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# Washoe County School District

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TO: Members of the Assembly Committee on Government Affairs

FR: TSA Tom Stauss, Coordinator, Human Resources, WCSD

RE: AB 68

DT: February 19, 2003

Dear Mr. Chairman/Mr. Vice Chairman/Members of the Committee on Government Affairs:

For the record my name is Tom Stauss and I am a Coordinator in Human Resources for Washoe County School District.

I appreciate the opportunity to testify on behalf of the WCSD regarding AB 68.

The District currently spends approximately \$3,000,000 out of the General Fund (GF) in compensation for extra duty assignments such as coaches, hourly teachers, summer school teachers, and other positions. We currently spend approximately \$2,000,000 out of grant funds in compensation for extra duty assignments.

If this amendment were passed, as currently written, the District would be required to pay approximately \$600,000 in additional PERS benefits out of the GF, and approximately \$400,000 out of grants funds. This would impact the District's budget on July 1, 2003, just a little over four (4) months from now. While this may not appear to constitute a significant amount of money based on the District's overall budget, it would constitute a hardship on the District given the substantial financial challenges we face as a District.

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SUBMITTED BY: Tom STAUSS

Furthermore, since these additional costs have not been budgeted for by the District, it could require the District to cut services in both general funded and grant funded areas.

That being said, the District is not opposed to the principal behind AB 68, which is to ultimately increase the retirement benefit for our employees. We endorse this concept. We oppose, however, the costs attached to AB 68 that will be imposed on Districts if it were approved as currently written.

Furthermore, we have some concerns on the impact AB 68 might have on the Districts' reporting requirements to PERS for future retirees.

Given the cost implications of AB 68 and the concerns about PERS reporting requirements, the District would respectfully request that language be included in AB 68 that would first, delay the implementation until at least July 1, 2005, so that Districts can budget for the additional costs, and so that Districts can work with PERS to iron out concerns about reporting requirements for employees.

Second, we request that specific language be included in AB 68 that gives Districts the authority to reduce current rates of pay for extra duty assignments by  $\frac{1}{2}$  of the PERS contribution rate of 20.25%. This would allow both the employee and the District to bear  $\frac{1}{2}$  of the additional costs associated with AB 68. This language would be particularly important for extra duty assignment rates of pay that have been negotiated with local Employee Associations, and which are now a part of local Negotiated Agreements.

We believe that existing law and PERS Policy provides for cost sharing for PERS increases. For example, NRS 286.421.3 (a), states, "Payment of the employee's portion of the contributions pursuant to subsection 1 must be: (1) Made in lieu of equivalent basic salary increases or cost-of-living increases, or both; or (2) Counterbalanced by equivalent reductions in employees' salaries." PERS Policy 3.9 states, "Future contribution rate increases detailed in Policy 3.8 shall be shared equally by the member and public employer".

To summarize, we recommend that AB 68 not become law until at least July 1, 2005, and that both the employer and the employee share the costs associated with AB 68. If these concerns cannot be addressed in AB 68, WCSD would be in opposition to this Bill.

Thank you for your consideration of this testimony, and thank you again for the opportunity to present testimony to this committee.