

**LOCAL GOVERNMENT
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 27, 2017

Agency Submitting: Local Government

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
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
A.B. 121 / BDR 23 - 621

City/County: City of Henderson Approved by: Mike Cathcart, Business Operations Manager Comment: The impact of this legislation cannot be determined. It would be dependent upon the outcome of negotiations and the timeliness of getting an agreement completed. Neither of these items can be estimated to calculate a fiscal impact.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: City of Las Vegas Approved by: Michelle Thackston, Administrative Assistant Comment: The above fiscal impact represents the money we save per year for not paying our labor costs for union time by the City's 4 labor unions. If this bill passes the City of Las Vegas would be responsible for covering these costs. Additionally, the part of the bill that deals with retroactive increases and adjustments would also have a fiscal impact. Although hard to determine the exact costs over time, the following example can help illustrate the additional significant fiscal impact; When the City's International Association of Fire Fighters contract expired in June 2016, the tentative agreement was approved by City Council in November 2016 and back dated to September 2016 for retroactive increases and adjustments. The cost of the retroactive changes totaled \$558K. If the City of Las Vegas would have had to calculate back to June 2016 the cost would have been approximately double (\$1.1 million).				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$545,000	\$545,000	\$545,000	\$545,000

City/County: City of Reno Approved by: Tillery Williams , Management Analyst Comment: Cannot determine fiscal impact at this time.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$0	\$0	\$0

City/County: **City of Sparks**

Approved by: Jeff Cronk, Financial Services Director

Comment: This may change how bargaining agreements are implemented, and depending on when the agreement is finalized, this may result in additional costs compared to current law. However, the fiscal impact is unknown as that would depend on each bargaining contract.

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

City/County: **Carson City**

Approved by: Nancy Paulson, CFO

Comment: This would have a fiscal impact, but the amount is undeterminable at this time.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

City/County: **Churchill County**

Approved by: Eleanor Lockwood, County Manager

Comment: The Bill requires employers to allow employees to be paid for union business as long as the union either repays the employer or there are concessions made that match the value of the compensation to the employees. Churchill County's bargaining contract allow for 50 hours of leave from duty for negotiations. It is hard to determine if this Bill will have a negative fiscal impact BUT if this Bill passes it will make it more difficult to remove "negotiation leave" from the contract

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

City/County: **Clark County**

Approved by: David Dobrzynski, Asst Director of Finance

Comment: In essence, this bill repeals SB 241 passed by the 2015 Legislature. It's major features include: (1) requiring employers to pay compensation and monetary benefits as provided in a collective bargaining agreement after the contract period expires; (2) prohibits the employer from changing the terms and conditions of employment after the contract expires; (3) requires retroactive increases in pay/benefits if a contract is reached either by negotiation or the legal process after the contract has expired; (4) makes union leave a mandatory subject of negotiation; and (5) deems that bargaining units that had employer paid union leave as of June 1, 2015 have made prior concessions to cover the cost of union leave. The cost to Clark County cannot be determined.

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

City/County: **Douglas County**

Approved by: Wendy Lang, Director of Human Resources

Comment: The hourly rate of pay for employees bargaining and otherwise conducting labor group business, multiplied by the estimated number of hours these employees would spend conducting such business.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$23,124	\$23,124	\$23,124	\$23,124

City/County: **Esmeralda County**

Approved by: Kelly Jo Eagan, Administrative Asst.

Comment: No Impact

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
No Impact	\$0	\$0	\$0	\$0

City/County: **Humboldt County**

Approved by: Gina Rackley, Comptroller

Comment: This bill will continue to erode the power of the local government agency to negotiate contracts as 288.225 states that the entity (govt) must allow association representatives to do association work without financial consequence. Today, at least we can use the current language "may agree" to leverage negotiations. In addition, any language that requires the government entity to make any increase retroactive to the end of the most recent contract should include language that requires any reduction to also be retroactive. The financial impact for Humboldt County would be a minimum of \$100,000 to 1% negotiated.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$100,000	\$200,000

City/County: **Washoe County**

Approved by: Jamie Rodriguez, Management Analyst

Comment: This BDR is prohibiting an employer, such as Washoe County, from unilaterally changing terms and conditions of employment at the expiration of a Collective Bargaining Agreement. Over the past five years, we have strived to end our negotiations by the end of June, achieving that goal several times. In fact when we have bargained past July 1 of any year it has been at the County's behest as we wanted to achieve our goals in bargaining. Retroactivity's value would be impossible to calculate because it would all be assumptions as we do not have any idea of the value of economic packages.

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

City/County: **White Pine County**

Approved by: Elizabeth Frances, Finance Director

Comment: This will potentially allow unions to slow down negotiations resulting in unbudgeted increases in a subsequent fiscal year and cause violations of Chapter 354-Local Government Finance Act. Negotiated agreements should be negotiated based on the circumstances at the time of the agreement.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$0	\$0	\$0

School District: **Carson City School District**

Approved by: Andrew J Feuling, Director of Fiscal Services

Comment: I would expect that the ultimate impact on bargaining would be a wash as I'd expect the same outcome but with messy retro pays which would cost payroll staff overtime. As long as the leave is fully reimbursed by the employee association, that would also wash.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$5,000	\$0	\$5,000

School District: **Clark County School District**

Approved by: Dillon Kay, Assistant Budget Director

Comment: The bill would allow the steps to continue in the following year after the current contract has ended and allow an estimated \$35,000,000 in additional compensation to be entered in the following year's budget.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$35,000,000	\$35,000,000	\$35,000,000

School District: **Douglas County School District**

Approved by: Twhite, Superintendent

Comment: This bill would have direct impact on the Douglas County School District as it would make step and column raises mandatory and it would force the District to assume the costs of association leave.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$422,680	\$422,680	\$422,680

School District: **Lincoln County School District**

Approved by: Pam Teel, Superintendent

Comment: time to track and pay while with out an agreement.

Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$1,500	\$1,500	\$1,500	\$1,500

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

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

School District: Washoe County School District Approved by: Lindsay E. Anderson, Director of Government Affairs Comment: Washoe County School District estimates the section requiring districts to cover the cost of staff time on union business would be at least \$10,000 per year. There could be other costs associated with this legislation that cannot be quantified because they are impacts in the collective bargaining process.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Cannot Be Determined	\$0	\$10,000	\$10,000	\$10,000

School District: White Pine School District Approved by: Paul Johnson, CFO Comment: Mandating future wages takes away a local labor union and District's right to bargain. Local labor groups have mitigated the impact of wage increases by freezing salary placements, taking pay cuts, and compromising health benefits in order to save jobs and preserve programs and services during periods of financial adversity. Forcing salaries through statute takes away this flexibility to mitigate labor costs that can help preserve positions, programs and services during periods of financial stress. Roll-ups cost the District approximately 2% per year or \$115,000 for all labor groups excluding benefits or \$152,088 including benefits (PERS, Medicare, Worker's Compensation). This would not have an immediate impact because the District typically budgets and provides roll-ups; however, local unions have agreed to freeze salary placements in the past in order to save coworker's jobs.				
Impact	FY 2016-17	FY 2017-18	FY 2018-19	Future Biennia
Has Impact	\$0	\$152,088	\$152,088	\$304,176

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