesses to implement and track new workforce policies. Local governments and businesses already have difficulties getting public works done, and this bill will only make it harder.

PAUL MORADKHAN (Vegas Chamber):

Vegas Chamber opposes A.B. 235. We are not challenging the concept of prevailing wage. We are concerned about how the bill will be implemented and enforced for reasons others have mentioned. The provisions of the bill will increase costs and reduce efficiency.

Senate Committee on Government Affairs
May 10, 2023
Page 20

MS. CROMPTON:

The City of Las Vegas opposes A.B. 235. I echo many of the comments made by my local government colleagues. The City is looking at some of the public works projects completed recently and how it would enforce this bill. For example, two lighting fixtures in downtown Las Vegas, the arches and the 50-foot-tall showgirl pieces were custom fabricated for a public works project. Pieces of those structures were fabricated from many different states and then assembled and installed on-site using the prevailing wage. The City will have a hard time figuring out how to stay in compliance with the bill.

GLEN LEAVITT (Nevada Contractors Association):

We oppose A.B. 235 for the reasons previously mentioned.

MR. ROSENAU:

Clark/Sullivan Construction opposes A.B. 235. The bill will increase the cost of public works. It has not been properly measured against the legal concerns it will bring. If the intent is to push this requirement outside of Nevada, that cannot be done. If that is not the intent, this bill will certainly cost Nevadans their jobs as local contractors will order from out-of-state manufacturers to stay competitive. There is a national and worldwide supply chain for custom fabricated parts. A contractor can detail one of them, send it to a supply house in Sacramento and have 200 of them on-site next week. This bill has a lot of gray area in terms of what constitutes a nonstandard good. If you cannot order it at Home Depot, you can likely order it online. That would convert a nonstandard good to a standard good, and then it is not eligible under this sort of practicum. We support a living wage, but this bill will increase costs and reduce jobs.

LEN SAVAGE (Savage and Son):

We are the oldest contractor in Nevada. We built a fabrication facility in 2005 to remain competitive. Our plumbing fabrication is about minimizing risk and increasing quality. Most recently, we finished a northern Nevada hospital. We had to compete against Arkansas and Alabama fabricators. The term plumbing nonstandard is confusing. We fabricate per assemblies and have hundreds of thousands of different skews, pipes, fittings and valves, so the nonstandard language is ambiguous. There may be some hidden agendas, because the language is way too loose. We have been a union contractor since 1906. The unions have been good to us and our industry, and we will maintain that

relationship because we believe in them. As written, this bill is too broad and vague. We strongly oppose A.B. 235.

CHAIR FLORES:

Could you address the enforcement concerns? How would that work?

Ms. HARRIS:

Our office regulates public works projects and prevailing wage in Nevada. We communicate with other state labor commission offices when there are potential out-of-state issues, but the specifics of any agreements we have vary by state.

SENATOR DALY:

For custom fabrication for public works, there are dedicated and nondedicated sites. A dedicated site for a pit or laydown yard on the job site to perform the custom fabrication is subject to prevailing wage. Do you have any regulations for nondedicated sites, like shops that fabricate these items for public and private, to provide prevailing wage when they work on public works projects?

Ms. HARRIS:

For situations where a site might not be 100 percent dedicated, we have a test to determine if the labor occurring there counts as part of the public work. But that is test-specific, so it does not capture everything.

SENATOR DALY:

Have you received a significant number of complaints or wage claims over this issue?

Ms. HARRIS:

We do not receive complaints about custom fabrication, so we have not run any reports on such complaints.

SENATOR DALY:

This bill's definition of nonstandard good or material is broad and vague. In the Legal Division's opinion, could this language compromise situations where custom fabrication is already subject to prevailing wage? And are there any language changes we could make to prevent that?

HEIDI CHLARSON (Counsel):

The bill does not address where the custom fabrication is taking place. It requires that a worker who performs custom fabrication get paid the prevailing wage on a public works project. The Labor Commissioner would be the one to decide how to enforce the provisions of the bill.

SENATOR DALY:

Section 1, subsection 17 of the bill lists the tasks where nonstandard goods would be covered. Does specifying those tasks exclude nonstandard goods used for other kinds of public works projects from being subject to prevailing wage?

MS. CHLARSON:

The definition of nonstandard good or material in A.B. 235, section 1, subsection 17 "includes, without limitation." It is not exclusive. But it is unclear what types outside the list could be covered by the bill.

SENATOR DALY:

Understood. I wanted it on the record that A.B. 235 is not intended to conflict with statute regarding custom fabrication for public works.

MR. SOLTERO:

Concerns were raised about enforcement for nonstandard goods or materials made outside Nevada for public works jobs. When this bill was in the Assembly, the Legal Division concurred with our opinion that interstate commerce issues were moot and not subject to the provisions of A.B. 235.

MR. LOPEZ:

As far as tracking nonstandard goods and materials is concerned, each piece comes with a sticker that contain the information about what job it is for. Tracking the labor in case of an issue should be straightforward. It was also made clear in the Assembly that the liability, if such an issue were to occur, is between the prime contractor and the Labor Commissioner. Local governments would not be liable.

SENATOR GOICOECHEA:

Payroll for public works have to certified by local governments. If local governments are totally cleared of liability, we will pass A.B. 235.

Senate Committee on Government Affairs
May 10, 2023
Page 23

MR. LOPEZ:

Certified payroll reports are definitely part of the issue. But the liability is strictly between the prime contractor and the Labor Commissioner.

CHAIR FLORES:

I close out the hearing on A.B. 235 and open the hearing on A.B. 391.

ASSEMBLY BILL 391 (1st Reprint): Revises provisions governing public works.
(BDR 28-1031)

MR. YOUNG:

International Brotherhood of Electrical Workers Local 357 and our affiliate unions sit on apprenticeship committees that train construction workers needed to build the southern Nevada economy. This bill will help us build future projects with local government entities in Nevada by ensuring and expanding apprenticeship training across Nevada. The bill also ensures local and disadvantaged workforces are provided opportunities across the State.

In 2011, the Attorney General's Office issued an opinion that local governments could not enter into construction prehire agreements which prioritized the hiring of local residents. The Attorney General's Office opined that the Legislature must authorize this in statute to make it legal. This bill would do that. The current version of A.B. 391 is much simpler than the original draft. Originally, the bill was designed to favor hiring local workforces during bids; now it provides enabling language to allow local government to enter into construction prehire agreements which prioritize the hiring of local residents for public works within its jurisdiction. These types of agreements have benefited several large communities elsewhere over the past couple of decades, like for the Los Angeles County Unified School District. I look forward to working with local governments across southern Nevada to negotiate these types of agreements and to expand workforce training and jobs for local residents.

DANNY THOMPSON (Southern Nevada Building Trades Unions):

When I worked for the Nevada State AFL-CIO, I met with many local government entities that wanted to enter into these prehire agreements but could not. This bill was drafted to give local governments the right to do so. I noticed the amendment made in the Assembly is not included in the reprint of A.B. 391. There is no mention of prehire agreements.

MR. YOUNG:

That was brought to Assemblywoman Monroe-Moreno's attention. She will contact the Legislative Counsel Bureau to fix the issue and get the Committee the updated language.

SENATOR GOICOECHEA:

Can you walk us through what the amendment does?

MR. THOMPSON:

The amendment took the bidding language out of the bill and added two sections. The first section reads,

notwithstanding any provision of this chapter, a local government or governing body of a local government may enter into a prehire agreement for the provisions of construction labor on public works or a series of public works projects or direct contractor hired to complete such a public work or services of public works to enter into such an agreement may contain within it a preference for hiring.

The rest of the language changes were scattered throughout the bill.

DAN MUSGROVE (Southern Nevada Building Trades Unions):

In 2011, then Attorney General Catherine Cortez Masto opined that local governments could not mandate a preference for hiring local workers. The intent of the bill was to enable local governments to mandate hiring local workers for public works projects. We want local governments to see this as a resource, as to grow their local workforce. The original bill had much more restrictive language than intended. The version that passed the Assembly had the section Mr. Thompson described and some language that allowed a person to give proof of address for the area the local government wanted to designate as a community workforce area.

SENATOR DALY:

The Attorney General opinion said a local government could not change the bidding preference and use that as a criteria to select a contractor. Local governments can enter into project labor agreements. The *Building and Const. Trades Council of Metropolitan Dist. v. Associated Builders and Contractors of Massachusetts/Rhode Island, Inc.*, 507 U.S. 218 (1993) decision confirmed

that. The amended version of this bill clarifies that a local government entering into a prehire agreement prioritizes local workers after it has selected a bidder. I am working with the bill sponsor to ensure the language is enabling, not a preemptive mandate.

CHAIR FLORES:
Could you walk us through a prehire agreement?

MR. THOMPSON:
Project labor agreements are basically a prehire agreement between the owner and the union. The first one I was involved with was the construction of the Venetian Hotel where the Sands wanted seven local nonunion employees and seven union employees on the job. Prehire agreements are agreements the contractor and awarding body enter into before construction begins.

SENATOR GOICOECHEA:
When does the prehire agreement take place if it cannot be part of the bid but has to be done before the contract is awarded? I like the idea of a local government having a preference for local workers on a local project.

MR. THOMPSON:
It can be done at any time between the bid and construction beginning. For example, the Southern Nevada Water Authority wanted to put multiple straws in Lake Mead, and it entered into that agreement before it started the job.

MR. YOUNG:
The intent of the bill is to give local governments the option to enter into local community workforce agreements. There are no mandates in this bill. There is no binding language in this bill.

SENATOR DALY:
The public body would have to negotiate an agreement with one of the labor organizations and can adopt that project labor agreement, which can include a community workforce portion. This would have no influence on the bidding process; however, the project labor agreement would then apply to who won the bid. That is how this has been done and would stand up to legal scrutiny.

CHAIR FLORES:

For those of you wishing to testify in support of A.B. 391, I want to make it abundantly clear that I understand most folks do not agree with the bill as written and you are coming up in support of the intent of what was supposed to be in the reprint.

AARON IBARRA (Southern Nevada Building Trades Unions):

We support the intent of A.B. 391. The intent of this bill is to give municipalities the option to put local labor hiring provisions for local projects. It does not require anything nor change the bidding process. This bill is designed to increase workforce development within the State.

JIMMY SCHWARZ (Ironworkers Local 433):

We support the intent of A.B. 391. It will bring money back into the community where a project is being built by prioritizing the hiring of local workers.

RICARDO ESTRADA (Ironworkers Local 433):

I support the intent of A.B. 391.

DEANNE MATTERA (International Brotherhood of Electrical Workers Local 357):

We support the intent of A.B. 391.

MR. DIAZ:

The International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88 supports the intent of A.B. 391.

MR. ELLIS:

Communications Workers of America Local 9413 supports the intent of A.B. 391.

MS. MARTINEZ:

The Nevada State AFL-CIO supports the intent of A.B. 391.

MR. LOPEZ:

The International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88 supports the intent of A.B. 391. I like to refer to community workforce agreements as community benefit agreements because they benefit local workers who in turn will benefit local businesses. They keep local tax dollars in the local community.

Senate Committee on Government Affairs
May 10, 2023
Page 27

MR. JAMES:

The Nevada State AFL-CIO supports of the intent of A.B. 391.

BOB HORTON (Ironworkers Local 433):

We support of the intent of A.B. 391. Working men, women and their families need to come first.

JOHN CARLO (Ironworkers Local 433):

I support the intent of A.B. 391. We should be using local tax dollars to promote local jobs.

ALAN DIRE (Ironworkers Local 433):

I support the intent of A.B. 391.

Ms. KLUG:

United Food and Commercial Workers Union Local 711 supports the intent of A.B. 391.

MATTHEW LUDWIG (Ironworkers Local 433):

I support the intent of A.B. 391. I have personally seen local jobs lost to people from out of state while we have local members willing to work.

Ms. SORENSON:

The Nevada State AFL-CIO supports of the intent of A.B. 391.

CHAIR FLORES:

For those of you wishing to testify in opposition of A.B. 391, I want to make it abundantly clear that you are coming up to oppose the intent of what was supposed to be in the reprint because no one supports the bill as written.

Ms. MOTAREX:

The Nevada Chapter of the Associated General Contractors opposes the intent of A.B. 391. We are committed to recruiting more people, including from disadvantaged areas and communities, into high-paying, middle-class construction careers. Unfortunately, local hire requirements do not help local people enter such a career nor do they address the chronic shortage of qualified workers that construction firms are looking for. Local hire agreements create arbitrary local hiring goals not based on any analysis of whether the local workforce is qualified to work in construction. Local hire programs do not help

treat the symptoms of local workforce shortages. Instead, they let policymakers off the hook for failing to make the necessary investments in career and technical education programs. Considering the lack of attention placed on construction in most high schools today, too few jobseekers even have construction on their radar as a career choice. Local hire programs have been in existence, in some form or another, across the Country since the 1970s, and they have made no measurable impact on the demographics of the construction workforce.

As a compromise, we would consider moving to a neutral position if the proponents of A.B. 391 would amend the bill to say:

the public owner shall certify that a readily available pool of unemployed individuals that possess the knowledge, skill and ability to perform the work exists within the boundary of the requirement. The agreement would not displace any employers' existing employees to satisfy this local hire preference. Any increase in the cost of labor, training or delays resulting from the local higher preference would not delay the project and nothing in the measure would require any employer to sign a project labor agreement.

SENATOR DALY:

So, you are entirely opposed to project labor agreements and community workforce agreements?

Ms. MOTAREX:

We have member companies that signed project labor agreements which worked well and have been forced into agreements which did not. We are concerned this bill could create a pathway to requiring project labor agreements which makes no sense when they provably do not yield intended results. We oppose requiring project labor agreements.

MR. LEAVITT:

The Nevada Contractors Association is not opposed to local hiring, and we appreciate the permissive nature of this bill. However, the logistics of implementing the bill would be overly burdensome to contractors already struggling with public works projects. We are also against mandated project labor agreements. For those reasons, we oppose the intent of A.B. 391.

MR. ROSENAU:

Clark/Sullivan Construction opposes the intent of A.B. 391. Northern Nevada is a large, isolated place. Requiring a local hiring provision within a specified geographic boundary is likely impossible to comply with. Furthermore, having done public works in northern Nevada for almost 50 years, we are unaware of any of the public bodies in our region requesting this measure. Based on the testimony I have heard today, it sounds like this is largely a desire for southern Nevada. Perhaps a population cap amendment could be added on the bill that would limit it to Clark County?

MS. BARNES:

Granite Construction opposes the intent of A.B. 391. We understand the efforts to employ local residents on local projects. As a union contractor, we are concerned about being able to comply with the bill because our agreements are often structured in a way that prescribes which workers by trade come to our projects. This becomes a particular challenge in rural parts of our State; often, we are pulling workers from urban areas to fill vacancies in rural areas with a small workforce.

MR. YOUNG:

The intent of A.B. 391 is to give local government the choice to engage in local hire agreements. There are no mandates. We are just giving local governments another tool if they see fit to use such a thing.

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

Senate Committee on Government Affairs
May 10, 2023
Page 30

CHAIR FLORES:

I close the hearing on A.B. 391. Having no further business, the Senate Committee on Government Affairs adjourns at 6:06 p.m.

RESPECTFULLY SUBMITTED:

Spencer Jones,
Committee Secretary

APPROVED BY:

Senator Edgar Flores, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit Letter	Introduced on Minute Report Page No.	Witness / Entity	Description
	A	1		Agenda
	B	1		Attendance Roster
A.B. 361	C	4	Miles Dickson / Nevada GrantLab	Presentation
A.B. 235	D	14	Alfonso Lopez / International Association of Sheet Metal, Air, Rail and Transportation Workers Local 88	Presentation