

**LOCAL GOVERNMENT  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 8, 2017

Agency Submitting: Local Government

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2016-17</b>	<b>Fiscal Year 2017-18</b>	<b>Fiscal Year 2018-19</b>	<b>Effect on Future Biennia</b>
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

See attached.

Name Michael Nakamoto

Title Deputy Fiscal Analyst

The following responses from local governments were compiled by the Fiscal Analysis Division. The Fiscal Analysis Division can neither verify nor comment on the figures provided by the individual local governments.

Local Government Responses  
**S.B. 469 / BDR 23 - 685**

City/County: <b>City of Henderson</b> Approved by: Mike Cathcart, Business Operations Manager Comment: The fiscal impacts of this legislation cannot be determined.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: <b>City of Las Vegas</b> Approved by: Michelle Thackston, Administrative Assistant Comment: The fiscal impact cannot be determined at the present time. Determining this would require knowing the value of any negotiated contract as well as other national and regional economic indicators (CPI, etc) to be able to compare against future (unknown) revenues. While this would have a negative fiscal impact, it is impossible to quantify.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: <b>City of Reno</b> Approved by: Tillery Williams , Management Analyst Comment: No anticipated fiscal impact to the City of Reno.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

City/County: <b>City of Sparks</b> Approved by: Jeff Cronk, Financial Services Director Comment: It's impossible to determine how the provisions of this bill may impact future negotiations with the City's labor groups as each negotiation is unique with many variables.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: <b>Carson City</b> Approved by: Nancy Paulson, CFO Comment: Would have an impact to Carson City, but the amount is undeterminable at this time.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

City/County: **Churchill County**

Approved by: Eleanor Lockwood, County Manager

Comment: BDR 23-685 seeks to remove language that was added in the last legislature regarding collective bargaining. It removes the specific guidelines by which an employer can re-open a bargaining agreement, and it removes the limits a fact-finder must use to determine an employer's financial ability to pay. Churchill County opposes the changes reflected in this BDR, as it puts the employer in a similar situation as previously - where we would enter into a bargaining agreement and then if the financial situation changes, we would have to negotiate to reopen the contract.

Fiscally, the impact of this legislation could be significant. If the county finds itself with declining revenues in the future, this BDR would not allow the county to re-open a contract unless the bargaining unit agreed. The likelihood of that occurring is very low. Without reopening the contract, the county would have to come up with other ways to trim the budget, which could mean layoffs (either within jobs covered by the bargaining agreement, or with jobs outside the bargaining group). Also, the way the NRS is currently worded, if we have a budgeted ending fund balance of less than 25% of the total budgeted expenditures in the general fund, this money is not subject to negotiations regarding our ability to pay and it may not be considered by a fact finder or arbitrator. This BDR would remove that restriction, so that money would have to be considered. This provision may hamstring the county's ability to provide services in needed areas, since we would have to make sure the money was available for negotiations. Rather than giving the employer the freedom to decide how best to expend resources, this would impose outside restrictions which may be onerous.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

City/County: **Clark County**

Approved by: David Dobrzynski, Asst Director of Finance

Comment: This bill revises provisions to the reopening of a collective bargaining agreement during a period of fiscal emergency. The fiscal emergency is determined on the basis of revenue shortfall or reductions relative to economic indicator such as CPI. This bill also eliminates a provision of existing law which imposes limitations on the amount of money that a fact finder or arbitrator may consider in determining the financial ability of a local government to pay compensation or monetary benefits.

Fiscal impact cannot be determined.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **Esmeralda County**

Approved by: Kelly Jo Eagan, Administrative Asst

Comment: No Impact

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: Gina Rackley, Comptroller

Comment: Currently, there are two scenarios where a governing body can request the re-opening of negotiations. They are 1) a 5% or more drop in revenues from one year to the next and 2) an ending fund balance that drops below 4% of the previous years expenditures. This replaces it with only one: An emergency such as a riot, military action, natural disaster (Flood, Hurricane, etc) or civil disorder. Although there could definitely be an impact to the County, it is difficult to calculate at this time what that amount would be.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$500,000	\$525,000	\$560,000	\$0

City/County: **Washoe County**

Approved by: Jamie Rodriguez , Management Analyst

Comment: The impact of the bill cannot be determined, deletes the fact-finder or arbiter from considering an agency's fund balance of anything less than 25% in determining an agency's financial ability to pay compensation to employees. The bill also eliminates the criteria for a fiscal emergency, which requires a reopening of a collective bargaining agreement (including if General Fund revenues decline by 5% or more), and instead proposes that agencies and labor associations negotiate the conditions for a reopener.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

**School District: Carson City School District**

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: At this point, because we are a school district, the change in the 25% rule would not impact us. We could see a fiscal impact down the road with the change in definition of fiscal emergencies. You have two reasonable, objective measures that could clearly impact fiscal health, regardless of the location of the local government entity or any other variable, that most anyone would agree are issues of concern. Why would you allow two groups to negotiate this that may not have fiscal background or expertise to judge what a fiscal emergency looks like? To allow something like this that should be obvious, objective measures, to be subject to the uncertainty of negotiations not only makes us fear what could happen in our district, but how we could be impacted by really bad decisions by much larger local governments that would tilt the entire funding allocation across the state to make up for bad choices.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

**School District: Clark County School District**

Approved by: Dillon Kay, Assistant Budget Director

Comment: If passed, the District's ending fund balance would be eligible for inclusion in the collective bargaining process. The District could potential lose the unassigned fund balance. In Fiscal Year 2016 the unassigned fund balance was \$37.5 million. This is not a good business practice as the funds are one time funds and to use the funding for a permanent expenditure like salaries would generate a major issue in the following year, as there would potentially be no ending fund balance to allocate from again.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

**School District: Douglas County School District**

Approved by: KLewis, Director of Human Resources

Comment: While this bill would not have a financial impact in regards to adding additional cost, this bill could have a very negative impact on the overall health of the District. By removing the state definition of "fiscal emergency", and making it subject to collective bargaining could have a negative fiscal impact and put DCSD in a financial risk based on what's negotiated.

<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Lyon County School District</b> Approved by: Shawn Heusser, Director of Finance Comment: Negotiations being reopened would increase the negotiation cost for the district.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$8,000	\$10,000

School District: <b>Lincoln County School District</b> Approved by: Pam Teel, Superintendent Comment: could be good				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Has Impact	\$0	\$0	\$0	\$0

School District: <b>Nye County School District</b> Approved by: Kelly Wood, Executive Secretary Comment: No fiscal impact for Nye County School District.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Pershing County School District</b> Approved by: Russell D. Fecht, Superintendent Comment: No Impact				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
No Impact	\$0	\$0	\$0	\$0

School District: <b>Washoe County School District</b> Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: Washoe County School District does expect financial impact as a result of the inclusion of a CPI provision but cannot predict that impact in the future.				
<b>Impact</b>	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Future Biennia</b>
Cannot Be Determined	\$0	\$0	\$0	\$0

School District: **White Pine County School District**

Approved by: Paul Johnson, CFO

Comment: Current collective bargaining practices have been to re-open portions of the contract by either party including wages. The District has been reluctant to enter into multi-year agreements without the ability to reopen negotiations. Currently, NAC 354.660 states a budgeted ending fund balance of not more than 8.3% (or one month) of the total budgeted expenditures...is exempt from negotiations. The District infrequently has a fund balance in excess of this amount. It does not appear that the changes listed in this BDR will affect the District operations at this time. It is possible that there are consequences that are not immediately evident that may affect future negotiations. Having language with respect to conditions that would trigger reopening an agreement in NRS would help if negotiations require settlement through arbitration or litigation.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

**The following cities/counties/school districts did not provide a response:** Boulder City, City of Elko, City of North Las Vegas, City of Mesquite, Douglas County, Elko County, Eureka County, Lincoln County, Lander County, Lyon County, Mineral County, Nye County, Storey County, Pershing County, White Pine County, Churchill County School District, Elko County School District, Esmeralda County School District, Humboldt County School District, Eureka County School District, Lander County School District, Mineral County School District, and Storey County School District.