

**STATE OF NEVADA  
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT  
BOARD MEETING MINUTES  
JUNE 16, 2020**

**The meeting of the Board of Economic Development was called to order by Governor Steve Sisolak via GoToWebinar. Under Governor's Directive 006, this meeting was held virtually.**

**VOTING BOARD MEMBERS PRESENT**

Governor Steve Sisolak, State of Nevada  
Lieutenant Governor Kate Marshall, State of Nevada  
Secretary of State Barbara Cegavske, State of Nevada  
Mr. Raymond Specht, Chief Executive Officer, Specht Leadership Consulting  
Dr. Dana Bennett, President, Nevada Mining Association  
Mr. Dan Klaich, Voting Member at Large  
Dr. Weldon Havins, Director, Medical Jurisprudence and Ophthalmology, Touro University Nevada  
Mr. Adam Kramer, Executive Vice President of Strategy, Switch, Inc.  
Mr. James Barrett, Jr., President and Founder, The JABarrett Company

**NON-VOTING BOARD MEMBERS PRESENT**

Ms. Heather Korbolic, Interim Director, Department of Employment Rehabilitation and Training  
Dr. Thom Reilly, Chancellor and Chief Executive Officer, Nevada System of Higher Education

**STAFF MEMBERS PRESENT**

Henna Rasul, Senior Deputy Attorney General, Board Counsel to GOED  
Christine Guerci, Special Counsel to the Colorado River Commission and GOED  
Michael Brown, Executive Director, GOED  
Kristopher Sanchez, Deputy Director, GOED  
Bob Potts, Deputy Director, GOED  
Bonnie Long, Director of Administration, GOED  
Chelsea Walburg, Research Manager, GOED  
Dijana Mitrovic, International Business Development Coordinator, GOED  
Greg Bortolin, Director of Communications, GOED  
Karsten Heise, Director of Strategic Programs, GOED  
James Humm, Director of Compliance & Regulatory Affairs, GOED  
Melanie Sheldon, Director of Business Development, GOED  
Stacey Bostwick, Workforce Development Program Coordinator, GOED  
Mariah Heriman, Business Development Coordinator, GOED  
Patty Herzog, Director of Rural Economic and Community Development, GOED  
Pawel Pietrasienski, Director of International Trade, GOED  
Samantha Cline, International Business Specialist, GOED

Tatjana Vukovic, Business Development Manager, GOED  
Jeanette Holguin, Business Development Specialist, GOED

**GUESTS PRESENT**

Alex Tanchek, Silver State Government Relations  
Allison Genco, Ferrari Public Affairs  
Andrew Haskin, NNDA  
Carol Polke, Workforce Connections  
Chris Weiss, UNLV  
Chris Zunis, LVGEA  
Dana Ryan, Truckee Meadows Community College  
Emily Creighton, The Ferraro Group  
Frank Woodbeck, College of Southern Nevada  
Dr. Federico Zaragoza, College of Southern Nevada  
Irene Bustamante Adams, Workforce Connections  
James Sullivan, Las Vegas Agency  
Jared Smith, LVGEA  
Jeff Sutich, NV Energy  
Jeffrey From, NVIE  
Jennifer Atlas, Griffin Company  
Jessica Ferrato, Crowley & Ferrato Public Affairs  
Lauren Silverstein, The Ferraro Group  
Marcel Shaerer, Department of Business, and Industry  
Michael Flores, NSHE  
Michelle Lindsay, NV Energy  
Nate Mackinnon, NSHE  
Nick Clason, LVGEA  
Peter Zierhut, Haas Automation  
Phil Klevorick, Clark County  
Riley Snyder, The Nevada Independent  
Rocky Nash, 8newsnow.com  
Roland Stephen, SRI International  
Shannon Miller, Nevada State College  
Stavan Corbett, Workforce Connections  
Terri Sheridan, City of North Las Vegas

**1. PUBLIC COMMENT**

There was no public comment given over the GoToWebinar system and no written comments were submitted.

**2. APPROVAL OF THE DECEMBER 16, 2019 BOARD MEETING MINUTES**

There was no discussion regarding the December 16, 2019 GOED Board Meeting Minutes.

**A MOTION WAS MADE BY LIEUTENANT GOVERNOR KATE MARSHALL TO APPROVE THE DECEMBER 16, 2019 GOED BOARD MEETING MINUTES. THE MOTION PASSED UNANIMOUSLY.**

**3. EXECUTIVE DIRECTOR UPDATE AND DIRECTORS REPORT**

Director Michael Brown, Executive Director, Nevada Governor's Office of Economic Development (GOED) noted from March to June 1, 2020 approximately one-third of the GOED staff were redeployed to work directly on emergency response, one-third worked on continuity of government and economic recovery issues, and the final third worked with Regional Development Authorities (RDA's) to conduct economic analysis and troubleshoot issues, particularly helping with issues related to essential vs. non-essential business determinations. The office had now moved back into its regular functions, although there was still one staff member working on the Nevada Health Response. Director Brown advised he served as the liaison between Mr. Jim Murren's private-sector taskforce and alongside Commissioner Marilyn Kirkpatrick on the LEAP Committee. GOED also held a weekly call with all the state's economists in order to provide the Governor's Office and the federal delegation with the most up-to-date information regarding the state's economy. On the prior week's call, Mr. Jeremy Aguero, Principal, Applied Analysis, advised the state had gone from a public health crisis to an economic crisis. He anticipated this would evolve into a fiscal crisis, and potential legal crisis. This situation was ongoing, and communication would be key. GOED, with help from Switch, the Las Vegas Chamber, and the Las Vegas Global Economic Alliance (LVGEA), had established the Business Information Network (BIN) which linked all industry and trade associations across the state. Thanks to Ms. Betsy Fretwell, Senior Vice President of Switch Cities, Switch, the BIN could move information, within 30 minutes of receipt, to almost every business and business leader across the state. Director Brown expressed his appreciation to Switch for its help in establishing the BIN as well as the Las Vegas Chamber and Reno-Sparks Chamber for organizing a weekly call for Nevada's Trade Association Presidents. GOED was currently holding weekly calls with the Regional Development Authorities (RDA) to troubleshoot issues and has also partnered with Director Terry Reynolds Director, Nevada Department of Business and Industry (B&I) on the Paycheck Protection Program (PPP) disaster relief funds and Community Development Block Grant (CDBG) managed money.

Director Brown advised he participated in a weekly call with state economic development directors across the nation and had found that the challenges faced in Nevada were exactly the same in other states. In the area of economic development no one has found the silver bullet. The Federal Reserve Board Chairman had said COVID-19 was the biggest global economic shock in

living memory. In two months, the lowest unemployment rate in fifty years rose to the highest in almost ninety years. Central banks have supported the banking system since the founding of the Bank of England, but they struggle today to provide sustained support to the local coffee shop. With the scale of the global economic dislocations across the world the recovery is going to be a long and grinding affair. Nevada's circumstances are not unique. Everywhere from the Kingdom of Saudi Arabia to the State of Maine now needs to fortify and diversify its economy.

#### **4. METRICS UPDATE**

Mr. Bob Potts, Deputy Director, GOED was unable to present the metrics update due to technical issues. The presentation was distributed to board members and posted online for members of the public to view.

#### **5. NEVADA RECOVERY PLAN INFORMATIONAL UPDATE**

Dr. Roland Stephen, SRI International, provided an update on the Nevada Recovery Plan. States have been uniquely exposed both to the public health side and the economic impact side. There was a very important distinction to make between the current crisis and the 2009 crisis, which was focused on one or two important sectors. In the current crisis, challenges were spread across the economy more generally.

Dr. Stephen noted the Nevada Recovery Plan focused on long and short-term strategies in five main areas. The first was resources for people and businesses. As the state recovers and returns to normality, economic recovery needs to go hand-in-hand with public health recovery. Despite steps taken with reopening, if people remained fearful about going outside or going to the store, they would not go. Markets are ultimately a psychological phenomenon.

The second strategy was business support and recovery. It was imperative to support businesses and provide aide and protocols for managing businesses in the new normal.

The third strategy was workforce for the new normal and beyond. Many people would not be able to return to their former jobs and workforce institutions needed to be well positioned for this. The Workforce Innovations for New Nevada (WINN) application on the GOED Board agenda today was positioned to address such issues and should be a hallmark of the future.

The fourth strategy was new technologies for business. We are living in an age where we rely on technology for safety, tracking of the disease or testing of the environment.

The final strategy was data for decision making. Nevada had done a good job using a data set for business development. It is important to start considering further opportunities in this area.

**7. WORKFORCE INNOVATION FOR NEW NEVADA (WINN) FUND PROGRAM FOR BOARD APPROVAL**

**REQUEST FOR APPROVAL TO ENTER INTO AGREEMENT WITH COLLEGE OF SOUTHERN NEVADA FOR DEVELOPMENT OF ADVANCED MANUFACTURING TRAINING OPPORTUNITIES IN SOUTHERN NEVADA AND A SHARED DATA PLATFORM FOR CAREER ADVANCEMENT– FUNDING NOT TO EXCEED \$2,000,000.**

Ms. Stacey Bostwick, Workforce Development Program Coordinator, GOED, introduced the project and WINN application. The application came to the Board from the College of Southern Nevada (CSN). Through previous economic development efforts, the advanced manufacturing sector in Nevada had seen tremendous growth in both employment opportunities and average wages. In order to sustain and support this growth, GOED had worked diligently, alongside educational partners and industry, to address gaps in the workforce training pipeline. Through its WINN Fund GOED had, with great success, provided significant support to advanced manufacturing programs in northern Nevada. With over 1,100 advanced manufacturing employers in Clark County, and only one entry level post-secondary advanced manufacturing skills program that targeted the middle skills required for most job opportunities, there was a supply and demand imbalance that needed to be addressed. GOED was requesting budget authority up to \$2M to enable the development and implementation of two new workforce training programs to benefit advanced manufacturing employers. CSN had partnered with Haas Automation, Inc. and was targeting January 2021 for the commencement of these programs. Ms. Bostwick was joined by Mr. Frank Woodbeck, Executive Director of Grants and Special Projects, CSN, and Mr. Peter Zierhut, VP of Outside Operations, Haas Automation, Inc.

Mr. Woodbeck noted he was pleased to bring the application before the board as it was a vital first step in building a manufacturing training pipeline for southern Nevada. The project would meet long-term goals of facilitating growth in the manufacturing sector, and serving the industry sector in southern Nevada, while responding to the displaced worker problem that was bound arise in the near term. This particular application would provide equipment and training to certify production technicians and Computer Numerical Control (CNC) machinists, both of which were in demand and would be vital to the growth of companies such as Haas Automation, Inc. The training would provide industry certifications that would enable an individual to work anywhere within the industry. The certifications would come from the Manufacturing Skills Standards Council and from the National Institute for Metalworking Skills (NIMS). Both programs would initially be short-term training programs that would enable displaced, unemployed, or underemployed workers to become sufficiently trained for entry level work in a period of 12-15 weeks. The program will also allow that same worker to continue their education through an Associates Degree if they choose.

Governor Steve Sisolak asked if Dr. Federico Zaragoza, President and CEO, CSN was on the line with Mr. Woodbeck. Mr. Woodbeck advised he was not, but that Dr. Zaragoza was one of the leading experts on workforce development in the country.

Governor Sisolak asked how many people would be in a class. Mr. Woodbeck advised there would be multiple cohorts but 200 students a year would be desirable long term. For now, they would need to limit their class size based on COVID-19 requirements and social distancing.

Governor Sisolak asked how many students would be in a class in the short term. Mr. Woodbeck Frank advised the number was 12 students.

Governor Sisolak inquired why the WINN application called for two instructors and two lab assistants, at a cost of \$400,000, for a 12 students class. Mr. Woodbeck stated that two cohorts would run simultaneously. Therefore, there would be 24 students instead of 12. Ms. Bostwick advised that the short-term training program is open-entry and open-exit so the program could take 16 weeks to complete on the high side. The vast majority of the training on the front end would be online so the assistant would be a facilitator and the instructors would primarily be for the lab. The course is modular so the traditional brick and mortar system of 16 people starting a class together and completing the course at the same time was not how the training was designed.

Secretary of State Barbara Cegavske thanked Ms. Bostwick and Mr. Woodbeck for the presentation and noted she a staunch supporter of CSN. However, Secretary of State Cegavske had concerns about approving \$2M in grant funding in the current climate. Secretary of State Cegavske noted she had just given 19 percent of her budget back to the state and had vacant positions she was unable to fill due to budgetary restraints. Secretary of State Cegavske stated one of the requirements, for these programs, is to not place a burden on the state and she was therefore concerned about the fiscal responsibilities of the GOED Board.

Ms. Bostwick thanked Secretary of State Cegavske for her question and noted that the team received this question prior to the meeting so she welcomed the opportunity to explain. The WINN Fund is designed to fill gaps in workforce pipelines. It is difficult to support short-term supply and demand for industries that have jobs available but lacked workforce training programs. This WINN application sought to utilize a funding allocation that was made for the current fiscal year, not the next fiscal year and was not a request that exhausted those funds. This request was \$2M out of a \$4M allocation. Ms. Bostwick stated she understood the concern and noted if this were not a significant project, of high value and impact, it would not have been brought before the GOED board.

Secretary of State Cegavske advised she did not disagree with the project. However, she was concerned about allocating \$2M at this time. Secretary of State Cegavske said she did not think she could support giving \$2M to any entity even if the funds have been approved before the crisis. If the GOED Board approved this request, someone else could make a similar request for funds that had been previously promised. Secretary of State Cegavske suggested holding the project and reviewing the budget to see what projects could and could not be funded.

Lieutenant Governor Marshall stated she understood that some CARES funding may be used for workforce training, and that Congress was also considering additional job training funds. Lieutenant Governor Marshall asked whether federal dollars may be used to match or to replace some of the WINN funds.

Director Brown advised GOED was looking at this moving forward. However, he did not have an answer on at that time and was still trying to understand the use of CARES dollars in areas that might not be directly related to emergency response.

Lieutenant Governor Marshall asked about the rate of return on the investment (ROI) and requested GOED or Dr. Stephen explain how these types of programs created more Gross Domestic Product (GDP) for the state over time.

Ms. Bostwick advised the WINN Fund, as structured by statute, is primarily a reimbursement-based grant. Estimating ROI could be difficult when looking at a project like this. However, what WINN does differently, from other sources of federal or state funds, is really about the infrastructure and build out of programs to accelerate a response to changing or new needs based on industry in Nevada. Most training programs focused on scholarships for students to go through existing programs. If the programs do not exist, the scholarships cannot really move the needle in addressing supply for in demand jobs or retraining displaced workers for a new field. The primary interest is in how many individuals graduate the class and, as a result, obtain employment after the fact. The ROI for this project would be that it is launched, and that people complete the program and become successful industry partners. This project would create a pipeline and close the workforce lifecycle.

Dr. Stephen advised this type of program was the path forward. Beyond the specific jobs, it was a signal to other businesses considering Nevada as a location. Workforce was the beast of the 21<sup>st</sup> century. Nevada had a low-tax environment and business friendly climate, but workforce was absolutely indispensable as was matching individuals with employers and providing the skills needed for progression.

Mr. Jay Barrett noted he was very much in support of the investment. However, he appreciated the concerns of the Lieutenant Governor and Secretary of State. Although he did not have the benefit of drilling down into the detail of the state budget and the limited resources available, he did feel strongly that this was not a risk-investment but an ignition investment. Mr. Barrett noted there were industry sections that needed trained workers and individuals who needed to grow their careers.

Dr. Dana Bennett echoed Mr. Barrett's comments and noted she was particularly struck by his phrase 'ignition investment'. Dr. Bennett commented that she saw this project as an opportunity to take important action and produce an ROI far beyond the end date on the application. With the purchase of equipment to build these labs the state would see tremendous benefit, especially in southern Nevada.

Mr. Ray Specht noted his support for workforce development and, during normal times, he would support this application as it would attract desirable jobs and help people access higher wages. However, Mr. Specht asked if this was the best use of the funds or whether these funds could be made available for other use. Mr. Specht asked if there was a way of prioritization to determine whether to create a new program or to save an existing program that may be cut. Mr. Specht also noted there had been discussion about the maximum number of people who could be trained under this program and asked if there was a minimum number.

Ms. Bostwick responded that to utilize the WINN Funds, a minimum of 100 students must go through the program. The maximum is set through the current social distancing requirements and time that can be scheduled for the lab. The majority of the program would be completed online before a student moved to hands-on practice. Ms. Bostwick did not see the current conditions as a particularly limiting factor. The program was designed with an open-entry and open-exit model to allow flexibility.

Secretary of State Cegavske said she appreciated everyone's comments but did not know that anyone had budgets that were being cut or that everyone understood where the state stood financially. Secretary of State Cegavske asked if there were any results or data available for the program such as how many students completed the course and how many had jobs.

Ms. Bostwick advised the WINN application pertained to a brand-new program so there was no data to review at this stage. Ms. Bostwick noted that, historically, WINN projects had been very successful. WINN Program usually had an 85% retention rate which was much higher than typically seen in the workforce training space. Usually more than 90% of the graduates' secured employment with an industry partner.

Governor Sisolak thanked Secretary of State Cegavske for her comments and said he appreciated her making the point as she did have a budget that is being cut, like many others, and he fully understood this. Governor Sisolak noted the difficult tightrope walk of budget cuts and the need to diversify and provide workforce training for people who would be looking for jobs.

Dr. Weldon Havins advised he agreed with the importance of the project but also agreed with Secretary of State Cegavske. This was such a critical time with so many unknowns. Considering people might not have a job to go to when they finish this program, it seemed that a delay in funding might be appropriate. It was a great project and, in normal times, it would probably get a 100% vote but right now \$2M could make a significant difference.

Lieutenant Governor Marshall stated that if her comments gave the impression she was not in favor of the project, that was incorrect.

Dr. Zaragoza joined the meeting and thanked the Board for the opportunity to speak. Dr. Zaragoza advised he had spent 20 years developing, implementing, and running workforce programs in San Antonio, TX. These programs helped to diversify the San Antonio economy which in the 90's



was very much service-sector and military based. There needed to be an infrastructure developed to align with the kinds of jobs being brought to San Antonio. Current skills sets, in terms of advanced manufacturing in southern Nevada, would not align with the kind of jobs that Haas Automation, Inc. would be bringing to its community. Haas Automation, Inc. was going to bring production-based jobs such as running CNC machines or production-based distribution. Most of the programs previously funded in southern Nevada were more in the industrial engineering space or industrial transfer programs and were not aligned with the kinds of jobs that would be developed.

Mr. Specht asked, if there would be any risk to Haas Automation, Inc.'s job creation plans if the WINN program was not approved.

Mr. Peter Zierhut advised it would make things difficult. Manufacturing was a rather small part of the economy in southern Nevada so the need for 2,000 workers, in the first five years of operation, would put a huge strain on the current system of education. Without this program it would be very difficult for the company to meet its hiring needs, especially for skilled workers. The additional capacity CSN was attempting to put into place was necessary for Haas Automation, Inc. as well as the thousands of people that supported its business. These supporting businesses may relocate to Nevada and would also need skilled workers.

Governor Sisolak asked GOED to clarify the amount of unallocated WINN funds remaining for this fiscal year. Ms. Bostwick advised with this project GOED would have approximately \$1M unallocated remaining in this fiscal year and \$2M that was allocated through the biennial budget for the fiscal year starting July 1<sup>st</sup>. Governor Sisolak said he thought the \$2M had already been swept for the next year. He asked if the \$1M had to be allocated this fiscal year, meaning in the next two weeks. Ms. Bostwick responded that those funds were able to be rolled over from an even year to an odd year so those funds would be able to be allocated through June 30, 2021, unless they were swept.

Governor Sisolak thanked Ms. Bostwick for the information and said he believed everyone agreed that long-term this was a beneficial project. However, the short-term was concerning for some GOED Board members. Governor Sisolak asked if he had a motion for this agenda item.

**A MOTION WAS MADE BY LIEUTENANT GOVERNOR MARSHALL TO APPROVE THE REQUEST FOR APPROVAL TO ENTER INTO AGREEMENT WITH COLLEGE OF SOUTHERN NEVADA FOR DEVELOPMENT OF ADVANCED MANUFACTURING TRAINING OPPORTUNITIES IN SOUTHERN NEVADA AND A SHARED DATA PLATFORM FOR CAREER ADVANCEMENT– FUNDING NOT TO EXCEED \$2,000,000 AS PRESENTED IN AGENDA ITEM 7. THE MOTION PASSED WITH A 7-2 SPLIT VOTE AS FOLLOWS:**

**Governor Sisolak – YES**

**Lieutenant Governor Marshall – YES**

**Secretary of State Cegavske – NO**

**Dr. Weldon Havins – NO**  
**Mr. Adam Kramer – YES**  
**Mr. Jay Barrett – YES**  
**Dr. Dana Bennett- YES**  
**Mr. Daniel Klaich – YES**  
**Mr. Raymond Specht – YES**

**8. STATE OF NEVADA UNEMPLOYMENT RATE UPDATE** – as established by the Research and Analysis Division of the Nevada Department of Employment, Training and Rehabilitation

Director Brown advised this was a standing agenda item for information only. GOED was committed to providing this information for each Board meeting.

**9. BOARD MEMBER COMMENTS**

There were no comments from any board members.

**11. PUBLIC COMMENT**

There was no public comment given over the GoToWebinar system and no written comments were submitted.

**12. ADJOURNMENT**

**A MOTION WAS MADE BY DR. HAVINS TO ADJOURN THE MEETING. THE MOTION PASSED UNANIMOUSLY.**