

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
May 31, 2019**

The Committee on Government Affairs was called to order by Chair Edgar Flores at 9:05 a.m. on Friday, May 31, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4401 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman Edgar Flores, Chair
Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblywoman Michelle Gorelow
Assemblyman Gregory T. Hafen II
Assemblywoman Melissa Hardy
Assemblyman Glen Leavitt
Assemblywoman Susie Martinez
Assemblywoman Connie Munk
Assemblyman Greg Smith

COMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

Senator David R. Parks, Senate District No. 7

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Kirsten Oleson, Committee Secretary
Trinity Thom, Committee Assistant

OTHERS PRESENT:

Shaun Rahmeyer, Administrator, Nevada Office of Cyber Defense Coordination,
Department of Public Safety
Justin Luna, Fiscal and Administration Section Manager, Division of Emergency
Management/Homeland Security, Department of Public Safety
Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO
Stephen Augspurger, Executive Director, Clark County Association of School
Administrators and Professional-Technical Employees
Matthew J. Walker, representing Clark County Association of School Administrators
Chris Daly, Deputy Executive Director, Government Relations, Nevada State
Education Association
Scott A. Edwards, President, Las Vegas Peace Officers' Association
Michael Weyand, Secretary, Las Vegas Peace Officers' Association
Todd A. Chaffee, Treasurer, Las Vegas Peace Officers' Association
Thomas D. Dunn, District Vice President, Professional Fire Fighters of Nevada
Russell J. Jernee, Vice President, Las Vegas Peace Officers' Association
Michael Ramirez, Director, Governmental Affairs, Las Vegas Police Protective
Association Metro, Inc.; and Nevada Law Enforcement Coalition
Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers
Carter Bundy, Political Action Representative, American Federation of State, County
and Municipal Employees, AFL-CIO
Marlene Lockard, representing Service Employees International Union Local 1107;
and Las Vegas Police Protective Association Civilian Employees, Inc.
Drake Ridge, representing Las Vegas City Employees' Association
Kent M. Ervin, Legislative Liaison, Nevada Faculty Alliance
Tyre Gray, representing Las Vegas Metro Chamber of Commerce
Bradley Keating, Director, Government Relations, Clark County School District
Todd Ingalsbee, Legislative Representative, Professional Fire Fighters of Nevada
Kirsten Searer, Chief Communications and Community Engagement Officer,
Clark County School District
Les Lee Shell, Chief Administrative Officer, Office of the County Manager,
Clark County
Dagny Stapleton, Executive Director, Nevada Association of Counties

Chair Flores:

[Committee rules and protocol were explained.] First up is Senate Bill 69 (2nd Reprint).

Senate Bill 69 (2nd Reprint): Revises provisions relating to emergencies and cybersecurity. (BDR 19-350)

Shaun Rahmeyer, Administrator, Nevada Office of Cyber Defense Coordination, Department of Public Safety:

We are here to provide a short overview of the components of Senate Bill 69 (2nd Reprint). As mentioned, this bill is essentially broken down into two fundamental areas addressing concerns in emergency management as well as cyber security. I am going to speak towards the cyber security aspects. Essentially, this bill aims to streamline, make more efficient, and reduce areas of ambiguity and duplication of effort within the state Executive Branch as it relates to cyber security. In addition, there is a provision to regulate incident response plans related to cyber security within the political subdivisions across the state.

Justin Luna, Fiscal and Administration Section Manager, Division of Emergency Management/Homeland Security, Department of Public Safety:

In regard to the emergency management aspects of this bill, the proposed language will help clarify and streamline the requirements for submission of emergency response plans by schools, local governments, resort hotels, and utilities throughout the state. Currently, those four entities are required to submit emergency response plans. This clarifies the timelines and requirements surrounding those submissions. There were fiscal notes that were submitted by state agencies. We worked with those two agencies—the State Department of Agriculture and the State Public Charter School Authority of the Department of Education—and based on amendments, discussions, and working with those agencies, those were removed. There is an amended fiscal note in the Nevada Electronic Legislative Information System (NELIS) that reflects those fiscal note removals.

Chair Flores:

Members, are there any questions? Is there anyone wishing to speak in support of S.B. 69 (R2)? Seeing no one, is there anyone in opposition? Seeing no one, is there anyone in neutral? Seeing no one, Assemblyman Hafen has a comment.

Assemblyman Hafen:

Thank you both for working with the other parties to remove the fiscal note.

Chair Flores:

We are going to close the hearing on S.B. 69 (R2). Next on the agenda is Senate Bill 111 (1st Reprint).

Senate Bill 111 (1st Reprint): Revises provisions governing collective bargaining by local government employers. (BDR 31-651)

Senator David R. Parks, Senate District No. 7:

Senate Bill 111 (1st Reprint) reduces from 25 percent to 16.67 percent the budgeted ending fund balance of a local government other than a school district. It is the amount that must be excluded from collective bargaining negotiations and cannot be considered by a fact finder or

arbitrator in determining the local government employer's ability to pay. Twenty-five percent is approximately equivalent to three months of regular general fund operation expenditures and 16.67 percent is approximately equivalent to two months of regular general fund expenditures. In the previous session, Senate Bill 469 of the 79th Session was passed to do what S.B. 111 (R1) is proposing to do this session. Regretfully, S.B. 469 of the 79th Session was vetoed. My understanding is that it was vetoed because of some miscommunication. I am joined by several other speakers who will contribute to the presentation.

Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO:

In my previous iteration in 2015, we worked on this legislation when the proposal was to move this end fund balance from the preexisting 8.3 percent to the current 25 percent. We had to work to negotiate to get that down to this number: 16.67 percent. That is a number that is recognized nationally by accounting standards as a good practice—two months' worth of expenditures. We had an agreement to reduce that down to 16.67 percent from 25 percent back in 2015. It just never got put into a bill or amended in the final moments, similar to where we are right now. At the end of session, it never got amended in, so it never got done. We brought the bill back in 2017, and we were able to pass the bill. As Senator Parks mentioned, it got vetoed by the Governor. So here we are again hoping to reduce the end fund balance from 25 percent down to 16.67 percent. It is a budgeted end fund balance. It is a national standard. It is more reasonable for employees to negotiate.

Stephen Augspurger, Executive Director, Clark County Association of School Administrators and Professional-Technical Employees:

In section 1.2 of the bill, and repeated throughout the bill, is language that says if the local government employer is a school district, any money appropriated by the state to carry out increases in salaries or benefits for employees of the school district is subject to negotiations with an employee organization. This language will directly impact every employee in the Clark County School District: support staff employees, custodians, janitors, and food service workers. It will impact every teacher, school police officer, principal, and other administrators who work in the school district. The reason this language is important is for this reason: Historically, the Nevada Legislature has provided a 2 percent rollup to school districts across the state of Nevada. That rollup is provided annually, and the reason for it is clear. We have posted documents on the Nevada Electronic Legislative Information System (NELIS) from our other hearing if you would like to look at them. In the legislative appropriations report ([Exhibit C](#)), it clearly identifies the purpose for the 2 percent rollup as normal movement on a salary schedule. It is payment for additional longevity and additional hours of professional development that employees earn. That same definition is included in the Department of Education State Distributive School Account budget where they also define that the purpose for the 2 percent rollup for districts across the state of Nevada is to, in essence, reward teachers and employees for additional professional development and longevity. I think it is a promise from the Legislature to employees in return for their seeking additional professional development. It is a retention issue for all employees.

The reason why we are bringing this legislation forward is because in 2015 the Legislature passed Senate Bill 241 of the 78th Session, which was a collective bargaining reform bill. That rollup money in one district alone has not been used for the purpose the Legislature intended it to be used. In the Clark County School District, those rollups have not been provided for employees. For the 2017/2018, 2018/2019, and again in the 2019/2020 school years, those rollup funds have been diverted for other purposes. It is not an insignificant amount. If you look in those budget documents, for fiscal year (FY) 2019, \$168.4 million was allocated statewide. The Clark County School District received about 65 percent of the statewide allocation. The dollar amount would be in excess of \$50 million. That money has gone to the school district. The school district has submitted the documentation to the Nevada Department of Education to receive that money each year, but the money has not been used for the purpose that it was intended to be used by the Legislature. We feel strongly that the promise needs to be maintained. The Clark County School District needs to spend that money as it has been approved by the Legislature for many years. There has been real harm to employees by not receiving that money, not only loss of income, but reduced capacity to pay both increased PERS payments and increased health benefits. We are not asking for the money to go directly to employees. It still has to be negotiated. This language will say to an arbitrator that he must include the funds that have been included by the Legislature for salary and benefits. That must be included in the district's ability to pay.

Matthew J. Walker, representing Clark County Association of School Administrators:

I just wanted to add a touch of context in terms of the need for this bill. In 2017, *Nevada Administrative Code* (NAC) 354.660 was adopted that would restrict the ending fund balance at 8.3 percent for school districts. It would protect those from consideration by an arbiter with a bargaining group. In addition, with the funding formula bill that you will consider this session, the ending fund balance requirement has been set at 16.67 percent. It is even more critical today, more so than ever, that we make it clear to an arbiter that, when they are considering the ability to repay, if the ending fund balance is less than 8 percent, they still need to take a look and see if the money appropriated specifically for career progression for education professionals or for health benefits has been made a part of bargaining. Does the district have the ability to at least pay those funds? We want to make sure that we have the chance to have a conversation during arbitration and that we are not shut out.

Assemblyman Hafen:

I have a number of concerns. A gentleman just mentioned the funding formula. I am sure that everyone is aware that I am not a fan of the freeze and squeeze on my communities. In addition to that, I have some concerns with how we are going to be able to pay for this. We have been going through multiple meetings saying that we do not have enough money to do this or that. I also have some concerns with reducing the 25 percent to 16.67 percent. As I stated, I do not like the school funding formula. I think that this is going to hurt all communities. Could you talk to that and ease my concerns about the financial aspect of this? I think that you need to keep the 25 percent.

Senator Parks:

Let me first comment on what the standards are. The Government Finance Officers Association has declared that a minimum of two months' reserve—which would be the 16.67 percent—is considered a highly credit-positive amount by rating agencies. We have two other agencies. We have the generally accepted accounting principles, which are widespread and used extensively. We also have the Governmental Accounting Standards Board (GASB). They both say a minimum of 8.3 percent—half of the 16.67 percent—is considered a reasonable ending fund balance. Given that, we are going the extra distance in having an amount that is double what is considered the minimum for healthy accounting processes. I would also like to refer back to what Mr. Augspurger said. He said that funding that has been allocated for pay increases ends up getting limited by the fact that it is overruled by the high percentage rate. From the perspective of a person who has done public accounting for over two decades, I think what is in front of us today is a healthy balance to maintain.

Assemblyman Hafen:

I do not know how the public sector works with cash reserves. In the private sector we typically like to shoot for six months. I know that is optimistic and typically it ends up being four months in the private sector. I have grave concerns over reducing it from three months, which I personally think is too little. I will respectfully disagree with you on that. Did you want to touch on the funding? There is a substantial fiscal note attached to this. I do not know if the amendment addresses that.

Matthew Walker:

The beauty of this is that for decades this money has been allocated by the Legislature, but since 2015 it simply has not gone to its intended purpose in one school district. That school district in the 78th, 79th, and 80th Legislative Sessions has not asked for a waiver. They have not asked for the money to not be allocated. That district has come before this body and has received that allocation, knowing that they were going to budget zero dollars for the intended purpose. This bill ensures that we break that cycle and that the money that is intended to reward a teacher for getting his or her master's degree or reward a school support employee for his or her longevity goes to the intended purpose.

Assemblyman Ellison:

Would this go outside of the 3 percent that the Governor said he would put into the government recommendations for teachers? My colleague is right. Elko County got hit by \$18.8 million per year. It is going to destroy the school district because of the new formula. Any other burden onto the schools in the rurals is going to be smashed. We want to make sure that these numbers are correct. The other thing is, why could the ending fund balance of 8.3 percent not be taken down a little? Did they have to go back to finance? Where did they have to go to change the formula? I can tell you that most counties are around 5.5 to 6 percent on any fund balance—8.3 percent is pretty healthy. I think we need to look at why. If the school district did not allow for what is designated for the teachers, to me, that is a tragedy. Maybe you could hit on a couple of those points. Those are some answers that we need to know.

Matthew Walker:

This policy, as it pertains to school districts, would not lead to the allocation of any additional money from this Legislature. It would have no impact on the 3 percent, or whether or not a 2 percent rollup is even funded by this body. What it simply says is, when an arbiter is looking at NAC, which has an 8.3 percent ending fund balance requirement for school districts, and when they are looking at the appropriations that have been made specifically to mitigate increases in out-of-pocket costs for health benefits and the career progression of education professionals, they can take a look at that money that has been allocated through the rollup in arbitration. They do not need to shut out that bargaining group just because the ability to pay does not exceed the 8.3 percent threshold.

Assemblyman Ellison:

If you were going to reduce that ending fund balance, where would you go? Would you go to the state and finance?

Rusty McAllister:

The 8.3 percent ending fund balance is what it always has been historically. It was a budgeted ending fund balance. For years the goal for all of the local governments and school districts in the state was trying to budget, if you could, an 8.3 percent ending fund balance. Anything over the 8.3 percent that you budgeted—if you budgeted a 4 percent ending fund balance or an 8.3 percent ending fund balance—anything you had over that was available for employees to bargain for. Local governments have always tried to make that higher if they could. In 2015, for everyone except for school districts, the percent increased to 25 percent in a budgeted ending fund balance. There are no local governments that are budgeting 25 percent ending fund balances because they do not have those. Actually, if they did have a budgeted ending fund balance of 25 percent, the citizens would say, You are taxing me too much if you have that much left over at the end of the year. What we would like to do is to use a national accounting standard—not go back to the 8.3 percent that it was—give local governments a better opportunity to save some money, if they choose, in an ending fund balance up to 16.67 percent. Anything over that would be available for employee groups or employees to bargain for. Typically, what has happened since 2015 is that local governments have chosen not to budget an ending fund balance at the 16.67 percent level because that ties their money up. No one wants to budget a 16.67 ending fund balance because that means that it is actually budgeted for the ending fund balance. That ties their funds up, so they choose not to do that. Since the economy has been good, several of them have budgeted in the 10 to 12 percent ending fund balance range. Anything over that is subject to negotiation. Anything below that is not subject to negotiation. To say that we would want to lower it from 8.3 percent, then you get into trouble because you do not want to have lower end fund balances. You want to have the end fund balance to be at least 8.3 percent, if you can, to give you some protection during downturns or in the event that the revenue is not where it should be. We are not looking to lower it below the 8.3 percent. For local governments, we are looking for it to be at 16.67 percent, and they have the ability to protect that much revenue if they choose.

Chair Flores:

I would like to invite forward anyone wishing to speak in support of S.B. 111 (R1).

Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association:

We are the voice of Nevada educators for over 100 years. We are also involved in collective bargaining in every county in the state of Nevada. I will talk more about collective bargaining in the next bill hearing, but we believe collective bargaining to be the best process to engage and come to agreement between employers and groups of employees. In the case of school districts, we want to make sure that the rules by which this bargaining is conducted are fair, and for all of the work this session to address the issue of public education funding—in particular the issue of adequate pay for our educators, including our teachers. There is a flaw in the process when the Legislature appropriates money for a purpose like rollups, advancement on the salary schedule—in terms of the columns or steps—or when the Legislature hopefully appropriates money for a 3 percent increase for educators. We do not want to be in a position at bargaining tables where school districts can say that we got this money, but we have other needs and are unable to offer that raise even though the Legislature appropriated the money, then have that money end up in an ending fund balance that is walled off from the collective bargaining process. The language in this bill in section 1.2, subsection 4 does not require school districts to pass through the money, but it does prevent them from playing games in the bargaining process—which would be unfair.

Scott A. Edwards, President, Las Vegas Peace Officers' Association:

We represent the corrections officers and sergeants at the City of Las Vegas Detention Center. We are a proud member of the Nevada Law Enforcement Coalition. We just want to register our support of this bill.

Michael Weyand, Secretary, Las Vegas Peace Officers' Association:

We stand in support of this bill.

Todd A. Chafee, Treasurer, Las Vegas Peace Officers' Association:

We are also in support of this bill.

Thomas D. Dunn, District Vice President, Professional Fire Fighters of Nevada:

We are here in support of S.B. 111 (R1). I think it is important to recognize that, in the documentation from both 2017 and 2019, you had Ms. Mary Walker testify on behalf of some of your rural counties in their support of this bill. Ms. Walker provided testimony in the Government Affairs Committee and the Senate Finance Committee in support of this bill to include a rating from Moody's Investors Service that 16.67 percent was a credit-positive position for S.B. 111 (R1). It is also important to recognize that the GASB, the Government Finance Officers Association, and the Committee on Local Government Finance have all supported a position on S.B. 111 (R1) recommending the 16.67 percent. To the questions earlier about the fiscal notes—I am not going to belabor it anymore. We have had a large discussion about that in the Senate Finance Committee—how there is an issue and a concern about whether those numbers are actually factual and can be sustained in the future. Most importantly, as a public employee and with the departments and personnel that I represent, if we get state funding for public safety services, I have to account for every penny from the

point that it is appropriated through expenditure. I have to account for every penny and piece of equipment. I have to identify where it is at. I can be audited for that to ensure that it is going to the proper allocated purpose under either federal or state statute.

Russell J. Jernee, Vice President, Las Vegas Peace Officers' Association:

We support S.B. 111 (R1).

Michael Ramirez, Director, Governmental Affairs, Las Vegas Police Protective Association Metro, Inc.; and Nevada Law Enforcement Coalition:

We are in support.

Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers:

We thank Senator Parks for bringing this bill. We ditto our colleague's comments.

Carter Bundy, Political Action Representative, American Federation of State, County and Municipal Employees, AFL-CIO:

We stand in strong support of the bill for the reasons previously stated.

Marlene Lockard, representing Service Employees International Union Local 1107; and Las Vegas Police Protective Association Civilian Employees, Inc.:

We strongly support this legislation.

Drake Ridge, representing Las Vegas City Employees' Association:

We are in full support of this bill and we urge the Committee's support.

Kent M. Ervin, Legislative Liaison, Nevada Faculty Alliance:

Ditto.

Chair Flores:

Is there anyone wishing to speak in opposition?

Tyre Gray, representing Las Vegas Metro Chamber of Commerce:

As was articulated by Assemblyman Hafen, there are concerns with reducing the amount from 25 percent to 16.67 percent. We are concerned with the fiscal stability of county and city governments, particularly as we look into our past. We know that we had recessions. We know that a recession can come again. We want to be careful to make sure that we do not put ourselves in a hole.

Bradley Keating, Director, Government Relations, Clark County School District:

I stand in opposition based on section 1.2, subsection 4 that deals with school districts. This bill and any other situation on any other page has nothing to do with school districts, but they attached school districts here. I want to thank Mr. Daly from Nevada State Education Association for making the comments today that we want to make sure the rules are fair for everyone in the game. If we wanted to make the rules fair for everyone in the game, we would

ensure that school districts were part of an ending fund balance in *Nevada Revised Statutes* (NRS). We have refused to put them in NRS and put an ending fund balance in NRS to ensure that school districts truly have an ending fund balance.

It was mentioned that "school districts are playing games." We are not playing games. If you want to talk about our playing games, how is it that we are playing games with money that the state gives us when the Clark County School District has \$18 million in increased costs for special education? We have to pay for staffing for new schools, which is not figured into the current funding formula. We have inflation; we have the Public Employees' Retirement System of Nevada to deal with.

Ask any of the speakers who were up here today to come up and explain to you—in the current funding formula that we look at, when dollars start at the very top and end in the funding formula—if they are equal from start to finish. The fact of the matter is, Clark County School District should receive approximately 70 percent of the dollars that go through the funding formula. Unfortunately, we receive between 55 and 65 percent. When that is done, it clearly means that we do not have the same amount of money or enough money to pay the whole way through. I appreciate Mr. Dunn from Professional Fire Fighters Association bringing up that our fiscal note is not accurate. I did not know that he was an expert in finance, but if he was he would know that this bill, if it stays like this, will create a gap—not knowing what our budget is right now—of \$36 million in the Clark County School District. So if this bill moves forward, I will let you know right now that we as a school district will look to make cuts out of school budgets. I just want that to be on the record so you all know it.

Assemblyman Hafen:

We had testimony saying that the fiscal note is inaccurate. There has been an amendment. Did the amendment not address the fiscal note?

Bradley Keating:

The bill, as it was originally introduced, had nothing to do with school districts whatsoever. It was a local government ending fund balance bill that did not include school districts. After a bill was killed that gave school districts an ending fund balance in NRS, this was amended here. The fiscal note was added after the amendment was put in on the Senate side.

Chair Flores:

Is there anyone wishing to speak in the neutral position? Seeing no one, Senator Parks, do you have any closing remarks?

Senator Parks:

I think there is a little bit of a disconnect when we are talking about a fiscal note of \$36 million. That is unrelated to what this bill does. This sets what the minimum is before you can start negotiating. In conclusion, I would like to say that Moody's Investment Service and many of the other rating companies all believe that the restricted ending fund balance that is

recommended is a minimum and that general purpose governments, regardless of size, maintaining a 16.67 percent ending balance is far in excess of what the guidelines show for the required ending fund balance. Thank you.

[([Exhibit D](#)) was submitted but not discussed and is included as an exhibit for the hearing.]

Chair Flores:

We will now close the hearing on S.B. 111 (R1). We will move to our final item on the agenda, which is Senate Bill 153 (1st Reprint).

Senate Bill 153 (1st Reprint): Revises provisions relating to collective bargaining. (BDR 23-405)

Senator David R. Parks, Senate District No. 7:

Senate Bill 153 (1st Reprint) makes various changes related to collective bargaining. This bill restores the statutes that were in effect prior to the 2015 Legislative Session. Among the things that S.B. 153 (R1) does is to remove the time limit within which the Local Government Employee-Management Relations Board (EMRB) must conduct a hearing related to certain complaints. It eliminates the restrictions on the continuation of collective bargaining agreements beyond their expiration date, thereby reinstating the ability of the parties to a collective bargaining agreement to include what is called an evergreen provision, providing for a principal, an assistant principal, or other school administrator below the rank of superintendent, associate superintendent, or assistant superintendent to participate in a collective bargaining unit separate from a bargaining unit for public school teachers, unless the school district employs fewer than five principals. It reinstates the requirement for four negotiating sessions, rather than eight, as well as the requirement to hold a hearing within 30 days after selection of the arbiter and seven days after the notice to the parties. It eliminates various restrictions and deadlines on arbitration. It repeals three existing statutes: a provision that places restrictions on an employer's ability to grant leave to employees to perform services for an employee organization, as well as two provisions that make principals at-will employees for certain periods of time or based upon the performance of the schools or upon the transfer rate of the teachers at the school. That concludes my prepared remarks. I would like to refer to my colleagues at the table.

Rusty McAllister, Executive Secretary-Treasurer, Nevada State AFL-CIO:

I worked on this legislation back in 2015 when the collective bargaining reform statutes were put in place. This bill is meant to correct or change things back to what they were before 2015. History has shown over the course of the last four years why that makes sense. First, section 1 and section 7 talk about arbitration or a case having to be heard within 45 days. Back in 2015, the EMRB that hears those cases had three people and that was all they had to do—manage panels. This Legislature appropriated more funding to the EMRB to expand those panels. Now they have five people to hear those cases in split panels. There is no backlog. At that point in time there was a tremendous backlog. That was meant to increase the speed at which these cases got heard. Since they have added the additional members for the panel, there is

no backlog and there is no need to have 45-day period because they are not held back. Mr. Snyder with the EMRB has done a great job at managing those cases and moving them forward, so the backlog is not there.

This bill talks about the evergreen clause—that is in section 3. Evergreen means that when a contract expires, the provisions that were in place at that time would remain in place until a new contract is put in place. Most of the employee organizations had evergreen clauses in their contracts. The testimony back in 2015 was that, by removing the evergreen clause language, it would encourage employee groups to speed up the negotiations and come to the table. That was never the problem. Employee groups always came to the table. They will come to the table any time to negotiate with our employers. We found that the management side of things would be tied up with other issues and would not be able to negotiate in a timely fashion.

Since 2015, we have found an absolute, complete slowdown by management in many cases—not all cases. In many cases they would slow down the process because, by removing the evergreen language when a contract expires, there is no need to go back and pay retroactive pay increases. It takes away the incentive for local governments and for other negotiation and management to negotiate. For every day after the contract expires, they save money. They know that the longer they can extend it out, they do not have to go back and pay the employees retroactively.

I think you will hear testimony from Mr. Augspurger. To give you a perfect example, after the legislation was passed in 2015, one attorney in particular who does a lot of the legal work for a lot of the local governments in the state sent out a letter immediately saying, This bill has passed and I am recommending that you stop or slow negotiations down because we can save you money. That is essentially what he was saying. That particular law firm has made literally millions of dollars off of local governments and school districts now negotiating on their behalf by delaying the process. Putting this evergreen language back in, we believe, will encourage both sides to come back and negotiate and get a contract done in a timely manner.

Lastly, section 20 talks about union business leave. It says that it is going to repeal the language that is in *Nevada Revised Statutes* (NRS) 288.225. When we negotiate, everything that we ask for has a value. Just as everything that a local government asks for from the employee groups has a value. When we negotiate, if we lay an offer across the table, they will put in the numbers and they can come back and say, That will be one quarter of 1 percent of pay or that will be a half-cent salary increase. They know exactly what the financial implications will be. Nobody gives something for nothing.

In 2015 we were able to put language in—because we have given up over the course of time whether it is salary increases or other concessions—to pay for union leave time to represent our employees while on duty. The provision that was put in in 2015 said, You either have to pay for it, or you can make a concession of equal value. Our interpretation of that was that we

had already paid for it, so we did not need to pay for it again. Many of the local governments' positions were that, You have not paid for it, you need to pay for it, and not only do you need to pay for it, you need to pay for it in every contract.

If we make a concession to give up one-half of 1 percent of salary to pay for union business leave, that is in perpetuity. That goes on forever. That is a reduced salary. We consider that to be paid for. Many of the local governments said that is not the way it is. You have to pay for it again. You have to make another concession to have more leave. This would remove that provision because, basically, we have already paid for it. If a local government wants to have an entity pay for it that they do not believe has paid for it, they can negotiate it.

There are some fiscal notes that have been listed that discuss the financial cost of union leave. This provision has been in place for four years. If that is the price of it, why has the local government not taken the opportunity to negotiate it? If they do not believe they are being paid, why do they not take the opportunity to do that? They are saying, We need you to not allow this to happen, take this provision out of the statute because it is going to cost this much money. They should have already negotiated that. In many cases, a lot of the local governments and employee groups have negotiated that right into the contract. They have negotiated concession. They said that this concession will equal this much union leave going forward.

With that, I would like to turn it over to Mr. Augspurger to discuss the provision that deals with school administrators and the other things that he is more familiar with.

Stephen Augspurger, Executive Director, Clark County Association of School Administrators and Professional-Technical Employees:

One of the things that Mr. McAllister spoke about was the purpose of S.B. 241 of the 78th Session—that was the collective bargaining reform bill from 2015. One of the major purposes was to speed up the negotiations process. Before that bill we never had more than six bargaining sessions with the Clark County School District. We were always able to reach an agreement in those five or six sessions. Sometimes the agreement was for a salary increase. Sometimes, based on economic conditions, both parties agreed to not have a salary increase. There were a couple of years where our organization, working with the school district, actually took a salary decrease. We did that through the negotiations process prior to S.B. 241 of the 78th Session. Commonwealth Association of School Administrators has been the recognized bargaining agent for administrators in the Clark County School District for nearly 48 years. We had our first arbitration in that number of years after S.B. 241 of the 78th Session was passed. We declared an impasse in June of 2016 after 16 arbitration sessions were held. That was the first time we have ever gone to arbitrations. We opened up contract negotiations in April of 2017 for the 2017/2019 contract. That contract is set to expire at the end of this month. Thus far, we have had 27 negotiation sessions and do not have a contract. If the goal of S.B. 241 of the 78th Session was to speed up negotiations, it had exactly the opposite effect. We have not had a negotiated contract since that bill was passed.

The other thing I would like to speak about briefly is that the school district did submit a fiscal note to this bill. It is the same fiscal note that was on S.B. 111 (R1). I want to address that briefly and make a point. No matter what testimony is provided in opposition to this bill related to the fiscal note, I think it is important to understand that the Legislature, every year, has allocated 2 percent rollup money. Whether the district gets 60 or 65 percent of that—I guess it is hard to tell what they received—I continue to hear different numbers from the school district regarding that percentage. We have uploaded those documents. You can see that \$168 million was allocated statewide. If you take the 65 percent that the former presenter from the school district spoke to, that would result in \$54 million going for a single purpose: to pay normal movement on a salary schedule and longevity. It is for support staff employees, teachers, and for administrators. The cost of movement on the salary schedule—the district's own figure this year—is \$35.7 million. They are saying that they cannot allocate any money from the \$54 million that they have received—that would be the 65 percent of the \$168 million—that the Legislature gave to them for that purpose. They do not have the right to spend that money any way they want to. There is a policy in place that says the Nevada Legislature wants to reward employees for becoming better at their work, gaining additional professional development, for having increased longevity. Perhaps one of the things the school district should look at is that every year when school opens they are 1,000 teachers short. This is possibly a contributing factor to the 1,000-seat vacancy. We are in strong support of S.B. 153 (R1).

[([Exhibit E](#)) was submitted but not discussed and is included as exhibit for the hearing.]

Assemblyman Hafen:

Could you please clarify—I think you said this bill had the same fiscal note as the previous bill?

Stephen Augspurger:

It does have the same fiscal note as the previous bill.

Assemblyman Hafen:

I am looking at the fiscal note. I am assuming you are referring to the one from Clark County because there are three of them here. The one from Clark County is only \$1 million.

Stephen Augspurger:

Yes, this would be the Clark County School District.

Assemblyman Hafen:

There was not a fiscal note provided to us for the Clark County School District. Am I missing that? It is not in our packet.

Stephen Augspurger:

It should be on NELIS. The fiscal note on this bill is \$36 million and \$72 million for the biennium.

Chair Flores:

It is on page 5 of the local government fiscal note.

Senator Parks:

To summarize, in this fiscal note from the Clark County School District, the annual incremental step cost is estimated at \$36 million. They are looking at their schedule and making a broad assumption that the \$36 million would be if they gave every employee an equivalent of a one-step cost increase. I think it is a number that deserves further scrutiny.

Chair Flores:

I would like to invite anyone wishing to speak in support of S.B. 153 (R1) to come up.

Scott A. Edwards, President, Las Vegas Peace Officers' Association:

We stand in strong support of this bill.

Michael Weyand, Secretary, Las Vegas Peace Officers' Association:

We stand in support of the bill.

Todd A. Chaffee, Treasurer, Las Vegas Peace Officers' Association:

We also support this bill.

Russell J. Jernee, Vice President, Las Vegas Peace Officers' Association:

We strongly support this bill.

Drake Ridge, representing the Las Vegas City Employees' Association:

Ditto.

Richard P. McCann, Executive Director, Nevada Association of Public Safety Officers:

We represent a number of different organizations around the state—law enforcement-wise. We have not been required to go to arbitration in more than a decade. It is a good thing. Since 2015 with the advent of S.B. 241 of the 78th Session, we have come awfully darn close. Let us be honest, S.B. 241 of the 78th Session had consequences that have been very bad. This bill fixes those consequences. We urge you to support it.

Michael Ramirez, Director, Governmental Affairs, Las Vegas Police Protective Association Metro, Inc.; and Nevada Law Enforcement Coalition:

We are in support of this bill.

Carter Bundy, Political Action Representative, American Federation of State, County and Municipal Employees, AFL-CIO:

We stand in support of the bill.

Todd Ingalsbee, Legislative Representative, Professional Fire Fighters of Nevada:

We strongly support this bill. Since the passage of S.B. 241 of the 78th Session, we have gone to arbitration in our previous contract—the 2013 to 2016 contract. Currently, we are

renegotiating right now. We came to an impasse in March and asked for arbitration. We were denied that and were told that we would do fact-finding and that fact-finding would not be able to start until 20 days past session, which is in current NRS. Our contract expires on July 1, and we probably will not be able to get in front of an arbitrator until January. Our members who have worked and done what they are supposed to as it relates to the evergreen clause, their step raise increases that they have made plans for and have made career decisions on will be withheld from that. That is an unfair cost savings for the local government.

Marlene Lockard, representing Service Employees International Union Local 1107; and Las Vegas Police Protective Association Civilian Employees, Inc.:

I want to echo the comments that were made. There have been many inequities upon workers within the last four years and S.B. 153 (R1) would correct those.

Kent M. Ervin, Legislative Liaison, Nevada Faculty Alliance:

We represent faculty at all eight NSHE [Nevada System of Higher Education] institutions. We work to empower faculty to be fully engaged in helping our students succeed. I would like to support S.B. 153 (R1) and thank Senator Parks for bringing these two bills this morning in support of our local government and school district employee coalition colleagues. We would like to express the hope that Senate Bill 135 and Senate Bill 459, which would also bring a level playing field to state classified and professional employees, makes it all the way to your Committee.

Chris Daly, Deputy Executive Director, Government Relations, Nevada State Education Association:

We are in support of S.B. 153 (R1), which is the result of years of work done by union stakeholders that you have heard from this morning to strengthen collective bargaining provisions for public employees. Changes made by S.B. 241 of the 78th Session had chilling effects for public employees. It did not achieve its stated goal of labor peace. Instead, it locked employers and public employee unions in contentious, seemingly nonstop negotiations by creating burdensome timelines on a selection of arbitrators for both employees and employers representing teachers and education support professionals. The changes fostered mistrust at the bargaining table. The changes gave economic incentives to public employers to not reach agreements with their bargaining units.

Senate Bill 153 (1st Reprint) addresses these issues and makes timelines more reasonable. It is restoring the evergreen provisions to expired contracts. This would set a more level playing field for the collective bargaining process. I want to point out for those of you who represent rural parts of the state of Nevada, many of our local associations—particularly those in the rurals—previously negotiated benefits such as leave for contract discussions. These were unilaterally removed from S.B. 241 of the 78th Session, which further slowed down the process of negotiating a mutually agreeable contract. Due to this change, several districts over the last few years have scheduled bargaining at inconvenient times for both employees and employers. Senate Bill 153 (1st Reprint) would clarify these leave provisions and clear many of those logistical hurdles that those bargaining contracts in our rural areas face.

Chair Flores:

Is there anyone wishing to speak in opposition to S.B. 153 (R1)?

**Kirsten Searer, Chief Communications and Community Engagement Officer,
Clark County School District:**

I am here in opposition to S.B. 153 (R1). In response to concerns posed earlier, we want to reiterate that our ending fund balance has dipped to as low as 0.78 percent of our general fund budget. This is less than two days of operational costs. Part of the problem here is that we have not been provided with increased costs for many operational costs that we do sustain—including inflation, the cost of opening new schools, increases in special education costs. This year we absorbed the increased cost of Public Employees' Retirement System (PERS) on our end. Another concern about S.B. 153 (R1) is in section 17, which reduces the principal probation time from two years to one year. We are working very hard to increase student achievement and make Clark County School District the number one choice for kids. We know that the most critical indicators of student success are having a quality teacher and principal for every student. We want to make sure that we have adequate time to evaluate new principals to ensure they are the best leaders for our schools.

**Les Lee Shell, Chief Administrative Officer, Office of the County Manager,
Clark County:**

We are here in opposition to only section 3 of the bill, which you have heard referred to as evergreen. When S.B. 241 of the 78th Session went into effect in 2015, we believed that, for Clark County, that portion of the legislation would do some things for us to get us to the table more quickly. Since the legislation was changed in 2015, we have been to the table 27 times with our 12 various unions. Of those 27 times, we have finished those contract negotiations timely 24 of those times. The other three were fiscal reopeners which would not have impacted the mechanics of the contract related to the reopener language. It is for that reason that we are in opposition today.

Assemblyman Hafen:

For clarification, you said that you have 12 unions that you negotiate with and you negotiated 27 times. That is slightly over 2 per union; or, is it 27 for each union?

Les Lee Shell:

From 2015 when S.B. 241 of the 78th Session impacts went into place, we had 27 different negotiating processes with those 12 unions. Since the downturn, we have had annual contracts. Some of those are reopener language.

Dagny Stapleton, Executive Director, Nevada Association of Counties:

On behalf of the other 16 counties in the state, we would echo the comments provided by Ms. Shell regarding section 3—that is the section that we are opposed to. Our members have similar concerns about that section being enacted.

Tyre Gray, representing Las Vegas Metro Chamber of Commerce:

I will restate the opposition that I placed on the record for Senate Bill 111 (1st Reprint). As large taxpayers, we are just concerned with the fiscal stability of the counties and the government municipalities.

Chair Flores:

Is there anyone else wishing to speak in opposition? Seeing no one, is there anyone wishing to speak in the neutral position? Seeing no one, Senator Parks, do you have any closing remarks?

Senator Parks:

Let me start by saying that S.B. 153 (R1) in effect reverses the changes that were made in 2015 with S.B. 241 of the 78th Session. What S.B. 241 of the 78th Session attempted to do was to disrupt a process that worked very well and has worked very well for a long time. My response on that is that the goal of S.B. 241 of the 78th Session was to disrupt the normal collective bargaining process. There is a reason for an evergreen clause; it is to keep things moving on an even, standard pattern, and then, once a negotiated contract is completed, that new process would take over. What happened with S.B. 241 of the 78th Session is, after it was passed it turned out to be a big morale issue. The normal promotions, cost of living increases, and step increases that would otherwise have taken place ended up not taking place. Some employees were then put behind the status of other employees with less time.

Thank you, once again, for hearing S.B. 153 (R1). I hope that you will see it to act favorably.

[([Exhibit F](#)) was submitted but not discussed and is included as an exhibit for the hearing.]

Chair Flores:

Thank you for the presentation. I am going to close the hearing on S.B. 153 (R1). Because time is of the essence, I would like to entertain a motion to do pass Senate Bill 69 (2nd Reprint).

ASSEMBLYWOMAN GORELOW MADE A MOTION TO DO PASS
SENATE BILL 69 (2ND REPRINT).

ASSEMBLYMAN ASSEFA SECONDED THE MOTION.

Chair Flores:

Members, any discussion? [There was none.]

THE MOTION PASSED UNANIMOUSLY.

Chair Flores:

Assemblyman Hafen will take the floor statement. I would now like to entertain a motion to do pass Senate Bill 111 (1st Reprint).

ASSEMBLYWOMAN MUNK MADE A MOTION TO DO PASS
SENATE BILL 111 (1ST REPRINT).

ASSEMBLYWOMAN BILBRAY-AXELROD SECONDED THE MOTION.

Chair Flores:

Members, is there any discussion?

Assemblyman Ellison:

We received these two bills first thing this morning—Senate Bill 111 (1st Reprint) and Senate Bill 153 (1st Reprint). I am voting no. I am going to meet with the people in my districts. If I need to make a change I will come to you. Right now I am voting no.

Chair Flores:

Understood.

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, HAFEN, HARDY,
AND LEAVITT VOTED NO.)

Chair Flores:

Assemblyman Smith will take the floor statement for Senate Bill 111 (1st Reprint). Lastly, we have Senate Bill 153 (1st Reprint). I would like to entertain a motion to do pass.

ASSEMBLYWOMAN BILBRAY-AXELROD MADE A MOTION TO DO
PASS SENATE BILL 153 (1ST REPRINT).

ASSEMBLYWOMAN MARTINEZ SECONDED THE MOTION.

Chair Flores:

Members, is there any discussion? [There was none.]

THE MOTION PASSED. (ASSEMBLYMEN ELLISON, HAFEN, HARDY,
AND LEAVITT VOTED NO.)

Chair Flores:

Assemblyman Carrillo will take the floor statement. With that, I would like to invite those wishing to speak in public comment. Seeing no one, this meeting is recessed [at 10:16 a.m.].

[The meeting was adjourned behind the bar of the Assembly at 7:56 p.m.].

RESPECTFULLY SUBMITTED:

Kirsten Oleson
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a document titled "The Nevada Legislative Appropriations Report, Seventy-Ninth Legislature, Fiscal Years 2017-2018 and 2018-2019," dated November 2017, regarding Senate Bill 111 (1st Reprint), submitted by Matthew J. Walker, representing Clark County Association of School Administrators.

[Exhibit D](#) is a letter of opposition to Senate Bill 111 (1st Reprint), written to the Assembly Committee on Government Affairs, dated May 31, 2019, submitted by Daniel Honchariw, Senior Policy Analyst, Nevada Policy Research Institute.

[Exhibit E](#) is a document titled "CCASAPE/CCSD Bargaining Timeline," regarding Senate Bill 153 (1st Reprint), submitted by Matthew J. Walker, representing Clark County Association of School Administrators.

[Exhibit F](#) is a letter of opposition to Senate Bill 153 (1st Reprint), written to the Assembly Committee on Government Affairs, dated May 31, 2019, submitted by Daniel Honchariw, Senior Policy Analyst, Nevada Policy Research Institute.