



Nevada Gov. Steve Sisolak 2021 State of the State address, as prepared for delivery to Nevadans on January 19, 2021

Good evening.

In normal times, I would be addressing you tonight in this legislative chamber, assembled in front of our constitutional officers, elected officials, supreme court justices and other guests. But as we all know too well, these are not normal times.

Every Nevadan has been impacted by the COVID outbreak. Whether you've lost a job, had to learn from home, missed a graduation, grappled with keeping your small business open, or been unable to visit family for birthdays and holiday, or in a hospital room, this disease has touched us all. And the truth is, we still have a ways to go.

But I know this, Nevadans are battle born. We face our challenges head on. And we will get through this difficult time together, because the State of our State is determined, resilient, and strong.

Two years ago, I came before all of you for my first State of the State address. I laid out a vision for what we could accomplish, and I'm proud of what we were able to achieve working with State lawmakers from both parties who are watching tonight.

We gave raises to our teachers and provided record funding to our schools.

We passed sweeping health care legislation to end surprise emergency room billing.

We outlawed insurance companies from dropping people with pre-existing conditions.

We implemented Nevada's first-ever state climate strategy to expand the use of renewables and decrease our dependence on fossil fuels.

Unemployment was low, business was buzzing, and consumer confidence was at a record high.

And then, on March 5, 2020, Nevada got its first case of COVID-19. Shortly after, we had 5 cases, which quickly turned into 15, then 100.

As of Friday, January 15, Nevada has had over a quarter of million cases. And over 3,700 Nevadans lost their lives. That's 3,700 families grappling with the loss of a loved one.

In that time, we were faced with excruciating choices that continue today as we remain under a state of emergency. Throughout this crisis we have worked hard to balance protecting the public health while doing everything we can to keep the economy afloat and our businesses open.

But the fact remains that our State and our people have suffered in ways none of us could have imagined a year ago. And let me tell you - not a day goes by that I don't think about the sacrifices so many are making.

The challenges are unprecedented, we have so much to fix, but we are forging a new path forward.

Tonight, you will hear about my priorities and my plans to achieve them:

- To win the battle against COVID, and vaccinate our people;
- To get all our students back in the classroom and provide teachers with the tools they need to do their job;
- To get our economy back on its feet and our people back to work;
- And to look ahead – to what’s next – infrastructure, green energy jobs, help for small businesses and the other engines of growth that will provide new opportunities for our people.

Through these historically challenging times, we’ve leaned on the most resilient of Nevadans - the heroes that have helped get us through. The doctors, nurses, caregivers, faith leaders, public employees, educators, the Nevada National Guard and the many others working on the frontlines of this crisis over the last ten months. That includes all those caring for our Veterans throughout Nevada who have served our country.

They’ve been showing up - putting themselves at risk every day - to make sure this State can move forward.

They are people like Dr. Jacob Keeperman in Reno, who joins us here tonight.

[CUT TO VIDEO FROM DR. JACOB KEEPERMAN]

It’s because of people like Dr. Keeperman that I am optimistic about our future and on behalf of the State of Nevada, I want to say thank you from the bottom of my heart.

Early in our response, with no playbook for this historic crisis, Nevada’s public and private sectors mobilized to fight this deadly virus. From local

government and state agencies, to the Response, Relief, and Recovery Task Force chaired by Jim Murren and made up of business leaders from across the state, partners rolled up their sleeves and got to work.

- The Nevada Department of Agriculture worked to make sure Nevadans didn't go hungry by providing over 16 million pounds of food across the state, serving approximately 250,000 individuals per month.
- Business and education leaders worked to bridge the digital divide for our students by creating ConnectingKidsNV. In August, approximately 80 percent of Nevada's students didn't have the device or connectivity they needed to participate in distance learning. As of the start of this month, every student participating in online learning has at-home access to the internet and a computer to do their work.
- To keep people in their homes, millions of dollars were put into state and local rental assistance programs and an eviction mediation program was created by Chief Justice Jim Hardesty and housing advocates.
- The Nevada National Guard, under the direction of Major General Ondra Berry, embarked upon the largest and lengthiest state activation in Nevada history -- stepping up as the heroes we all need in this moment of crisis.
- Labs across the state increased testing operations to record levels -- reporting over 2.3 million COVID-19 molecular tests thus far. In 2019, labs in Nevada reported a total of 300,000 lab results for all diseases. The increase is staggering.

But the truth still remains: while heroes like Dr. Mark Pandori, Director of the Nevada State Public Health Lab, located at University of Nevada, Reno, have helped Nevada scale up our resources so we can process thousands of

COVID tests a day, we, as Nevadans, are the only ones who can control how many of those test results come back negative.

While we are awaiting the full benefit of the vaccine, we have to be united in our statewide effort to slow and stop the spread of this virus by wearing masks, avoiding gatherings, and protecting each other. We must remain vigilant.

Our greatest challenge now is running the largest vaccination campaign in history.

Despite lack of resources and coordination from the federal government we have pushed forward and to date we have administered over 100,000 initial and secondary doses of the vaccine.

And as we await more vaccines for the state, we are ramping up our distribution efforts:

- Our immunization team, the Nevada National Guard, and the Division of Emergency Management are working with our local partners to get more shots in the arms of Nevadans.
- We are expanding our vaccination workforce to include EMS providers, medical assistants, pharmacy techs, dentists, veterinarians, and more.
- Opened a vaccination mega-site at Cashman Field in Las Vegas and we are coordinating with the private sector, including our resort properties, to have even more vaccination sites as our supply ramps up.
- We are working with private health providers like Renown in Washoe County to distribute vaccine to local residents who are not typically their patients

Again, let me assure all of you - every part of government is focused on vaccinating Nevadans.

Anyone who tells you that COVID-19 is just a public health crisis is wrong -- it's also an economic crisis and a fiscal crisis. It has impacted Nevadans ability to feed themselves and their kids, to keep the lights on, to keep a roof over their heads, to earn a paycheck and keep their benefits that allow them access to health care.

In our first months of the pandemic, more than 250,000 Nevadans were laid off. It was devastating.

You know the truth: We're dependent on hospitality for a big part of our economy. And when travel stops, hotel rooms go empty, when showrooms close, and our convention business and tourism shuts down, it hits our State harder than any state in the nation.

That makes me more determined than ever to get our world leading hospitality industry open and our workers back on the job. But that's not enough. We need to expand our economy to other world leading industries that can create new jobs and new opportunities for our people.

And everyone needs to remember: It's not just big businesses that have been hit hard, our small businesses have suffered. And they account for almost half of all the jobs in our state.

I've been amazed at the grit and determination of so many small business employees and owners across Nevada -- as they have worked to get

through this pandemic. People like Trina Jiles, who owns Gritz Cafe in Las Vegas.

[CUT TO VIDEO FROM TRINA JILES]

Thank you, Trina.

That's why, in October, I joined State Treasurer Zach Conine and the Governor's Office of Economic Development to launch a small business assistance program that has been providing up to \$10,000 in emergency grant funding to businesses like Trina's. This funding has helped small businesses keep their doors open and their employees paid through these difficult times.

The response has been overwhelming, and so far, we've provided \$50 million to small businesses across Nevada. But we need to do more.

That's why tonight, I am announcing an additional \$50 million in my budget for this program which is vital for small businesses. I'm asking the legislature, as one of their first items of business, to get this done.

Additionally, our own Lieutenant Governor Kate Marshall will be working to create a Small Business Advocacy Center, to be a one-stop location to help small businesses take advantage of the resources that exist and help them cut through the red tape.

As I said before, it's not enough to just aim for a full reopening of our current economy. We must look forward to the kind of economy that will let our state prosper in the future and create opportunity for all Nevadans.

So, let me share with you five initiatives that will help propel us forward.

First, the new energy economy.

Nevada is at the geographical center of energy transmission for the Western U.S. and has an opportunity to become to energy what Wall Street is to finance, or what Silicon Valley is to technology.

Nevada is already a leader in renewable energy, generating billions of dollars in investment and employing tens of thousands of our people. Now, we are perfectly poised to lead the world in energy storage.

To reach these ends, I will work with Senator Chris Brooks and the Legislature to pass a bold energy bill establishing our commitment to increased transmission, storage, and distribution of all forms of clean energy. More importantly, passing this bill will create good paying construction jobs starting this year and help in our fight against climate change.

This bill will attract and develop a variety of new industries, including electric vehicle infrastructure, component manufacturing, and lithium mining. Lithium is the primary ingredient in electricity storage. And, guess what, Nevada is home to the most accessible lithium reserves in North America.

Second, I am proposing the creation of Innovation Zones in Nevada.

New companies creating groundbreaking technologies can come to Nevada to develop their industries. This will be done without tax abatements or public financing.

Following passage of my Innovation Zone legislation, Blockchains, LLC, has committed to make an unprecedented investment in our state to create a smart city in northern Nevada that would fully run on blockchain technology -- making Nevada the epicenter of this emerging industry and creating the high paying jobs and revenue that go with it.

Let me also say that there are other exciting innovations taking place throughout the state. For example, UNLV physicists are leading the way in breakthrough superconductivity research. This technology allows for transmission of energy across long distances without energy loss and provides huge commercialization and job opportunities while helping solve our energy and climate challenges. The Department of Energy calls this breakthrough the "Holy Grail" of energy efficiency.

Third, preparing our workforce for the new Nevada economy.

Nevada has never experienced an economic recovery challenge as great as the one it faces now. Many of the jobs lost during the pandemic will not come back as businesses move toward automation. Job training - and retraining our displaced workforce – as well as connecting Nevada workers with remote working opportunities and emerging industries will be key to the State's economic future.

To achieve this goal, I will be creating the Nevada Job Force. I will be calling on some of Nevada's leading companies to fund, design, and implement training programs to prepare and qualify employees for these new jobs.

In addition, we need to recognize that our community colleges will play an even bigger role in workforce training. That's why I will be asking the Legislature to work with the Nevada System of Higher Education over the next two years to develop a framework transitioning Nevada's community

colleges to a new independent authority that will focus on making Nevadans' job ready.

Community colleges, together with union apprenticeship programs, are critical elements in building Nevada's workforce and economic future.

The COVID-19 pandemic has also changed the way we work, with remote work opportunities doubling by 2025. Nevada must be ready to take advantage of this trend, which is why I am establishing the new Remote Work Resource Center to connect Nevada workers with job opportunities across the globe.

Fourth, building our infrastructure.

Infrastructure creates real jobs for real people, and it will allow us to put hundreds of millions of dollars into our economy. Capital projects not only create high-paying construction and development jobs now, but those infrastructure improvements serve as the building blocks for our State's economic expansion for decades to come.

The budget I unveiled yesterday includes \$75 million for future capital improvement projects that will be used to launch the State Infrastructure Bank, so we can leverage outside capital to fund important infrastructure projects like rural broadband, renewable energy, and road improvements.

I am also calling on state agencies and local governments to fast-track billions of dollars of infrastructure projects that haven't been started. The faster we move these projects from the list of things that we need to do to the list of the things that we are doing the more Nevadans we put to work.

Fifth, making government work better.

While public employees at every level of government worked around the clock to deal with the impact of the pandemic, we found that many of our government systems were out-of-date and overwhelmed. We need to fix them.

This was painfully apparent with our unemployment insurance system. The division was hit by unprecedented volume - going from handling 20,000 claims a week to 370,000 claims a week - a twenty-fold increase. That increase created delays that caused real hardships for families. And by August, there were over 243,000 claims waiting to be verified, in order to prevent fraud - fraud that would have cost business and taxpayers tens of millions of dollars.

Today, the original backlog has been reduced by 95% and we now have more staff and improved systems to reduce the backlog completely. I want to thank Speaker Barbara Buckley, who chaired a rapid response strike force, and Elisa Cafferata, acting director of DETR, for their extraordinary service addressing this problem.

However, our computer infrastructure is still outdated, and our systems can be improved. I am recommending to the Legislature that we work together to modernize and utilize private sector expertise to help Nevadans in need.

More broadly, we need to recover the federal dollars that rightfully belong to Nevadans. My goal is to increase Nevada's share of federal grants by \$100 million over the next two years and by \$500 million annually by 2026. And I'll be working with Assemblywoman Daniele Monroe-Moreno and our federal delegation to do just that.

Better systems, modernization, private sector help, more federal dollars. That's a big part of the path forward.

I want to thank State Treasurer Zach Conine, the Governor's Office of Economic Development, and countless others who've helped develop this ambitious economic plan.

Once implemented, it will create 30,000 jobs in the short term. Over the next decade it will create 170,000 construction and development jobs, and over 165,000 permanent jobs.

I believe in this state and our future. We will support our current industries - like tourism - while developing new industries, embracing innovation, workforce training, and investing in infrastructure to create a more robust and sustainable economy.

And we will emerge stronger from this pandemic and lead the nation in jobs and opportunity.

Now I'd like to talk to you about the state budget.

I will be honest: putting together a budget for the next two years is hard enough in the good times and even more difficult during a state of emergency.

Analysts and economists have different projections. Markets are volatile. Business is uncertain. And so, this budget reflects the emergency we are currently in. Just like your family, the state will take a responsible approach that reflects our reality, today.

The fact is, the State's financial situation has improved slightly in the past few months. The Economic Forum's December revenue projection for the next biennium is \$8.5 billion, which is \$418 million more than was projected in June 2020, at the time significant budget cuts were made during the Special Session. For perspective, prior to the pandemic, projections were indicating we'd have \$9 billion to spend in this budget.

We are in an improved, yet still difficult position. Our fiscal situation has improved due to the decisions we've made over the last ten months -- working to strike a balance between protecting public health and also protecting our fragile economy.

Here are a few important items I want to tell you about the budget:

- We are anticipating General Fund revenue of \$4.1 billion in Fiscal Year 2022, nearly 9 percent less than the previous year.
- To avoid even deeper cuts, I am proposing the use of nearly \$100 million dollars from the state's existing Rainy Day fund. If our current situation isn't considered a downpour, I can't imagine what would be.
- This budget reflects \$187.2 million less than the previous budget including the elimination of 152 vacant state positions over the next two years.
- The COVID-19 pandemic and the unknown economic impact required State employees to do more with less, including required furloughs for the second half of Fiscal Year 2021. My recommended budget will not include a continuation of furloughs into the next biennium. My budget also prioritizes the health and well-being of state employees and their health benefits in a time when health is wealth.

While this budget makes tough reductions, it also contains smart investments in the essential priorities I outlined earlier, including:

- Restoring nearly \$40 million in funding for pre-school,
- \$415 million dedicated for construction, maintenance, planning, and economic development -- projects that will create thousands of jobs,
- And in order to stop talking about our doctor shortage and actually start doing something about it. I am proposing a \$25 million one-shot expenditure to help complete the UNLV Medical School Building, a school which could generate as many as 16,000 jobs over the next ten years.

Finally, in a time when one in four Nevadans are enrolled in Medicaid, access to quality health care is critically important to the public and economic health of our state. During the 31st Special Session, when things looked very bleak, the Legislature was forced to make 6 percent cuts to Medicaid rates, and reduce Neonatal Intensive Care Unit hospital service rates.

But as a result of the efforts we've made, our revenue never went as low as our worst projections -- and that is why my recommended budget calls on the Legislature to restore the rate reductions to support Nevada families and providers.

I look forward to working with the Legislature to adjust this budget and make responsible revisions. I am hopeful that long overdue federal support to state and local governments will be delivered in the coming months. That support is critical and it's outrageous that it hasn't arrived already.

This will be a dynamic process, but an important one -- as we work to recover, educate our kids, promote justice and equality, and most

importantly now, protect the health of our people. I look forward to signing legislation that creates jobs, saves the state money, and improves outcomes.

That's what Nevadans expect us to focus on, and that's what they deserve.

To all the parents, students and educators out there, I know this has been a particularly tough time. None of us have ever faced anything like COVID. Just ask Juliana Urtubey Nevada's Teacher of the Year, who joins us tonight.

[CUT TO VIDEO FROM JULIANA URTUBEY]

Thank you, Juliana. It is easy to forget what life was like before masks and social distancing. I want to pause for a moment and take this opportunity to give a big shout-out to those who educate our young people. Nevada educators deserve credit for handling the adjustments needed to educate our kids, while keeping everyone healthy and safe.

When our schools shifted from in-person learning to virtual or online learning, our business people gained a new appreciation for the valuable role schools play in helping to keep our economy humming.

And one other thing that became even more apparent: COVID-19 has exacerbated educational inequities-- further expanding the gap between have and have-nots. On top of that, the lack of access to in-person learning has resulted in an increase in mental and behavioral health problems for our youth.

It's unacceptable. It's harmful to our children, and we need to fix it.

The disparities and inequities that became so obvious, not just in education but in all facets of our society, are important work that this legislature and all Nevadans must take on. I want to take a moment to recognize Senator Joe Neal who was a true champion for social justice, for equality and opportunity. And held us all to account in the work we do here and in our state. We've lost a powerful Nevada voice.

As many of you know, I have not been quiet about my urgent desire to see children return to in-person learning, because we will not recover as a state if we leave our children behind.

I will do whatever it takes to get our students back in the classroom.

That's why we worked to supply PPE, ensure rapid testing was made available to all school districts, and now, prioritize our educators for vaccinations. With a new infusion of federal funds, I will continue to work with State Superintendent Jhone Ebert and local leaders to finish the job and get all of our kids-- in every area of the state-- returned to in-person learning.

That's the immediate priority, but we also need to look at solving the longstanding challenges facing our schools.

Two years ago, in the 2019 Legislative Session we began the process of modernizing Nevada's 53-year-old education funding formula. We took a significant step in the right direction with the creation of the Pupil-Centered Funding Plan. Education funding should be allocated to meet each student's learning needs. The dollars should follow the students, rather than being connected to districts or schools.

To accomplish this, we established the Commission on School Funding including parents, educators, and financial experts. The Nevada Department of Education has been working with the Commission to promote equity, transparency, accountability, and flexibility in our school funding approach.

In light of this emergency budget, I am recommending a phased approach to implementing this plan that begins during the 2021-23 biennium with ONLY state revenues, followed by Phase 2 in the next biennium that will include both state and local revenues.

This phased-in approach will allow school districts to manage resources to meet the needs of their communities.

My budget also ensures marijuana tax dollars will continue to fund education, to ensure districts can meet the needs of students during the pandemic and beyond.

I would like to close tonight with two personal thoughts.

First, I want to thank my family for their unending support -- my mother Mary, and my two daughters, Carley and Ashley, and of course First Lady Kathy Sisolak.

We recently celebrated our two-year anniversary and it allowed me to reflect on what a lucky man I am for having her by my side during one of the most difficult years in Nevada's history. Kathy: Thank you. I love you.

Second, I want to address the division and polarization that is gripping our country. It has to end. It's breaking down trust in our institutions and threatening our ability to solve the problems we face.

This is America. This is Nevada. And we need to pull together.

Tonight, I've asked leaders from both parties to join me. We don't always agree, but when it comes to the big challenges that have faced our State -- the economic recession, One October, and now the pandemic -- we work together for a stronger Nevada.

[CUT TO VIDEO FROM PRESIDENT BRIAN SANDOVAL, STATE SENATOR BEN KIECKHEFER, WEST WENDOVER MAYOR DANIEL CORONA, AND STATE ASSEMBLYWOMAN DANIELE MONROE-MORENO]

Thank you, my friends. Now I'm asking all Nevadans to join me in giving thanks to the over 200 Nevada National Guardsmen currently in Washington D.C.

Nevada, we can do this. We are determined, we are resilient, and we are strong.

Speaker Frierson, thank you for hosting me in the Nevada Assembly Chamber tonight.

Thank you all. God bless you. And let's get back to work.

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