

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 8, 2021

Agency Submitting: Department of Administration

Items of Revenue or Expense, or Both	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Effect on Future Biennia
CAT 01 - Personnel (Expense)		\$123,412	\$163,591	\$327,182
CAT 04 - Operating (Expense)		\$3,980	\$5,385	\$10,770
CAT 26 - Information Technology (Expense)		\$7,649	\$951	\$1,902
Transfer from Division of Human Resource Management (Revenue)		\$135,041	\$169,927	\$339,854
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

The agency has reviewed SB373 and determined that there is a fiscal impact. Please see attached explanation and backup for estimated costs.

Name Matthew Tuma

Title ASD Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, April 06, 2021

The agency's response appears reasonable.

Name Catherine Bartlett

Title Executive Branch Budget Officer 2

Effects of S.B. 373 on the Department of Administration

The Department has reviewed S.B. 373 and determined that there will be a fiscal impact to the Director's Office and Division of Human Resource Management (DHRM). This bill, as introduced, would require the addition of five Full Time Equivalent (FTE) positions to be established, four in budget account 1363 and one in budget account 1337.

The legislation would increase the number of bargaining units that would be negotiated with and expands the scope of mandatory bargaining. These changes to existing statute would increase complexity to the collective bargaining process and require the Department of Administration to increase interactions with PEBP and NSHE personnel. The exact number of new bargaining units is unknown but can be estimated at four, since Section 26 would add professional employees in NSHE, supervisory employees in NSHE, professional employees in the executive branch, and supervisory employees in the executive branch. Section 26 expands the number of mandatory subjects. Added subjects not in current law include:

- Maternity/paternity leave and family medical leave
- Insurance, including health insurance
- Classification and titles of professional employees in bargaining unit
- Safety in the workplace
- Academic freedom for faculty
- Shared governance in academic institutions
- Faculty tenure
- Transfer and reassignment of professional employees
- Procedures for reductions in force or additions in force (infringes on management rights)

Since November 1, 2020, when bargaining began, the Director of Administration has spent over 2 weeks per month, on average, bargaining with established bargaining units and diverting over half of an FTE away from the Department's ongoing business. This total does not include the time spent on preparatory work prior to the start of bargaining on November 1, 2020. The addition of the new subjects of mandatory bargaining, combined with the fact that four existing units have not yet organized, would create a significant staff time demand to implement this legislation. If four additional bargaining units are added, the time demands of future cycles, especially if the mandatory subjects were added, can be expected to be as much as they have been or more.

The Director's Office has been responsible for organizing bargaining teams and reaching out to various management teams of departments to secure their participation and working with the contract negotiator to organize meetings. The Director's Office has also been responsible for interfacing with the GFO on fiscal impact calculations of CBAs and tracking the transmittal of those costs between the GFO and the core state bargaining team.

It is important to note that the Director's salary is paid by cost allocations to each division within the Department of Administration. However, if the Director spends half of their time on bargaining, then the Department of Administration is unfairly paying for time that should be allocated to the Labor Relations Unit (LRU). The addition of a Deputy Director whose time is allocated to the LRU would properly reflect the entities that should pay for that time and would provide the necessary dedicated staff to overseeing the work of the LRU and participating in bargaining sessions, but not at the expense of the rest of the department's needs. The Director could focus on management of all divisions of the Department.

DHRM would need additional staff to implement the parameters of this legislation since the LRU's workload will be increased due to the addition of new bargaining units and adding mandatory subjects. The four identified positions needed are detailed below.

One (1) Admin Services Officer II position will coordinate with the Public Employees' Benefits Program on the costs of various plan designs for health insurance as they pertain to represented employees as well as coordinate with the Nevada System of Higher Education on how it budgets for bargaining agreements, including health care expenditures. The position will prepare costs of contracts, develop expenditure projections, create narrative justifications for contract proposals, manage the contract spend on negotiators/arbitrators/other experts, provide detailed biennial spending plans related to Collective Bargaining Agreements (CBA), ensure compliance with CBA directives, policies, regulations and limitations. Finally, the position will interface with the Governor's Finance Office on budgeting for CBAs and interface with the Management Analyst IV on cost/benefit analysis of various provisions of CBAs.

One (1) Management Analyst IV position will be responsible for conducting cost-benefit analysis of various proposals arising out of labor negotiations and provide cost versus benefit justification analysis. The position will evaluate direct and indirect costs associated with CBA's by establishing a costing methodology; provide information to stakeholders. Conduct program analysis and assist staff in preparing cost and statistical analyses required for presentation to executive staff.

One (1) Personnel Analyst III (PA III) will support the development, interpretation, and administration of the union contract regarding wages, benefits, employee working conditions, health care, pensions, union and management practices, grievances, and other contractual provisions. This position will provide requested data and answer questions, provide technical direction, resolve sensitive and controversial issues, and direct and participate in the investigation and resolution of complaints related to assigned Program areas and activities. The PA III assist in researching, analyzing, and interpreting collective bargaining agreements and decisions; and collect data to support the State's position. The position will work as advisors to HR staff members and other managers of collective bargaining units to ensure compliance with the contracts.

One (1) Personnel Technician III to provide Program and clerical support to staff. The PT III will manage communications with unions requesting support and will answer administrative questions related to labor relations.

The bill contains no provision for paying DHRM's cost to implement it. As drafted, the bill contains an assessment provided to EMRB for its services, but no matching assessment to pay for DHRM's services. In the Executive Budget for the 2021-23 biennium, the Governor has recommended a new Labor Relations Unit (LRU) assessment to pay DHRM's costs of bargaining under current law. Therefore, it would be appropriate to add these expenses to the LRU assessment upon approval of this bill.

2021-2023 Biennium (FY22-23)
WG3 SB - 373

Section A: Position Detail

Budget Account: 1363 ADMINISTRATION - HRM - HUMAN RESOURCE MANAGEMENT

Type	Description	PCN	Class	Gd	Add	Anv	St	End	Ret	FTE	FTE	FTE	FTE	2021-2022		2022-2023		
				Step	Gd	Mo			Cd	Actual	WP	Y1	Y2	MI	Salary	Benefits	Salary	Benefits
E226 EFFICIENCY & INNOVATION																		
LRU LABOR RELATIONS UNIT																		
4	ADMIN SERVICES OFFICER 2	000000	07217	39-10	0	10	10-21	6-24	1	0.00	0.00	1.00	1.00	Y SUM	67,900	21,260	91,350	27,735
4	PERSONNEL ANALYST 3	000610	07520	36-7	0	10	10-21	6-24	1	0.00	0.00	1.00	1.00	Y SUM	51,837	17,642	72,079	23,707
4	MANAGEMENT ANALYST 4	000611	07612	39-10	0	10	10-21	6-24	1	0.00	0.00	1.00	1.00	Y SUM	67,900	20,895	91,350	27,389
4	PERSONNEL TECHNICIAN 3	000612	07532	29-4	0	10	10-21	6-24	1	0.00	0.00	1.00	1.00	Y SUM	33,554	13,728	46,671	18,806
TOTAL FOR LINE ITEM POSITION GROUP LRU										0.00	0.00	4.00	4.00		221,191	73,525	301,450	97,637
TOTAL FOR DECISION UNIT E226										0.00	0.00	4.00	4.00		221,191	73,525	301,450	97,637
TOTAL FOR BUDGET ACCOUNT 1363										0.00	0.00	4.00	4.00		221,191	73,525	301,450	97,637

2021-2023 Biennium (FY22-23)
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Section D: Position Cost Summary

Budget Account: 1363 ADMINISTRATION - HRM - HUMAN RESOURCE MANAGEMENT

GL	Description	2021-2022	2022-2023
E226 EFFICIENCY & INNOVATION			
5100	SALARIES	221,191	301,450
5200	WORKERS COMPENSATION	4,378	2,979
5300	RETIREMENT	34,286	46,724
5400	PERSONNEL ASSESSMENT	274	261
5500	GROUP INSURANCE	26,172	36,240
5700	PAYROLL ASSESSMENT	91	85
5750	RETIRED EMPLOYEES GROUP INSURANCE	4,799	6,570
5800	UNEMPLOYMENT COMPENSATION	316	406
5840	MEDICARE	3,209	4,372
7050	EMPLOYEE BOND INSURANCE	12	12
7054	AG TORT CLAIM ASSESSMENT	342	341
7554	EITS INFRASTRUCTURE ASSESSMENT	1,297	1,297
7556	EITS SECURITY ASSESSMENT	510	509
TOTAL FOR DECISION UNIT E226		296,877	401,246
TOTAL FOR BUDGET ACCOUNT 1363		296,877	401,246

Section A1: Line Item Detail by GL
 Budget Account: 1363 null

Item No	Description	Actual 2019-2020	Work Program 2020-2021	WG3 Year 1 2021-2022	WG3 Year 2 2022-2023
E226	EFFICIENCY & INNOVATION				
EXPENDITURE					
01	PERSONNEL				
5100	SALARIES	0	0	221,191	301,450
5200	WORKERS COMPENSATION	0	0	4,378	2,979
5300	RETIREMENT	0	0	34,286	46,724
5400	PERSONNEL ASSESSMENT	0	0	274	261
5500	GROUP INSURANCE	0	0	26,172	36,240
5700	PAYROLL ASSESSMENT	0	0	91	85
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	4,799	6,570
5800	UNEMPLOYMENT COMPENSATION	0	0	316	406
5840	MEDICARE	0	0	3,209	4,372
TOTAL FOR CATEGORY 01		0	0	294,716	399,087
04	OPERATING EXPENSES				
7050	EMPLOYEE BOND INSURANCE	0	0	12	12
7054	AG TORT CLAIM ASSESSMENT	0	0	342	341
TOTAL FOR CATEGORY 04		0	0	354	353
05	EQUIPMENT				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	18,432	0
TOTAL FOR CATEGORY 05		0	0	18,432	0
20	COLLECTIVE BARGAINING				
7000	OPERATING	0	0	6,487	8,853
TOTAL FOR CATEGORY 20		0	0	6,487	8,853
26	INFORMATION SERVICES				
7289	EITS PHONE LINE AND VOICEMAIL	0	0	266	354
7547	EITS BUSINESS PRODUCTIVITY SUITE	0	0	1,234	1,646
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	1,297	1,297
7556	EITS SECURITY ASSESSMENT	0	0	510	509
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	6,948	0
TOTAL FOR CATEGORY 26		0	0	10,255	3,806
TOTAL EXPENDITURES FOR DECISION UNIT E226		0	0	330,244	412,099
TOTAL REVENUES FOR BUDGET ACCOUNT 1363		0	0	0	0
TOTAL EXPENDITURES FOR BUDGET ACCOUNT 1363		0	0	330,244	412,099

Section B1: Summary by GL
 Budget Account: 1363 null

Item No	Description	Actual 2019-2020	Work Program 2020-2021	WG3 Year 1 2021-2022	WG3 Year 2 2022-2023
EXPENDITURE					
01	PERSONNEL				
5100	SALARIES	0	0	221,191	301,450
5200	WORKERS COMPENSATION	0	0	4,378	2,979
5300	RETIREMENT	0	0	34,286	46,724
5400	PERSONNEL ASSESSMENT	0	0	274	261
5500	GROUP INSURANCE	0	0	26,172	36,240
5700	PAYROLL ASSESSMENT	0	0	91	85
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	4,799	6,570
5800	UNEMPLOYMENT COMPENSATION	0	0	316	406
5840	MEDICARE	0	0	3,209	4,372
	TOTAL FOR CATEGORY 01	0	0	294,716	399,087
04	OPERATING EXPENSES				
7050	EMPLOYEE BOND INSURANCE	0	0	12	12
7054	AG TORT CLAIM ASSESSMENT	0	0	342	341
	TOTAL FOR CATEGORY 04	0	0	354	353
05	EQUIPMENT				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	18,432	0
	TOTAL FOR CATEGORY 05	0	0	18,432	0
20	COLLECTIVE BARGAINING				
7000	OPERATING	0	0	6,487	8,853
	TOTAL FOR CATEGORY 20	0	0	6,487	8,853
26	INFORMATION SERVICES				
7289	EITS PHONE LINE AND VOICEMAIL	0	0	266	354
7547	EITS BUSINESS PRODUCTIVITY SUITE	0	0	1,234	1,646
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7556	EITS SECURITY ASSESSMENT	0	0	510	509
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	6,948	0
	TOTAL FOR CATEGORY 26	0	0	10,255	3,806
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 1363	0	0	330,244	412,099