

CHAPTER.....

AN ACT relating to public employees; making various changes to the Public Employees' Retirement System; making various changes relating to the Public Employees' Benefits Program; making various changes relating to relations between local government employers and employee organizations; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Retired public employees receive retirement allowances through membership in and contributions to the Public Employees' Retirement System. (Chapter 286 of NRS) This bill makes a number of changes to the System.

Section 1.8 of this bill reduces the postretirement increases for retirees who become members of the System on or after January 1, 2010, so that the increase in benefits caps at 4 percent at the 12th anniversary and each year thereafter. Currently, it would increase again to 5 percent at the 14th anniversary.

The rates at which a member and an employer contribute to the System and the amount of a member's monthly retirement allowance are based on the member's compensation while employed, subject to certain limitations. (NRS 286.025, 286.410, 286.535, 286.537, 286.551) **Section 2** of this bill revises the type of call-back pay that may be considered compensation for employees who become members of the System on or after January 1, 2010.

Section 3 of this bill requires the Public Employees' Retirement Board to post on its website any document that a public employer is required to submit to the System on or after January 1, 2010, relating to the contribution mechanism used by the public employer.

Section 4 of this bill provides that the term of the members of the Police and Firefighters' Retirement Fund Advisory Committee are 4 years and authorizes removal of the members only for cause.

Sections 4.3, 4.5 and 4.7 of this bill allow the Public Employees' Retirement System to retain the contribution rate when it exceeds the actuarially determined rate by less than 2 percent to reduce the unfunded liability of the system. (NRS 286.410, 286.421, 286.450)

Under existing law, public employers are required to periodically file payroll reports and remit contributions to the System with respect to their employees. (NRS 286.460) **Section 5** of this bill makes a public employer that reports ineligible wages responsible to the employee for any resulting impact to the employee's benefit.

Under existing law, a member of the System other than a police officer or firefighter is eligible to retire at age 65 if he has at least 5 years of service, at age 60 if he has at least 10 years of service and at any age if he has at least 30 years of service. (NRS 286.510) **Section 6** of this bill increases the age at which a member whose effective date of membership is on or after January 1, 2010, is eligible to retire with at least 10 years of service from 60 years to 62 years.

Under existing law, a member of the System who is a police officer or firefighter is eligible to retire at age 65 if he has at least 5 years of service, at age 55 if he has at least 10 years of service, at age 50 if he has 20 years of service and at any age if he has at least 25 years of service. (NRS 286.510) **Section 6** of this bill provides that such a member whose effective date of membership is on or after January 1, 2010, is eligible to retire at age 65 if he has at least 5 years of service, at



age 60 if he has at least 10 years of service and at age 50 if he has 20 years of service, thus eliminating the ability of such later-hired police officers and firefighters to retire after 25 years of service regardless of age.

Under existing law, a retirement benefit is required to be reduced by 4 percent of the unmodified benefit for each full year, and an additional 0.33 percent for each additional month, that the member is under the appropriate retirement age. (NRS 286.510) **Section 6** of this bill increases the amount of such reductions for members who have an effective date of membership on or after January 1, 2010, to 6 percent of the unmodified benefit for each full year, and an additional 0.5 percent for each additional month, that the member is under the appropriate retirement age.

Under existing law, the monthly retirement allowance is calculated by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 2.5 percent for every year of service earned before July 1, 2001, and 2.67 percent for every year of service earned thereafter. (NRS 286.551) **Section 7** of this bill provides that the monthly retirement allowance for each member whose effective date of membership is on or after January 1, 2010, will be determined by multiplying the member's average compensation by 2.5 percent for every year of service. **Section 7** also limits, for a member whose effective date of membership is on or after January 1, 2010, to 10 percent per year the amount of an increase in compensation that can be considered when determining a retirement allowance, as calculated over a 60-month period that commences 24 months immediately preceding the 36 consecutive months of highest compensation. **Section 1.7** of this bill then entitles an employee whose retirement allowances are so limited to a refund for a portion of the employee's contributions to the System.

Existing law prescribes certain requirements relating to the reinstatement by a retired public officer or employee, or surviving spouse thereof, of coverage under the health insurance plan of his last public employer. (NRS 287.0475) **Sections 9 and 12** of this bill bifurcate the reinstatement requirements such that **section 9** contains the requirements for retirees of local governments to reinstate coverage under the plans of their former local government employer and **section 12** contains the requirements for retirees of the State to reinstate coverage under the Public Employees' Benefits Program.

Under existing law, a state agency is required to pay to the Program a certain portion of the cost of coverage under the Program for each state officer or employee of that state agency who participates in the Program. (NRS 287.046) Calculation of the subsidy for local government retirees is made in the same manner. (NRS 287.023) For employees who are initially hired by the State on or after January 1, 2010, **section 11** of this bill: (1) eliminates the subsidy for coverage under the Program for retired officers and employees who have less than 15 years of service, with the exception of disabled retirees; and (2) requires continuous coverage under the Program by persons since their retirement to qualify for the subsidy. **Section 10** of this bill makes conforming changes for local government retirees.

Existing law sets forth various requirements concerning relations between local governments and their employees. **Section 13** of this bill requires a new, extended or modified collective bargaining agreement to be approved by the governing body of the local government employer at a public hearing. It also requires the chief executive officer of the local government to provide a report on the fiscal impact of the agreement.

Section 14 of this bill adds a requirement that before a dispute can be submitted to a fact finder, the parties to the dispute governed by chapter 288 of NRS must have failed to reach an agreement after at least six meetings.



Sections 14, 15 and 16 of this bill require a fact finder or arbitrator, in determining the financial ability of a local government employer to grant monetary benefits, to consider funding for the current year being negotiated, or, in the case of a multi-year contract, the ability to pay over the life of the contract. If the fact finder or arbitrator determines that there is such a current financial ability, he is required to consider, to the extent appropriate, the compensation of other government employees, both in an out of this State. **Sections 14, 15 and 16** also require local government employers subject to collective bargaining to hold an open public meeting within 45 days after the receipt of a decision from a fact finder or arbitrator, as applicable. The meeting must include a discussion of the issues, the statement of the fact finder or arbitrator and the overall fiscal impact of the decision. The fact finder or arbitrator must not be asked to discuss the decision during the meeting.

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

Section 1. The Legislature hereby finds and declares that to address the impact of the severe financial crisis in the State of Nevada during the 2009-2011 biennium, the following changes were required to be made to the Public Employees' Benefits Program:

1. The premiums in each tier of coverage for active state officers and employees and their dependents paid by the State of Nevada were reduced by approximately 5 percent.

2. To qualify for the portion of the costs of premiums for coverage under the Program paid by the State of Nevada for retired officers and employees requires continuous coverage under the Program since retirement.

3. Premium increases for the Health Maintenance Organization were held to a maximum of 5 percent for Fiscal Year 2009-2010.

4. Neurotherapy and psychotherapy benefits for Attention Deficit Disorder and Attention Deficit Hyperactivity Disorder, which were added to the Program as of July 1, 2008, were eliminated.

5. The health assessment questionnaire and the accompanying incentives of a 50 percent reduction in the deductible and enhanced dental benefit for participation were eliminated.

6. A single deductible for the preferred provider organization plan was instituted, which meant a deductible of \$725 for an individual and \$1,450 for a family, compared to the current deductibles of \$500 for an individual and \$1,000 for a family on the most popular low-deductible plan.

7. The annual out-of-pocket maximum to be paid by an employee was indexed at 50 percent of medical inflation.



8. The subsidy for employees who are initially hired on or after January 1, 2010, and retire with less than 15 years of service was eliminated.

9. The annual deductible was indexed at 100 percent of medical inflation.

Sec. 1.5. Chapter 286 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.7 and 1.8 of this act.

Sec. 1.7. *1. A person who becomes a member of the System on or after January 1, 2010, and whose monthly service retirement allowance is determined using an average compensation amount limited by the provisions of subsection 4 of NRS 286.551 is entitled to a refund from his individual account of the difference between:*

(a) The amount of his employee contribution pursuant to NRS 286.410; and

(b) The amount the employee contribution would have been had it been actuarially determined to account for the limits imposed by the provisions of subsection 4 of NRS 286.551.

2. The System shall pay any amount to which a person is entitled pursuant to subsection 1 upon the final determination of the amount of the person's benefit, but not later than 6 months after the effective date of his retirement.

Sec. 1.8. *1. Except as otherwise provided in subsection 2, for a person who retires and who has an effective date of membership on or after January 1, 2010, allowances or benefits must be increased once each year on the first day of the month immediately following the anniversary of the date the person began receiving the allowance or benefit, by the lesser of:*

(a) Two percent following the 3rd anniversary of the commencement of benefits, 3 percent following the 6th anniversary of the commencement of benefits, 3.5 percent following the 9th anniversary of the commencement of benefits, 4 percent following the 12th anniversary of the commencement of benefits and each year thereafter; or

(b) The average percentage of increase in the Consumer Price Index (All Items) for the 3 preceding years, unless a different index is substituted by the Board.

2. In any event, the allowance or benefit of a member must be increased by the percentages set forth in paragraph (a) of subsection 1 if the allowance or benefit of a member has not increased at a rate greater than or equal to the average of the Consumer Price Index (All Items), unless a different index is substituted by the Board, for the period between the date of his retirement and the date specified in subsection 1.

3. The Board may use a different index for the calculation made pursuant to paragraph (b) of subsection 1 if:



(a) The substituted index is compiled and published by the United States Department of Labor; and

(b) The Board determines that the substituted index represents a more accurate measurement of the cost of living for retired employees.

4. The base from which the increase provided by this section must be calculated is the allowance or benefit in effect on the day before the increase becomes effective.

Sec. 2. NRS 286.025 is hereby amended to read as follows:

286.025 1. Except as otherwise provided by specific statute, "compensation" is the salary paid to a member by his principal public employer.

2. The term includes:

(a) Base pay, which is the monthly rate of pay excluding all fringe benefits.

(b) Additional payment :

(1) As applicable to a member who has an effective date of membership before January 1, 2010, for longevity, shift differential, hazardous duty, work performed on a holiday if it does not exceed the working hours of the normal workweek or pay period for that employee, holding oneself ready for duty while off duty and returning to duty after one's regular working hours.

(2) As applicable to a member who has an effective date of membership on or after January 1, 2010, for longevity, shift differential, hazardous duty, work performed on a holiday if it does not exceed the working hours of the normal workweek or pay period for that employee, and, holding oneself ready for duty while off duty and returning to duty within 12 hours after one's regular working hours to respond to an emergency. As used in this sub-subparagraph, "emergency" means a sudden, unexpected occurrence that is declared by the governing body or chief administrative officer of the public employer to involve clear and imminent danger and require immediate action to prevent and mitigate the endangerment of lives, health or property.

(c) Payment for extra duty assignments if it is the standard practice of the public employer to include such pay in the employment contract or official job description for the calendar or academic year in which it is paid and such pay is specifically included in the member's employment contract or official job description.

(d) The aggregate compensation paid by two separate public employers if one member is employed half-time or more by one, and half-time or less by the other, if the total does not exceed full-



time employment, if the duties of both positions are similar and if the employment is pursuant to a continuing relationship between the employers.

3. The term does not include any type of payment not specifically described in subsection 2.

Sec. 3. NRS 286.190 is hereby amended to read as follows:

286.190 The Board:

1. Has the powers and privileges of a body corporate and, subject to the limitations of this chapter, is responsible for managing the System.

2. Shall:

(a) Arrange for a biennial actuarial valuation and report of the actuarial soundness of the System to be prepared by an independent actuary based upon data compiled and supplied by employees of the System, and shall adopt actuarial tables and formulas prepared and recommended by the actuary.

(b) Provide for a biennial audit of the System, including the Administrative Fund, by an independent certified public accountant.

(c) Provide an annual report to the Governor, each member of the Legislature, each participating public employer, and each participating employee and employer association, and make the report available to all members upon request. The report must contain, when available, a review of the actuarial valuation required by paragraph (a).

(d) Post on its website any document that a public employer is required to submit to the System on or after January 1, 2010, relating to the contribution mechanism used by the public employer pursuant to NRS 286.410, 286.421 or 286.450.

3. May:

(a) Adjust the service or correct the records, allowance or benefits of any member, retired employee or beneficiary after an error or inequity has been determined, and require repayment of any money determined to have been paid by the System in error, if the money was paid within 6 years before demand for its repayment.

(b) Examine and copy personnel and financial records of public employers.

(c) Receive requests for membership from state, county or municipal entities which are not presently public employers, and determine whether or not any such entity and its employees qualify for membership as provided by this chapter.

(d) Require an annual notarized statement from a retired employee or beneficiary that he is in fact receiving an allowance or



benefits, and withhold the allowance or benefits if he fails to provide the statement.

4. As used in this section, "error or inequity" means the existence of extenuating circumstances, including, but not limited to, a member's reasonable and detrimental reliance on representations made by the System or by the public employer pursuant to NRS 286.288 which prove to be erroneous, or the mental incapacity of the member.

Sec. 4. NRS 286.227 is hereby amended to read as follows:

286.227 1. There is hereby created a Police and Firefighters' Retirement Fund Advisory Committee. The Board shall determine the number of its members and appoint the members. ~~[Each]~~

2. *The term of each* member ~~[serves at the pleasure of the]~~ *is 4 years.*

3. *The* Board ~~[~~

~~—2.]~~ *may remove a member for cause.*

4. The Committee shall make recommendations to the Board concerning the administration of and benefits payable from the Police and Firefighters' Retirement Fund. The Board shall consult with the Committee on all matters concerning this Fund, and consider its recommendations upon their merits.

Sec. 4.3. NRS 286.410 is hereby amended to read as follows:

286.410 1. The employee contribution rate must be:

(a) The matching contribution rate for employees and employers that is actuarially determined for police officers and firefighters and for regular members, depending upon the retirement fund in which the member is participating.

(b) ~~[Adjusted]~~ *Except as otherwise provided in subsection 2, adjusted* on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.

2. The employee's portion of the matching contribution rate for employees and employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 1 if ~~[the]~~ :

(a) *The* existing rate is *lower than the actuarially determined rate but* within one-quarter of 1 percent of the actuarially determined rate.

(b) *The* existing rate is *higher than the actuarially determined rate but is within 1 percent of the actuarially determined rate. If the existing rate is more than 1 percent higher than the actuarially*



determined rate, the existing rate must be reduced by the amount by which it exceeds 1 percent above the actuarially determined rate.

3. From each payroll during the period of his membership, the employer shall deduct the amount of the member's contributions and transmit the deduction to the Board at intervals designated and upon forms prescribed by the Board. The contributions must be paid on compensation earned by a member from his first day of service.

4. Any employee whose position is determined after July 1, 1971, to be eligible under the early retirement provisions for police officers and firefighters shall contribute the additional contributions required of police officers and firefighters from July 1, 1971, to the date of his enrollment under the Police and Firefighters' Retirement Fund, if employment in this position occurred before July 1, 1971, or from date of employment in this position to the date of his enrollment under the Police and Firefighters' Retirement Fund, if employment occurs later.

5. Except as otherwise provided in NRS 286.430, the System shall guarantee to each member the return of at least the total employee contributions which the member has made and which were credited to his individual account. These contributions may be returned to the member, his estate or beneficiary or a combination thereof in monthly benefits, a lump-sum refund or both.

6. Members with disabilities who are injured on the job and receive industrial insurance benefits for temporary total disability remain contributing members of the System for the duration of the benefits if and while the public employer continues to pay the difference between these benefits and his regular compensation. The public employer shall pay the employer contributions on these benefits.

Sec. 4.5. NRS 286.421 is hereby amended to read as follows:

286.421 1. A public employer that elected to pay on behalf of its employees the contributions required by subsection 1 of NRS 286.410 before July 1, 1983, shall continue to do so, but a public employer may not elect to pay those contributions on behalf of its employees on or after July 1, 1983.

2. An employee of a public employer that did not elect to pay on behalf of its employees the contributions required by subsection 1 of NRS 286.410 before July 1, 1983, may elect to:

(a) Pay the contribution required by subsection 1 of NRS 286.410 on his own behalf; or

(b) Have his portion of the contribution paid by his employer pursuant to the provisions of NRS 286.425.



3. Except for any person chosen by election or appointment to serve in an elective office of a political subdivision or as a district judge or a justice of the Supreme Court of this State:

(a) Payment of the employee's portion of the contributions pursuant to subsection 1 must be:

(1) Made in lieu of equivalent basic salary increases or cost-of-living increases, or both; or

(2) Counterbalanced by equivalent reductions in employees' salaries.

(b) The average compensation from which the amount of benefits payable pursuant to this chapter is determined must be increased with respect to each month beginning after June 30, 1975, by 50 percent of the contribution made by the public employer, and must not be less than it would have been if contributions had been made by the member and the public employer separately. In the case of any officer or judge described in this subsection, any contribution made by the public employer on his behalf does not affect his compensation but is an added special payment.

4. Employee contributions made by a public employer must be deposited in either the Public Employees' Retirement Fund or the Police and Firefighters' Retirement Fund as is appropriate. These contributions must not be credited to the individual account of the member and may not be withdrawn by the member upon his termination.

5. The membership of an employee who became a member on or after July 1, 1975, and all contributions on whose behalf were made by his public employer must not be cancelled upon the termination of his service.

6. If an employer is paying the basic contribution on behalf of an employee, the total contribution rate, in lieu of the amounts required by subsection 1 of NRS 286.410 and NRS 286.450, must be:

(a) The total contribution rate for employers that is actuarially determined for police officers and firefighters and for regular members, depending upon the retirement fund in which the member is participating.

(b) ~~Adjusted~~ *Except as otherwise provided in subsection 7, adjusted* on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.



7. The total contribution rate for employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 6 if ~~the~~ :

(a) *The existing rate is lower than the actuarially determined rate but is within one-half of 1 percent of the actuarially determined rate.*

(b) *The existing rate is higher than the actuarially determined rate but is within 2 percent of the actuarially determined rate. If the existing rate is more than 2 percent higher than the actuarially determined rate, the existing rate must be reduced by the amount by which it exceeds 2 percent above the actuarially determined rate.*

Sec. 4.7. NRS 286.450 is hereby amended to read as follows:
286.450 1. The employer contribution rate must be:

(a) The matching contribution rate for employees and employers that is actuarially determined for police officers and firefighters and for regular members, depending upon the retirement fund in which the member is participating.

(b) ~~Adjusted~~ *Except as otherwise provided in subsection 2, adjusted* on the first monthly retirement reporting period commencing on or after July 1 of each odd-numbered year based on the actuarially determined contribution rate indicated in the biennial actuarial valuation and report of the immediately preceding year. The adjusted rate must be rounded to the nearest one-quarter of 1 percent.

2. The employer's portion of the matching contribution rate for employees and employers must not be adjusted in accordance with the provisions of paragraph (b) of subsection 1 if ~~the~~ :

(a) *The existing rate is lower than the actuarially determined rate but is within one-quarter of 1 percent of the actuarially determined rate.*

(b) *The existing rate is higher than the actuarially determined rate but is within 1 percent of the actuarially determined rate. If the existing rate is more than 1 percent higher than the actuarially determined rate, the existing rate must be reduced by the amount by which it exceeds 1 percent above the actuarially determined rate.*

8. For the purposes of adjusting salary increases and cost-of-living increases or of salary reduction, the total contribution must be equally divided between employer and employee.

9. Public employers other than the State of Nevada shall pay the entire employee contribution for those employees who



contribute to the Police and Firefighters' Retirement Fund on and after July 1, 1981.

Sec. 5. NRS 286.460 is hereby amended to read as follows:

286.460 1. Each participating public employer which pays compensation to its officers or employees in whole or in part from money received from sources other than money appropriated from the State General Fund, shall pay public employer contributions, or the proper portion thereof, to the System from the money of the department, board, commission or agency.

2. Public employer contributions for compensation paid from the State General Fund must be paid directly by each department, board, commission or other agency concerned, and allowance therefor must be made in the appropriation made for each department, board, commission or other state agency.

3. All participating public employers that are required to make payments pursuant to this section shall file payroll reports not later than 15 days after the end of the reporting period, together with the remittance of the amount due to the System. The 15-day limit is extended 1 working day for each legal holiday that falls within the 15-day period and is officially recognized by the public employer.

4. Payroll reports must contain accurate payroll information and be filed in a form prescribed by the Board. If the payroll reports are not filed or the amounts due are not remitted within the time provided, a penalty on the unpaid balance due must be assessed at a rate of 4 percent more than the prime rate of interest as published in the Wall Street Journal (Western Edition) for the first date the payment or report becomes delinquent.

5. A notice of the penalty assessed must be mailed by certified mail to the chief administrator of the delinquent public employer. The public employer shall pay the assessment within 90 days after receipt of the notice or an additional penalty of 1 percent of the assessment per month must be imposed until paid. Refusal or failure by the public employer to pay the assessment within 12 months after receipt is a misdemeanor on the part of the chief administrator of the delinquent public employer. The Retirement Board may accept, no later than 30 days after the notice is received, an appeal from a public employer for waiver or reduction of a penalty assessed on account of extenuating circumstances and make any adjustment it deems necessary.

6. Except as otherwise required as a result of NRS 286.537, upon notification that a current employee was not properly enrolled in the System by the public employer, the public employer shall pay within 90 days all the employee and employer contributions and the



interest that is due as computed by the System from the first day the employee was eligible for membership. The public employer is entitled to recover from the employee the employee contributions and interest thereon.

7. *If an employer reports wages pursuant to this section that are ineligible pursuant to the definition of compensation under NRS 286.025, the public employer is responsible to the employee for the impact to the member's benefit, if any, that results from the erroneously reported wages.*

8. As used in this section, "reporting period" means the calendar month for which members' compensation and service credits are reported and certified by participating public employers. Compensation paid during each month must be reported separately, and retroactive salary increases must be identified separately for each month to which they apply.

Sec. 6. NRS 286.510 is hereby amended to read as follows:

286.510 1. Except as otherwise provided in subsections 2 and 3, a member of the System :

(a) Who has an effective date of membership before January 1, 2010, is eligible to retire at age 65 if he has at least 5 years of service, at age 60 if he has at least 10 years of service and at any age if he has at least 30 years of service.

(b) Who has an effective date of membership on or after January 1, 2010, is eligible to retire at age 65 if he has at least 5 years of service, at age 62 if he has at least 10 years of service and at any age if he has at least 30 years of service.

2. A police officer or firefighter :

(a) Who has an effective date of membership before January 1, 2010, is eligible to retire at age 65 if he has at least 5 years of service, at age 55 if he has at least 10 years of service, at age 50 if he has at least 20 years of service and at any age if he has at least 25 years of service.

(b) Who has an effective date of membership on or after January 1, 2010, is eligible to retire at age 65 if he has at least 5 years of service, at age 60 if he has at least 10 years of service and at age 50 if he has at least 20 years of service.

↳ Only service performed in a position as a police officer or firefighter, established as such by statute or regulation, service performed pursuant to subsection 3 and credit for military service, may be counted toward eligibility for retirement pursuant to this subsection.

3. Except as otherwise provided in subsection 4, a police officer or firefighter who has at least 5 years of service as a police



officer or firefighter and is otherwise eligible to apply for disability retirement pursuant to NRS 286.620 because of an injury arising out of and in the course of his employment remains eligible for retirement pursuant to subsection 2 if:

(a) He applies to the Board for disability retirement and the Board approves his application;

(b) In lieu of a disability retirement allowance, he accepts another position with the public employer with which he was employed when he became disabled as soon as practicable but not later than 90 days after the Board approves his application for disability retirement;

(c) He remains continuously employed by that public employer until he becomes eligible for retirement pursuant to subsection 2; and

(d) After he accepts a position pursuant to paragraph (b), his contributions are paid at the rate that is actuarially determined for police officers and firefighters until he becomes eligible for retirement pursuant to subsection 2.

4. If a police officer or firefighter who accepted another position with the public employer with which he was employed when he became disabled pursuant to subsection 3 ceases to work for that public employer before becoming eligible to retire pursuant to subsection 2, he may begin to receive a disability retirement allowance without further approval by the Board by notifying the Board on a form prescribed by the Board.

5. Eligibility for retirement, as provided in this section, does not require the member to have been a participant in the System at the beginning of his credited service.

6. Any member who has the years of creditable service necessary to retire but has not attained the required age, if any, may retire at any age with a benefit actuarially reduced to the required retirement age. Except as otherwise required as a result of NRS 286.537, a retirement benefit pursuant to this subsection must be reduced :

(a) If the member has an effective date of membership before January 1, 2010, by 4 percent of the unmodified benefit for each full year that the member is under the appropriate retirement age, and an additional 0.33 percent for each additional month that the member is under the appropriate retirement age.

(b) If the member has an effective date of membership on or after January 1, 2010, by 6 percent of the unmodified benefit for each full year that the member is under the appropriate retirement



age, and an additional 0.5 percent for each additional month that the member is under the appropriate retirement age.

↳ Any option selected pursuant to this subsection must be reduced by an amount proportionate to the reduction provided in this subsection for the unmodified benefit. The Board may adjust the actuarial reduction based upon an experience study of the System and recommendation by the actuary.

Sec. 7. NRS 286.551 is hereby amended to read as follows:

286.551 Except as otherwise required as a result of NRS 286.535 or 286.537:

1. Except as otherwise provided in ~~[this]~~ subsection ~~[,]~~ 2:

(a) For a member who has an effective date of membership before January 1, 2010, a monthly service retirement allowance must be determined by multiplying a member's average compensation by 2.5 percent for each year of service earned before July 1, 2001, and 2.67 percent for each year of service earned on or after July 1, 2001 . ~~[, except that a]~~

(b) For a member who has an effective date of membership on or after January 1, 2010, a monthly service retirement allowance must be determined by multiplying a member's average compensation by 2.5 percent for each year of service earned.

2. A member:

(a) Who has an effective date of membership on or after July 1, 1985, is entitled to a benefit of not more than 75 percent of his average compensation with his eligibility for service credit ceasing at 30 years of service.

(b) Who has an effective date of membership before July 1, 1985, and retires on or after July 1, 1977, is entitled to a benefit of not more than 90 percent of his average compensation with his eligibility for service credit ceasing at 36 years of service.

↳ In no case may the service retirement allowance determined pursuant to this section be less than the allowance to which the retired employee would have been entitled pursuant to the provisions of this section which were in effect on the day before July 3, 1991.

~~[2.]~~ 3. For the purposes of this section, except as otherwise provided in ~~[subsection 3,]~~ *subsections 4, 5 and 6*, "average compensation" means the average of a member's 36 consecutive months of highest compensation as certified by the public employer.

~~[3.]~~ 4. *Except as otherwise provided in subsection 5, for an employee who becomes a member of the System on or after January 1, 2010, the following limits must be observed when calculating the member's average compensation based on a*



60-month period that commences 24 months immediately preceding the 36 consecutive months of highest compensation:

(a) The compensation for the 13th through the 24th months may not exceed the actual compensation amount for the 1st through the 12th months by more than 10 percent;

(b) The compensation for the 25th through the 36th months may not exceed by more than 10 percent the lesser of:

(1) The maximum compensation amount allowed pursuant to paragraph (a); or

(2) The actual compensation amount for the 13th through the 24th months;

(c) The compensation for the 37th through the 48th months may not exceed by more than 10 percent the lesser of:

(1) The maximum compensation amount allowed pursuant to paragraph (b); or

(2) The actual compensation amount for the 25th through the 36th months; and

(d) The compensation for the 49th through the 60th months may not exceed by more than 10 percent the lesser of:

(1) The maximum average compensation amount allowed pursuant to paragraph (c); or

(2) The actual compensation amount for the 37th through the 48th months.

5. Compensation attributable to a promotion and assignment-related compensation must be excluded when calculating the limits pursuant to subsection 4.

6. The average compensation of a member who has a break in service or partial months of compensation, or both, as a result of service as a Legislator during a regular or special session of the Nevada Legislature must be calculated on the basis of the average of his 36 consecutive months of highest compensation as certified by his public employer excluding each month during any part of which the Legislature was in session. This subsection does not affect the computation of years of service.

~~[4.]~~ 7. The retirement allowance for a regular part-time employee must be computed from the salary which he would have received as a full-time employee if it results in greater benefits for the employee. A regular part-time employee is a person who works half-time or more, but less than full-time:

(a) According to the regular schedule established by the employer for his position; and

(b) Pursuant to an established agreement between the employer and the employee.



Sec. 8. (Deleted by amendment.)

Sec. 9. Chapter 287 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A public officer or employee of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada who has retired pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or is enrolled in a retirement program provided pursuant to NRS 286.802, or the surviving spouse of such a retired public officer or employee who is deceased, may, in any even-numbered year, reinstate any insurance, except life insurance, that, at the time of reinstatement, is provided by the last public employer of the retired public officer or employee to the active officers and employees and their dependents of that public employer:

(a) Pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025; or

(b) Under the Program, if the last public employer of the retired officer or employee participates in the Program pursuant to paragraph (a) of subsection 1 of NRS 287.025.

2. Reinstatement pursuant to paragraph (a) of subsection 1 must be requested by:

(a) Giving written notice of his intent to reinstate the insurance to the last public employer of the public officer or employee not later than January 31 of an even-numbered year;

(b) Accepting the public employer's current program or plan of insurance and any subsequent changes thereto; and

(c) Except as otherwise provided in subparagraph (2) of paragraph (b) of subsection 4 of NRS 287.023, paying any portion of the premiums or contributions of the public employer's program or plan of insurance, in the manner set forth in NRS 1A.470 or 286.615, which is due from the date of reinstatement and not paid by the public employer.

↳ The last public employer shall give the insurer notice of the reinstatement not later than March 31 of the year in which the public officer or employee or surviving spouse gives notice of his intent to reinstate the insurance.

3. Reinstatement pursuant to paragraph (b) of subsection 1 must be requested pursuant to NRS 287.0475.

4. Reinstatement of insurance pursuant to subsection 1 excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 12 months before reinstatement unless the reinstated insurance has been in effect more than 12 consecutive months.



5. The last public employer of a retired officer or employee who reinstates insurance, except life insurance, which was provided to him and his dependents at the time of his retirement pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 shall, for the purpose of establishing actuarial data to determine rates and coverage for such persons, commingle the claims experience of such persons with the claims experience of active and retired officers and employees and their dependents who participate in that group insurance, plan of benefits or medical and hospital service.

Sec. 10. NRS 287.023 is hereby amended to read as follows:

287.023 1. Whenever an officer or employee of the governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of the State of Nevada retires under the conditions set forth in NRS 1A.350 or 1A.480, or 286.510 or 286.620 and, at the time of his retirement, was covered or had his dependents covered by any group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 or under the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 of NRS 287.025, the officer or employee has the option upon retirement to cancel or continue any such coverage to the extent that such coverage is not provided to him or a dependent by the Health Insurance for the Aged Act, 42 U.S.C. §§ 1395 et seq.

2. A retired person who continues coverage under the Public Employees' Benefits Program shall assume the portion of the premium or contribution costs for the coverage which the governing body or the State does not pay on behalf of retired officers or employees. A dependent of such a retired person has the option, which may be exercised to the same extent and in the same manner as the retired person, to cancel or continue coverage in effect on the date the retired person dies. The dependent is not required to continue to receive retirement payments from the Public Employees' Retirement System to continue coverage.

3. Notice of the selection of the option must be given in writing to the last public employer of the officer or employee within 60 days after the date of retirement or death, as the case may be. If no notice is given by that date, the retired officer or employee and his dependents shall be deemed to have selected the option to cancel the coverage for the group insurance, plan of benefits or medical and hospital service established pursuant to NRS 287.010, 287.015,



287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 or coverage under the Public Employees' Benefits Program pursuant to paragraph (a) of subsection 1 of NRS 287.025.

4. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State:

(a) May pay the cost, or any part of the cost, of coverage established pursuant to NRS 287.010, 287.015 or 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025 for persons who continue that coverage pursuant to subsection 1, but it must not pay a greater portion than it does for its current officers and employees.

(b) Shall pay the same portion of the cost of coverage under the Public Employees' Benefits Program for ~~retired~~ persons who ~~continue coverage~~:

(1) Were initially hired before January 1, 2010, and who retire and are covered under the ~~Public Employees' Benefits~~ Program pursuant to subsection 1 or who subsequently reinstate coverage under the ~~Public Employees' Benefits~~ Program pursuant to ~~NRS 287.0475,~~ *section 9 of this act; or*

(2) Are initially hired on or after January 1, 2010, and who retire with:

(I) At least 15 years of service credit, which must include local governmental service and may include state service, and who have participated in the Program on a continuous basis since their retirement from such employment; or

(II) At least 5 years of service credit, which must include local governmental service and may include state service, who do not have at least 15 years of service credit to qualify under subparagraph (I) as a result of a disability for which disability benefits are received under the Public Employees' Retirement System or a retirement program for professional employees offered by or through the Nevada System of Higher Education,

↳ as the State pays pursuant to subsection 2 of NRS 287.046 for persons retired from state service who have continued to participate in the Public Employees' Benefits Program.

5. The governing body of any county, school district, municipal corporation, political subdivision, public corporation or other local governmental agency of this State shall, for the purpose of establishing actuarial data to determine rates and coverage for persons who continue coverage for group insurance, a plan of benefits or medical and hospital service with the governing body pursuant to subsection 1, commingle the claims experience of those



persons with the claims experience of active officers and employees and their dependents who participate in the group insurance, a plan of benefits or medical and hospital service.

Sec. 11. NRS 287.046 is hereby amended to read as follows:

287.046 1. Except as otherwise provided in subsection 6, any active state officer or employee who elects to participate in the Program may participate, and the participating state agency that employs the officer or employee shall pay the State's share of the cost of the premiums or contributions for the Program from money appropriated or authorized as provided in NRS 287.044. State officers and employees who elect to participate in the Program must authorize deductions from their compensation for the payment of premiums or contributions for the Program. Any deduction from the compensation of a state officer or employee for the payment of a premium or contribution for health insurance must be based on the actual amount of the premium or contribution after deducting any amount of the premium or contribution which is paid by the participating state agency that employs the employee.

2. The Department of Administration shall establish an assessment that is to be used to pay for a portion of the cost of premiums or contributions for the Program for persons who have retired with state service ~~[and who elect to participate in the Program.]~~ *before January 1, 1994, or under the circumstances set forth in paragraph (a), (b) or (c) of subsection 4.*

3. The money ~~[so]~~ assessed *pursuant to subsection 2* must be deposited into the Retirees' Fund and must be based upon an amount approved by the Legislature each session to pay for a portion of the current and future health and welfare benefits for ~~[state]~~ *such* retirees. Except as otherwise provided in subsection ~~[3,]~~ *5*, the portion to be paid to the Program from the Retirees' Fund on behalf of *such* persons ~~[who have retired with state service and who elect to participate in the Program]~~ must be equal to a portion of the cost for each retiree and his dependents who are enrolled in the plan, as defined for each year of the plan by the Program.

4. *Adjustments to the portion paid by the Retirees' Fund must be as follows:*

(a) For persons who retire ~~[from the State]~~ on or after January 1, 1994, ~~[adjustments to the portion paid by the Retirees' Fund must be as follows:~~

~~—(a)]~~ *with state service:*

(1) For each year of service less than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be reduced by an amount equal to



7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 75 percent of the base funding level defined by the Legislature.

~~[(b)]~~ (2) For each year of service greater than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be increased by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.

~~[(3)]~~ (b) *For persons who are initially hired by the State on or after January 1, 2010, and who retire with at least 15 years of service credit, which must include state service and may include local governmental service, and who have participated in the Program on a continuous basis since their retirement from such employment, for each year of service greater than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be increased by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.*

(c) *For persons who are initially hired by the State on or after January 1, 2010, and who retire with at least 5 years of service credit, which must include state service and may include local governmental service, who do not have at least 15 years of service credit to qualify under paragraph (b) as a result of a disability for which disability benefits are received under the Public Employees' Retirement System or a retirement program for professional employees offered by or through the Nevada System of Higher Education, and who have participated in the Program on a continuous basis since their retirement from such employment:*

(1) *For each year of service less than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be reduced by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 75 percent of the base funding level defined by the Legislature.*

(2) *For each year of service greater than 15 years, excluding service purchased pursuant to NRS 1A.310 or 286.300, the portion paid by the Retirees' Fund must be increased by an amount equal to 7.5 percent of the base funding level defined by the Legislature. In no event may the adjustment exceed 37.5 percent of the base funding level defined by the Legislature.*



5. If the amount calculated pursuant to subsection ~~[2]~~ 4 exceeds the actual premium or contribution for the plan of the Program that the retired participant selects, the balance must be credited to the Program Fund.

~~[4]~~ 6. For the purposes of subsection 2:

(a) Credit for service must be calculated in the manner provided by chapter 286 of NRS.

(b) No proration may be made for a partial year of state service.

~~[5]~~ 7. The Department shall agree through the Board with the insurer for billing of remaining premiums or contributions for the retired participant and his dependents to the retired participant and to his dependents who elect to continue coverage under the Program after his death.

~~[6]~~ 8. A Senator or Assemblyman who elects to participate in the Program shall pay the entire premium or contribution for his insurance.

Sec. 12. NRS 287.0475 is hereby amended to read as follows:

287.0475 1. A public officer or employee who has retired pursuant to NRS 1A.350 or 1A.480, or 286.510 or 286.620, or a retirement program provided pursuant to NRS 286.802, or the surviving spouse of such a retired public officer or employee who is deceased may, in any even-numbered year, reinstate any insurance, except life insurance, that, at the time of reinstatement, is provided by the last public employer of the retired public officer or employee to the active officers and employees and their dependents of that public employer:

(a) Pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025; or

(b) Under the Program, if the last public employer of the retired officer or employee was the State of Nevada or if the last public employer of the retired officer or employee participates in the Program pursuant to paragraph (a) of subsection 1 of NRS 287.025.

2. Reinstatement pursuant to subsection 1 must be requested by:

(a) Giving written notice of his intent to reinstate the insurance to the last public employer of the public officer or employee not later than January 31 of an even-numbered year;

(b) Accepting the public employer's current program or plan of insurance and any subsequent changes thereto; and

(c) ~~[Paying]~~ *Except as otherwise provided in NRS 287.046, paying* any portion of the premiums or contributions of the public employer's program or plan of insurance, in the manner set forth in



NRS 1A.470 or 286.615, which are due from the date of reinstatement and not paid by the public employer.

↳ The last public employer shall give the insurer notice of the reinstatement no later than March 31 of the year in which the public officer or employee or surviving spouse gives notice of his intent to reinstate the insurance.

3. Reinstatement of insurance excludes claims for expenses for any condition for which medical advice, treatment or consultation was rendered within 12 months before reinstatement unless the reinstated insurance has been in effect more than 12 consecutive months.

4. The last public employer of a retired officer or employee who reinstates insurance, except life insurance, which was provided to him and his dependents at the time of his retirement pursuant to NRS 287.010, 287.015, 287.020 or paragraph (b), (c) or (d) of subsection 1 of NRS 287.025, shall, for the purpose of establishing actuarial data to determine rates and coverage for such persons, commingle the claims experience of such persons with the claims experience of active and retired officers and employees and their dependents who participate in that group insurance, plan of benefits or medical and hospital service.

Sec. 13. Chapter 288 of NRS is hereby amended by adding thereto a new section to read as follows:

Any new, extended or modified collective bargaining agreement or similar agreement between a local government employer and an employee organization must be approved by the governing body of the local government employer at a public hearing. The chief executive officer of the local government shall report to the local government the fiscal impact of the agreement.

Sec. 14. NRS 288.200 is hereby amended to read as follows:

288.200 Except in cases to which NRS 288.205 and 288.215, or NRS 288.217 apply:

1. If:

(a) *The parties have failed to reach an agreement after at least six meetings of negotiations; and*

(b) The parties have participated in mediation and by April 1, have not reached agreement, ~~;~~ ~~or~~

~~(b) The bargaining unit represented by the employee organization contains fewer than 30 persons;~~

↳ either party to the dispute, at any time after April 1, may submit the dispute to an impartial fact finder for his findings and recommendations. His findings and recommendations are not binding on the parties except as provided in subsections 5, 6 and ~~9.~~



11. The mediator of a dispute may also be chosen by the parties to serve as the fact finder.

2. If the parties are unable to agree on an impartial fact finder *or a panel of neutral arbitrators* within 5 days, either party may request from the American Arbitration Association or the Federal Mediation and Conciliation Service a list of seven potential fact finders. If the parties are unable to agree upon which arbitration service should be used, the Federal Mediation and Conciliation Service must be used. Within 5 days after receiving a list from the applicable arbitration service, the parties shall select their fact finder from this list by alternately striking one name until the name of only one fact finder remains, who will be the fact finder to hear the dispute in question. The employee organization shall strike the first name.

3. The local government employer and employee organization each shall pay one-half of the cost of fact-finding. Each party shall pay its own costs of preparation and presentation of its case in fact-finding.

4. A schedule of dates and times for the hearing must be established within 10 days after the selection of the fact finder pursuant to subsection 2, and the fact finder shall report his findings and recommendations to the parties to the dispute within 30 days after the conclusion of the fact-finding hearing.

5. The parties to the dispute may agree, before the submission of the dispute to fact-finding, to make the findings and recommendations on all or any specified issues final and binding on the parties.

6. If the parties do not agree on whether to make the findings and recommendations of the fact finder final and binding, either party may request the formation of a panel to determine whether the findings and recommendations of a fact finder on all or any specified issues in a particular dispute which are within the scope of subsection ~~9~~ **11** are to be final and binding. The determination must be made upon the concurrence of at least two members of the panel and not later than the date which is 30 days after the date on which the matter is submitted to the panel, unless that date is extended by the Commissioner of the Board. Each panel shall, when making its determination, consider whether the parties have bargained in good faith and whether it believes the parties can resolve any remaining issues. Any panel may also consider the actions taken by the parties in response to any previous fact-finding between these parties, the best interests of the State and all its citizens, the potential fiscal effect both within and outside the



political subdivision, and any danger to the safety of the people of the State or a political subdivision.

7. Except as otherwise provided in subsection ~~8.~~ 10, any fact finder, whether his recommendations are to be binding or not, shall base his recommendations or award on the following criteria:

(a) A preliminary determination must be made as to the financial ability of the local government employer based on all existing available revenues as established by the local government employer and within the limitations set forth in NRS 354.6241, with due regard for the obligation of the local government employer to provide facilities and services guaranteeing the health, welfare and safety of the people residing within the political subdivision.

(b) Once the fact finder has determined in accordance with paragraph (a) that there is a current financial ability to grant monetary benefits, *and subject to the provisions of paragraph (c)*, he shall *consider, to the extent appropriate, compensation of other government employees, both in and out of the State and* use normal criteria for interest disputes regarding the terms and provisions to be included in an agreement in assessing the reasonableness of the position of each party as to each issue in dispute and he shall consider whether the Board found that either party had bargained in bad faith.

(c) A consideration of funding for the current year being negotiated. If the parties mutually agree to arbitrate a multiyear contract, the fact finder must consider the ability to pay over the life of the contract being negotiated or arbitrated.

↳ The fact finder's report must contain the facts upon which he based his determination of financial ability to grant monetary benefits and his recommendations or award.

8. *Within 45 days after the receipt of the report from the fact finder, the governing body of the local government employer shall hold a public meeting in accordance with the provisions of chapter 241 of NRS. The meeting must include a discussion of:*

(a) The issues of the parties submitted pursuant to subsection 3;

(b) The report of findings and recommendations of the fact finder; and

(c) The overall fiscal impact of the findings and recommendations, which must not include a discussion of the details of the report.

↳ *The fact finder must not be asked to discuss the decision during the meeting.*



9. The chief executive officer of the local government shall report to the local government the fiscal impact of the findings and recommendations. The report must include, without limitation, an analysis of the impact of the findings and recommendations on compensation and reimbursement, funding, benefits, hours, working conditions or other terms and conditions of employment.

10. Any sum of money which is maintained in a fund whose balance is required by law to be:

(a) Used only for a specific purpose other than the payment of compensation to the bargaining unit affected; or

(b) Carried forward to the succeeding fiscal year in any designated amount, to the extent of that amount,

↳ must not be counted in determining the financial ability of a local government employer and must not be used to pay any monetary benefits recommended or awarded by the fact finder.

~~9-1~~ 11. The issues which may be included in a panel's order pursuant to subsection 6 are:

(a) Those enumerated in subsection 2 of NRS 288.150 as the subjects of mandatory bargaining, unless precluded for that year by an existing collective bargaining agreement between the parties; and

(b) Those which an existing collective bargaining agreement between the parties makes subject to negotiation in that year.

↳ This subsection does not preclude the voluntary submission of other issues by the parties pursuant to subsection 5.

Sec. 15. NRS 288.215 is hereby amended to read as follows:

288.215 1. As used in this section:

(a) "Firefighters" means those persons who are salaried employees of a fire prevention or suppression unit organized by a political subdivision of the State and whose principal duties are controlling and extinguishing fires.

(b) "Police officers" means those persons who are salaried employees of a police department or other law enforcement agency organized by a political subdivision of the State and whose principal duties are to enforce the law.

2. The provisions of this section apply only to firefighters and police officers and their local government employers.

3. If the parties have not agreed to make the findings and recommendations of the fact finder final and binding upon all issues, and do not otherwise resolve their dispute, they shall, within 10 days after the fact finder's report is submitted, submit the issues remaining in dispute to an arbitrator who must be selected in the



manner provided in NRS 288.200 and have the same powers provided for fact finders in NRS 288.210.

4. The arbitrator shall, within 10 days after he is selected, and after 7 days' written notice is given to the parties, hold a hearing to receive information concerning the dispute. The hearings must be held in the county in which the local government employer is located and the arbitrator shall arrange for a full and complete record of the hearings.

5. At the hearing, or at any subsequent time to which the hearing may be adjourned, information may be presented by:

- (a) The parties to the dispute; or
- (b) Any interested person.

6. The parties to the dispute shall each pay one-half of the costs incurred by the arbitrator.

7. A determination of the financial ability of a local government employer must be based on **fall**:

(a) All existing available revenues as established by the local government employer and within the limitations set forth in NRS 354.6241, with due regard for the obligation of the local government employer to provide facilities and services guaranteeing the health, welfare and safety of the people residing within the political subdivision.

(b) Consideration of funding for the current year being negotiated. If the parties mutually agree to arbitrate a multi-year contract the arbitrator must consider the ability to pay over the life of the contract being negotiated or arbitrated.

↳ Once the arbitrator has determined in accordance with this subsection that there is a current financial ability to grant monetary benefits, he shall consider, to the extent appropriate, compensation of other governmental employees, both in and out of this State.

8. At the recommendation of the arbitrator, the parties may, before the submission of a final offer, enter into negotiations. If the negotiations are begun, the arbitrator may adjourn the hearings for a period of 3 weeks. An agreement by the parties is final and binding, and upon notification to the arbitrator, the arbitration terminates.

9. If the parties do not enter into negotiations or do not agree within 30 days, each of the parties shall submit a single written statement containing its final offer for each of the unresolved issues.

10. The arbitrator shall, within 10 days after the final offers are submitted, accept one of the written statements, on the basis of the criteria provided in NRS 288.200, and shall report his decision to the parties. The decision of the arbitrator is final and binding on the



parties. Any award of the arbitrator is retroactive to the expiration date of the last contract.

11. The decision of the arbitrator must include a statement:

(a) Giving his reason for accepting the final offer that is the basis of his award; and

(b) Specifying his estimate of the total cost of the award.

12. Within 45 days after the receipt of the decision from the arbitrator pursuant to subsection 10, the governing body of the local government employer shall hold a public meeting in accordance with the provisions of chapter 241 of NRS. The meeting must include a discussion of:

(a) The issues submitted pursuant to subsection 3;

(b) The statement of the arbitrator pursuant to subsection 11; and

(c) The overall fiscal impact of the decision, which must not include a discussion of the details of the decision.

↳ The arbitrator must not be asked to discuss the decision during the meeting.

13. The chief executive officer of the local government shall report to the local government the fiscal impact of the decision. The report must include, without limitation, an analysis of the impact of the decision on compensation and reimbursement, funding, benefits, hours, working conditions or other terms and conditions of employment.

Sec. 16. NRS 288.217 is hereby amended to read as follows:

288.217 1. The provisions of this section govern negotiations between school districts and employee organizations representing teachers and educational support personnel.

2. If the parties to a negotiation pursuant to this section have failed to reach an agreement after at least four sessions of negotiation, either party may declare the negotiations to be at an impasse and, after 5 days' written notice is given to the other party, submit the issues remaining in dispute to an arbitrator. The arbitrator must be selected in the manner provided in subsection 2 of NRS 288.200 and has the powers provided for fact finders in NRS 288.210.

3. The arbitrator shall, within 30 days after he is selected, and after 7 days' written notice is given to the parties, hold a hearing to receive information concerning the dispute. The hearing must be held in the county in which the school district is located and the arbitrator shall arrange for a full and complete record of the hearing.

4. The parties to the dispute shall each pay one-half of the costs of the arbitration.



5. A determination of the financial ability of a school district must be based on ~~all~~ :

(a) *All* existing available revenues as established by the school district and within the limitations set forth in NRS 354.6241, with due regard for the obligation of the school district to provide an education to the children residing within the district.

(b) *Consideration of funding for the current year being negotiated. If the parties mutually agree to arbitrate a multi-year contract the arbitrator must consider the ability to pay over the life of the contract being negotiated or arbitrated.*

↳ Once the arbitrator has determined in accordance with this subsection that there is a current financial ability to grant monetary benefits, he shall consider, to the extent appropriate, compensation of other governmental employees, both in and out of this State.

6. At the recommendation of the arbitrator, the parties may, before the submission of a final offer, enter into negotiations. If the negotiations are begun, the arbitrator may adjourn the hearing for a period of 3 weeks. If an agreement is reached, it must be submitted to the arbitrator, who shall certify it as final and binding.

7. If the parties do not enter into negotiations or do not agree within 30 days after the hearing held pursuant to subsection 3, each of the parties shall submit a single written statement containing its final offer for each of the unresolved issues.

8. The arbitrator shall, within 10 days after the final offers are submitted, render his decision on the basis of the criteria set forth in NRS 288.200. The arbitrator shall accept one of the written statements and shall report his decision to the parties. The decision of the arbitrator is final and binding on the parties. Any award of the arbitrator is retroactive to the expiration date of the last contract between the parties.

9. The decision of the arbitrator must include a statement:

(a) Giving his reason for accepting the final offer that is the basis of his award; and

(b) Specifying his estimate of the total cost of the award.

10. *Within 45 days after the receipt of the decision from the arbitrator, the board of trustees of the school district shall hold a public meeting in accordance with the provisions of chapter 241 of NRS. The meeting must include a discussion of:*

(a) *The issues submitted pursuant to subsection 2;*

(b) *The statement of the arbitrator pursuant to subsection 9;*
and



(c) The overall fiscal impact of the decision which must not include a discussion of the details of the decision.

↳ The arbitrator must not be asked to discuss the decision during the meeting.

11. The superintendent of the school district shall report to the board of trustees the fiscal impact of the decision. The report must include, without limitation, an analysis of the impact of the decision on compensation and reimbursement, funding, benefits, hours, working conditions or other terms and conditions of employment.

12. As used in this section:

(a) "Educational support personnel" means all classified employees of a school district, other than teachers, who are represented by an employee organization.

(b) "Teacher" means an employee of a school district who is licensed to teach in this State and who is represented by an employee organization.

Sec. 17. 1. This section and section 5 of this act become effective upon passage and approval.

2. Sections 1 to 4.7, inclusive, and 6 to 16, inclusive, of this act become effective on January 1, 2010.

