



Written Testimony

Mayor Andy Hafen –Tuesday, August 30, 2011
The U.S. House of Representatives Committee on Education and the Workforce
“Examining Local Solutions to Strengthen Federal Job Training Programs.”

Office of Communications and Council Support

- Good morning Chairman Kline...members of the committee. On behalf of my colleagues on the city council and the residents of our great city, I thank you for the opportunity to appear before you.
- Before I begin my testimony, I'd also like to express my thanks to Congressman Heck.
- Congressman Heck represents the city of Henderson and we greatly appreciate him and his gracious invitation to testify before you on a subject that's so important to our future.
- I've been asked to speak about our economic situation, the jobs outlook, and some of the initiatives we've undertaken to help improve the employment situation in Henderson.
- I know our time is limited, so I'll get straight to the point on the issues I've been asked to discuss.
- As you're probably aware, prior to 2008 our economy was stronger than it had ever been. For many years Henderson was recognized as one of the fastest growing cities in America.
- However, around the third quarter of 2008, we saw signs of an impending economic downturn and realized that our years of growth and economic prosperity were in jeopardy.
- The ensuing recession caused some very strong declines in our largest revenue streams, in particular our Consolidated Tax and Property Tax.
- The Consolidated Tax, or C-Tax, is made up of sales tax, real property transfer taxes, and several other smaller revenue streams.
- In 2008 that Consolidated Tax revenue was in excess of \$92 million dollars. Our Consolidated Tax last year was just over \$70 million dollars.
- On the Property Tax side, in 2008 our assessed property valuation was \$15.9 billion dollars, and our Property Tax collections were in excess of \$78 million.
- Our assessed valuation this year is less than \$10 billion and our Property Tax collections are estimated to be around \$66 million dollars.

- Losses in these and other revenue streams caused by foreclosure, decreased property values, high unemployment, lack of growth and other factors have forced our city to cut more than \$105 million dollars from our budget and to reduce our staff complement by more than 200.
- According to the Executive Office of the President's Council of Economic Advisors, every \$92,000 dollars in government spending results in one private sector job.
- Given the dramatic shortfalls to ours...and every other budget in this region...that means a diminishment in the amount of job growth we, as a city, are able to promote.
- Weak economic indicators and continued uncertainty about our economy continue to stall reinvestment and growth.
- According to the U.S. Bureau of Labor & Statistics, the national unemployment rate is at 9.1 percent.
- Nevada, by contrast, currently sits at 12.9 percent, and Southern Nevada unemployment is at 14 percent.
- All of these factors combine to create a scenario that is certainly ripe with challenge when it comes to job creation and recovery.
- However, in Henderson we've made it a priority in our strategic planning efforts to focus on ways to promote a strong and diverse local economy...and we believe that despite our continued economic struggles we've been achieving success in that area.
- Every year we review the job outlook in Henderson to ensure we are placing priority in industry clusters that have the highest potential to create new jobs.
- Over the last few years, our primary focus has rested in two key areas. The first has been private education as an industry. The second has been healthcare.
- Through our efforts, Henderson is now home to 13 private colleges and universities, the largest number of any city in the state.
- We recognize the value of education as a pathway for good paying jobs and diversification, so this has become a priority for us in our economic development efforts.

- In the healthcare arena, we've created the Southern Nevada Medical Industry Coalition.
- This is a regional collaboration involving members of government, academia, doctors, nurses, businesses and chambers of commerce.
- This effort has grown significantly and is now a private, non-profit with statewide representation and is one of the most successful organizations in the region tapping the federal workforce connections funding.
- This past year alone they've successfully implemented several creative programs matching healthcare training applicants with real jobs in the private sector.
- As we continue to research growth opportunities for employment, we now find ourselves with a focus on alternative energy, in particular solar energy.
- In October, the city of Henderson will host our first annual Global Solar Summit. We've invited the leading solar panel manufactures from Asia, Europe and America to convene in Henderson for a unique business development conference.
- We'll be matching the leaders of these companies with regional utilities and solar developers.
- Over 300 companies will be in attendance, in addition to our federal workforce training officials, to promote training and growth opportunities.
- We're working hard to identify the best industries for our region and have heavily utilized federal workforce training programs to support our efforts.
- We will continue to rely on these programs to help educate and train workers for these industries in the future.
- All of these economic development efforts are vital for us to achieve our goal of providing a strong and diverse local economy.
- And all of them depend in great part on our ability to draw on the workforce training programs available to educate the workers these industries require.
- So while we are still facing an uncertain economic future, one thing is certain for us... and that is education is vital to create jobs and get Henderson and Nevada back on track.

- We appreciate you taking the time to come to Southern Nevada to listen to us and learn about our challenges and our successes.
- We look forward to working together to create jobs, educate and train the workforce of today... and tomorrow... and to rebuild an economy that is bright, vibrant and full of promise for our people.
- Thank you.