

SENATE BILL NO. 361—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 25, 2021

Referred to Committee on Government Affairs

SUMMARY—Encourages the Board of Regents to establish a compensation system for certain employees. (BDR 31-717)

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 governmental administration; requiring the Board of Regents of the University of Nevada to report certain information to the Interim Finance Committee annually if it creates a comprehensive system for the compensation of the unclassified employees of the Nevada System of Higher Education; requiring the Interim Finance Committee to make certain determinations regarding such a comprehensive system for the compensation of the unclassified employees of the System; providing for the separate transmission of certain budgetary information relating to such a comprehensive system for the compensation of the unclassified employees of the System in certain circumstances; encouraging the Board to establish a comprehensive system for the compensation of the unclassified employees of the System that contains certain provisions; encouraging the Board to evaluate factors relating to compensation of unclassified employees of the System and make recommendations to the Legislature; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

- 1 Existing law provides that the officers and members of the teaching staff of
2 the Nevada System of Higher Education are generally in the unclassified service of
3 the State. (NRS 284.140) Existing law authorizes the Board of Regents of the
4 University of Nevada to fix the salaries of the academic staff of the System. (NRS
5 396.280) **Section 3** of this bill encourages the Board of Regents to adopt



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6 regulations that establish a comprehensive system for the compensation of the
7 unclassified employees of the System which addresses a variety of factors relating
8 to employment, classification and compensation. **Section 3** encourages the Board
9 of Regents to include in the comprehensive system a system to increase annually
10 the salary of unclassified employees who meet or exceed standards of performance
11 while remaining in the same rank or grade. **Section 3** also encourages the Board of
12 Regents to study and make recommendations to each regular session of the
13 Legislature concerning the compensation of unclassified employees of the System.

14 Existing law requires all departments, institutions and other agencies of the
15 Executive Department of the State Government to submit budgetary information to
16 the Chief of the Budget Division of the Office of Finance for the purpose of
17 preparing the executive budget. (NRS 353.210) Existing law authorizes the
18 Legislative Department and the Judicial Department of the State Government, the
19 Public Employees' Retirement System and the Tahoe Regional Planning Agency to
20 submit their budgets directly to the Legislature. (NRS 353.246) If the Board of
21 Regents establishes such a comprehensive system for the compensation of the
22 unclassified employees of the System, **section 3**: (1) requires the Board of Regents
23 to annually submit to the Interim Finance Committee a report regarding the
24 comprehensive system; and (2) requires the Interim Finance Committee to
25 determine whether the comprehensive system satisfies certain criteria and, if so,
26 certify the budget for the system to increase annually the salary of unclassified
27 employees who meet or exceed standards of performance while remaining in the
28 same rank or grade to be submitted separately to the Legislature. If the
29 comprehensive system is certified by the Interim Finance Committee: (1) **section 1**
30 of this bill requires the Nevada System of Higher Education to submit the budget
31 for its system of in-rank salary increases to the Chief of the Budget Division and
32 the Fiscal Analysis Division of the Legislative Counsel Bureau on or before
33 September 1 of each even-numbered year; and (2) **section 2** of this bill generally
34 exempts the Nevada System of Higher Education from the requirements of the
35 State Budget Act for the purpose of submitting the budget for its system of in-rank
36 salary increases to the Legislature.

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

1 **Section 1.** NRS 353.210 is hereby amended to read as follows:

2 353.210 1. Except as otherwise provided in subsections 6 and
3 7, on or before September 1 of each even-numbered year, all
4 departments, institutions and other agencies of the Executive
5 Department of the State Government, and all agencies of the
6 Executive Department of the State Government receiving state
7 money, fees or other money under the authority of the State,
8 including those operating on money designated for specific purposes
9 by the Nevada Constitution or otherwise, shall prepare, on blanks
10 furnished them by the Chief, and submit to the Chief:

11 (a) The number of full-time equivalent positions within the
12 department, institution or agency.

13 (b) The number of full-time equivalent positions within the
14 department, institution or agency that have been vacant for at least



1 12 months, the number of months each such position has been
2 vacant and the reasons for each such vacancy.

3 (c) Any existing contracts for services the department,
4 institution or agency has with temporary employment services or
5 other persons, the proposed expenditures for such contracts in the
6 next 2 fiscal years and the reasons for the use of such services. If
7 such contracts include any privatization contracts, a copy of each of
8 those privatization contracts together with:

9 (1) A statement specifying the duration of the privatization
10 contracts;

11 (2) The number of privatization contracts proposed for the
12 next 2 fiscal years and the estimated expenditures for the
13 privatization contracts; and

14 (3) An analysis of each of the privatization contracts, which
15 includes, without limitation:

16 (I) For the preceding, current and next fiscal years, the
17 annual amount required to perform each of the privatization
18 contracts; and

19 (II) For the preceding and current fiscal years, the number
20 of persons the department, institution or agency employed pursuant
21 to the privatization contracts, reflected as the equivalent full-time
22 position if the persons were regularly employed by the department,
23 institution or agency, including the equivalent hourly wage and the
24 cost of benefits for each job classification.

25 (d) Estimates of expenditure requirements of the department,
26 institution or agency, together with all anticipated income from fees
27 and all other sources, for the next 2 fiscal years compared with the
28 corresponding figures of the last completed fiscal year and the
29 estimated figures for the current fiscal year.

30 2. The Chief shall direct that one copy of the forms submitted
31 pursuant to subsection 1, accompanied by every supporting schedule
32 and any other related material, be delivered directly to the Fiscal
33 Analysis Division of the Legislative Counsel Bureau on or before
34 September 1 of each even-numbered year.

35 3. The Budget Division of the Office of Finance shall give
36 advance notice to the Fiscal Analysis Division of the Legislative
37 Counsel Bureau of any conference between the Budget Division of
38 the Office of Finance and personnel of other state agencies
39 regarding budget estimates. A Fiscal Analyst of the Legislative
40 Counsel Bureau or his or her designated representative may attend
41 any such conference.

42 4. The estimates of expenditure requirements submitted
43 pursuant to subsection 1 must be classified to set forth the data of
44 funds, organizational units, and the character and objects of
45 expenditures by program or budgetary account and by category of



expense, and must include a mission statement and measurement indicators in adequate detail to comply with the requirements of subparagraph (3) of paragraph (b) of subsection 1 of NRS 353.205. The organizational units may be subclassified by functions and by agencies, bureaus or commissions, or in any other manner at the discretion of the Chief.

5. If any department, institution or other agency of the Executive Department of the State Government, whether its money is derived from state money or from other money collected under the authority of the State, fails or neglects to submit estimates of its expenditure requirements as provided in this section, the Chief may, from any data at hand in the Chief's office or which the Chief may examine or obtain elsewhere, make and enter a proposed budget for the department, institution or agency in accordance with the data.

6. Agencies, bureaus, commissions and officers of the Legislative Department, the Public Employees' Retirement System and the Judicial Department of the State Government shall submit to the Chief for his or her information in preparing the proposed executive budget the budgets which they propose to submit to the Legislature.

7. On or before September 1 of each even-numbered year, the Tahoe Regional Planning Agency shall submit the budget which the Agency proposes to submit to the Legislature *and, if its comprehensive system for the compensation of unclassified employees is certified by the Interim Finance Committee pursuant to subsection 4 of section 3 of this act, the Nevada System of Higher Education shall submit the budget for its system of in-rank salary increases which the System proposed to submit to the Legislature* to:

(a) The Chief for his or her information in preparing the proposed executive budget.

(b) The Fiscal Analysis Division of the Legislative Counsel Bureau.

8. The information provided by a department, institution or agency pursuant to paragraph (c) of subsection 1 is a public record and must be open to public inspection.

9. As used in this section ~~[, "privatization"]~~:

(a) "*Privatization* contract" means a contract executed by or on behalf of a department, institution or agency which authorizes a private entity to provide public services which are:

~~[(a)]~~ (1) Substantially similar to the services performed by the public employees of the department, institution or agency; and

~~[(b)]~~ (2) In lieu of the services otherwise authorized or required to be provided by the department, institution or agency.



(b) *“System of in-rank salary increases” means the system to increase annually the salary of unclassified employees of the Nevada System of Higher Education adopted by the System pursuant to subparagraph (6) of paragraph (a) of subsection 1 of section 3 of this act.*

Sec. 2. NRS 353.246 is hereby amended to read as follows:

353.246 1. Except as otherwise provided in subsection 2 of this section and subsections 6 and 7 of NRS 353.210, the provisions of NRS 353.150 to 353.245, inclusive, do not apply to agencies, bureaus, commissions and officers of the Legislative Department, the Public Employees’ Retirement System, the Judicial Department of the State Government and the Tahoe Regional Planning Agency **H** *and, if its comprehensive system for the compensation of unclassified employees is certified by the Interim Finance Committee pursuant to subsection 4 of section 3 of this act, to the Nevada System of Higher Education for the purpose of submitting the budget for its system of in-rank salary increases.*

2. The Legislative Department, the Public Employees’ Retirement System, the Judicial Department of the State Government and the Tahoe Regional Planning Agency shall submit their budgets , *and, if applicable, the Nevada System of Higher Education shall submit the budget for its system of in-rank salary increases,* to the Legislature in the same format as the proposed executive budget unless otherwise provided by the Legislative Commission. All projections of revenue and any other information concerning future state revenue contained in those budgets must be based upon the projections and estimates prepared by the Economic Forum pursuant to NRS 353.228.

3. *As used in this section, “system of in-rank salary increases” means the system to increase annually the salary of unclassified employees of the Nevada System of Higher Education adopted by the System pursuant to subparagraph (6) of paragraph (a) of subsection 1 of section 3 of this act.*

Sec. 3. Chapter 396 of NRS is hereby amended by adding thereto a new section to read as follows:

1. *The Legislature hereby encourages the Board of Regents to:*

(a) *Adopt regulations that establish a comprehensive system for the compensation of the unclassified employees of the System, including, without limitation, the academic staff of the System, which address a variety of factors relating to employment, classification and compensation, including, without limitation, establishing:*

(1) *A consistent system of titles for positions;*



(2) A uniform system of ranks or grades within each position;

(3) A range of minimum and maximum salaries for each rank or grade and for each position or group of positions;

(4) A system for increases in salary by promotion between ranks or grades;

(5) A method to adjust salaries to account for changes in the cost of living due to inflation; and

(6) A system to increase annually the salary of each unclassified employee who meets or exceeds an established standard of performance while remaining in the same rank or grade. Such a system must:

(I) Contain criteria for the establishment of minimum standards of performance for the award of an increase in salary and for determining whether an unclassified employee has met or exceeded such standards;

(II) Allow for the award of an increase in salary of different amounts to each unclassified employee based on the job experience, professional credentials and evaluation of the performance of the unclassified employee; and

(III) Establish a method for determining the amount of each award of an increase in salary to an unclassified employee.

(b) Make recommendations to each regular session of the Legislature concerning the funding and amounts of salaries of, and awards of increases in salary pursuant to subparagraph (6) of paragraph (a) to, unclassified employees of the System to ensure that the System is able to recruit and retain a well qualified and effective academic staff. In making such recommendations, the Board of Regents is encouraged to consider:

(1) Surveys of salaries for comparable jobs in both public and private institutions of higher learning in the United States and in both public and private employment outside of higher education;

(2) Changes in the cost of living;

(3) The rate of turnover in, and the difficulty of recruitment for, particular positions or groups of positions; and

(4) The differences in compensation necessary to maintain an equitable relationship between and within ranks or grades of similar positions.

2. If the Board of Regents adopts regulations to establish a comprehensive system for the compensation of unclassified employees of the System pursuant to paragraph (a) of subsection 1, the Board of Regents shall submit a report regarding the comprehensive system for compensation to the Interim Finance Committee on or before July 1 of each year. Such a report must



1 include sufficient information for the Interim Finance Committee
2 to evaluate the effectiveness of the comprehensive system for
3 compensation and to ensure that no waste, fraud or abuse is
4 occurring within the comprehensive system. The Board of Regents
5 may satisfy the requirements of this subsection by providing, for
6 each unclassified employee of the System and for both the current
7 fiscal year and the immediately preceding fiscal year, the
8 following information in a manner that does not personally
9 identify any unclassified employee:

- 10 (a) A tracking number for the unclassified employee;
11 (b) The institution that employs the unclassified employee;
12 (c) The name of the college, division or other similar unit in
13 which the unclassified employee is employed;
14 (d) The position and grade or rank of the unclassified
15 employee;
16 (e) Whether the unclassified employee is employed full-time
17 and, if not, for what fraction of a full-time equivalent the
18 unclassified employee is employed;
19 (f) The annual salary of the unclassified employee and the
20 amount of that salary which is supported by state appropriations;
21 (g) The total compensation received by the unclassified
22 employee and the amount of that compensation which is supported
23 by state appropriations; and
24 (h) Any award of an increase in salary received by the
25 unclassified employee pursuant to subparagraph (6) of paragraph
26 (a) of subsection 1.

27 3. If the Board of Regents adopts regulations to establish a
28 comprehensive system for the compensation of unclassified
29 employees of the System pursuant to paragraph (a) of subsection 1
30 and submits to the Interim Finance Committee the reports
31 required by subsection 2, the Interim Finance Committee shall, on
32 or before August 15 of each even-numbered year, review the
33 reports submitted pursuant to subsection 2 for that year and the
34 immediately preceding year and determine whether:

35 (a) The comprehensive system for the compensation of
36 unclassified employees of the System satisfies the criteria
37 established by paragraph (a) of subsection 1;

38 (b) The compensation provided by the comprehensive system,
39 including, without limitation, the system to increase annually the
40 salary of unclassified employees pursuant to subparagraph (6) of
41 paragraph (a) of subsection 1, is adequate, reasonable and free
42 from waste, fraud or abuse;

43 (c) The Board of Regents has made reasonable efforts to
44 provide recommendations to the Legislature pursuant to
45 paragraph (b) of subsection 1; and



1 (d) *The reports provided by the Board of Regents pursuant to*
2 *subsection 2 were complete, accurate and sufficient for the*
3 *Interim Finance Committee to evaluate the comprehensive system*
4 *for the compensation of unclassified employees of the System.*

5 4. *If the Interim Finance Committee determines that*
6 *paragraphs (a) to (d), inclusive, of subsection 3 are satisfied, the*
7 *Interim Finance Committee shall certify that the budget for the*
8 *system to increase annually the salary of unclassified employees*
9 *pursuant to subparagraph (6) of paragraph (a) of subsection 1 of*
10 *the comprehensive system for the compensation of unclassified*
11 *employees of the System qualifies to be submitted separately to the*
12 *Legislature and exempted from the provision of NRS 353.150 to*
13 *353.245, inclusive, pursuant to NRS 353.246.*

14 **Sec. 4.** This act becomes effective on July 1, 2021.

