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FIRST REPRINT

EXEMPT

S.B. 85

SENATE BILL NO. 85—SENATORS CARLTON, TITUS, WIENER AND AMODEI

FEBRUARY 7, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Provides for study of disparity in compensation for state employees.
(BDR S-452)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to employment; requiring the Governor to create a commission to study disparity of compensation paid to employees of this state; requiring the commission to report to the Legislature and the Governor; and providing other matters properly relating thereto.

1 WHEREAS, The Nevada Legislature in 1983, pursuant to the adoption of
2 Assembly Concurrent Resolution No. 48, directed the Department of
3 Personnel to study the criteria for determining salaries for persons in the
4 classified service of this state; and

5 WHEREAS, As a result of that study, certain adjustments were made in
6 the method for determining the salaries of persons employed by this state,
7 but other recommendations regarding fair pay for persons employed by this
8 state were not enacted; and

9 WHEREAS, The rate of turnover in state government has increased
10 dramatically in recent years and that excessive rate of turnover has affected
11 the productivity and services provided by state agencies to the residents of
12 this state, and has increased the costs associated with recruiting qualified
13 persons for employment by this state; and

14 WHEREAS, The difficulty in recruiting qualified persons for
15 employment by this state impedes the agencies of this state in successfully
16 complying with their duties and objectives; and

17 WHEREAS, Many state agencies have initiated costly formal training
18 programs to provide their employees with the opportunity to gain the
19 required knowledge, skills and abilities needed for their positions, but,
20 because of the increased rate of turnover, have lost those trained employees
21 to other employment outside of state service; and

22 WHEREAS, The high rate of turnover has reduced the continuity in
23 service provided by state agencies to the residents of this state; and

24 WHEREAS, The purpose of the classification and compensation plan for
25 persons employed by this state is to provide internal equity among the



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1 various positions in state employment and to allow this state to maintain a
2 competitive position with other employers in the public and private sector;
3 and

4 WHEREAS, Current methods used to determine the compensation paid to
5 persons employed by this state who hold the same positions of
6 employment, or who hold positions of employment that are not similar but
7 which require equivalent composites of skill, effort, responsibility and
8 working conditions, have proven to be only partially effective; and

9 WHEREAS, It is the obligation of this state to provide the best service
10 possible to its residents and to spend the taxpayers' money in the most
11 efficient means possible; now, therefore

12
13 THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
14 SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:
15

16 **Section 1.** The purposes of this Act and the Fair Pay Commission for
17 State Employees are to:

18 1. Determine whether there is any disparity in compensation paid to
19 persons employed by this state;

20 2. Investigate the cause and extent of any disparate compensation paid
21 to the various persons employed by this state;

22 3. Develop reliable data concerning the causes and the extent of such
23 disparate compensation;

24 4. Educate the members of the public concerning the cause and extent
25 of any disparate compensation paid to persons employed by this state based
26 on differing genders, races or national origins; and

27 5. Make recommendations to the Governor and to the Legislature on
28 methods of eliminating and preventing disparate compensation paid to
29 persons employed by this state.

30 **Sec. 2.** 1. Not later than 60 days after July 1, 2001, the Governor
31 shall create a Fair Pay Commission for State Employees, consisting of 13
32 members appointed as follows:

33 (a) Nine members appointed by the Governor as follows:

34 (1) Two members who represent business interests in this state and
35 who are appointed from a list of persons nominated to serve on the
36 Commission by business organizations and trade associations in this state;

37 (2) Three members who represent employee organizations that
38 represent persons employed by this state;

39 (3) Two members from institutions of higher learning who have
40 experience and expertise in collecting and analyzing data concerning
41 disparities in compensation and whose research has already been used in
42 efforts to promote the elimination of those disparities;

43 (4) One member who represents the Department of Personnel; and

44 (5) One member who represents the general public.

45 (b) One member appointed by the Speaker of the Assembly.

46 (c) One member appointed by the Minority Leader of the Assembly.

47 (d) One member appointed by the Majority Leader of the Senate.

48 (e) One member appointed by the Minority Leader of the Senate.



1 2. The Commission shall apply for and receive gifts, grants and
2 donations from any public or private source to assist the Commission in
3 carrying out its duties. Any money received by the Commission pursuant to
4 this subsection must be:
5 (a) Accounted for separately; and
6 (b) Used, subject to any limitations contained in the gift, grant or
7 donation, to carry out the duties of the Commission.
8 3. The account created pursuant to subsection 2 must be administered
9 by the Director of the Department of Personnel.
10 4. The members of the Commission shall serve without compensation
11 or reimbursement of expenses until the balance in the account created
12 pursuant to subsection 2 is sufficient, as determined by the Director of the
13 Department of Personnel, to pay the expenses of the Commission. Once the
14 Director of the Department of Personnel has determined that the expenses
15 of the Commission may be paid from the account, each member is entitled
16 to receive:
17 (a) If the member is a legislator, for each day or a portion of a day
18 during which the member attends a meeting of the Commission or is
19 otherwise engaged in the business of the Commission, except during a
20 regular or special session of the Legislature, the:
21 (1) Compensation provided for a majority of the members of the
22 Legislature during the first 60 days of the preceding session;
23 (2) Per diem allowance provided for state officers and employees
24 generally; and
25 (3) Travel expenses provided pursuant to NRS 218.2207.
26 (b) If the member is not a legislator:
27 (1) A salary of \$80 per day while attending a meeting of the
28 Commission or while otherwise engaged in the business of the
29 Commission; and
30 (2) The per diem allowance and travel expenses provided for state
31 officers and employees generally while engaged in the business of the
32 Commission.
33 5. The Commission shall:
34 (a) Appoint a chairman from among its members; and
35 (b) Meet at the times and places specified by the call of the chairman.
36 **Sec. 3.** 1. The Fair Pay Commission for State Employees shall
37 conduct a complete study of:
38 (a) The total compensation paid to persons employed by this state;
39 (b) The manner in which the amount of the compensation paid to those
40 employees is determined;
41 (c) The methods used to prepare, maintain and revise a classification
42 plan for all positions in the classified service of this state and for
43 determining the similarity of duties and responsibilities so that the same
44 qualifications may reasonably be required for, and the same schedule of
45 pay may be equitably applied to, all positions in the same class;
46 (d) The extent of any disparities in compensation paid to employees
47 who hold the same job or who hold jobs that are not similar but which
48 require equivalent composites of skill, effort, responsibility and working
49 conditions;



- 1 (e) The factors that cause or tend to cause the disparities described in
2 paragraph (d);
3 (f) The consequences of the disparities described in paragraph (d),
4 including, without limitation, the effect of such disparities on the economy
5 and on the families of the persons who receive disparately low
6 compensation; and
7 (g) Actions that are likely to lead to the elimination and prevention of
8 such disparities.
- 9 2. The study required by subsection 1 must include an external market
10 review comparing compensation paid to persons employed by this state to
11 compensation paid to employees of local governments, school districts and
12 private businesses who are employed in similar positions or in positions
13 that are not similar but require equivalent composites of skill, effort,
14 responsibility and working conditions.
- 15 3. The Commission shall, not later than 18 months after its members
16 are appointed, submit a report to the Legislature and to the Governor. The
17 report must:
- 18 (a) Include the results of the study;
19 (b) Include the results of the review required by subsection 2; and
20 (c) Provide recommendations for actions that would promote the
21 elimination and prevention of disparate compensation paid to persons
22 employed by this state based on differing genders, races or national origins,
23 including, without limitation, recommendations for legislation.
- 24 **Sec. 4.** This Act becomes effective on July 1, 2001, and expires by
25 limitation on July 1, 2003.

