SENATE BILL NO. 3-COMMITTEE OF THE WHOLE

FEBRUARY 25, 2010

Referred to Committee of the Whole

SUMMARY—Revises provisions governing unpaid furlough leave for state employees and requires closure of most state offices on Fridays. (BDR S-16)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

EXPLANATION - Matter in **bolded italics** is new; matter between brackets formitted material is material to be omitted.

AN ACT relating to state employees; revising the amount of unpaid furlough leave that certain state employees are required to take during the 2010-2011 Fiscal Year; providing for a temporary reduction in salary in lieu of furlough leave for state employees who are exempt from taking unpaid furlough leave; requiring the approval of a plan for additional overtime to be approved before the overtime worked; providing for a temporary reduction compensation for employees of the Senate and Assembly; providing for the closing of state offices on certain days and the revision of the workweek of state employees with exceptions and exemptions; temporarily certain authorizing local governments to require employees to take unpaid furlough leave; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires state employees to take unpaid furlough leave during the 2009-2011 biennium and authorizes exemptions from that requirement. (Sections 3 and 5 of chapter 391, Statutes of Nevada 2009, pp. 2159 and 2161) **Section 1** of this bill increases the amount of unpaid furlough leave for full-time state employees from 8 hours per month to 10 hours per month for the 2010-2011 Fiscal Year. **Section 1** also provides flexibility for employees of the Budget Division of the Department of Administration, Legislature and Legislative Counsel Bureau to use the unpaid furlough leave in increments of less than 1 day in the same manner as classified employees. In addition, **section 1** authorizes local government employers to require employees to take unpaid furlough leave unless the requirement would conflict with a collective bargaining agreement. **Section 3** of this bill provides that





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the salary of any employee who is exempt from the furlough requirement must be reduced by 5.75 percent in lieu of furlough leave for the 2010-2011 Fiscal Year.

Existing law provides that employees who are subject to the furlough requirement be held harmless in the accumulation of retirement service credit and reported salary for purposes of the Public Employees' Retirement System. (Section 4 of chapter 391, Statutes of Nevada 2009, p. 2160) **Section 2** of this bill provides similar protections for employees whose salaries are reduced by 5.75 percent in lieu of furlough leave.

Existing law sets forth the compensation of employees of the Senate and Assembly. (NRS 218A.605) **Section 4** of this bill requires that such compensation be reduced by 5.75 percent in lieu of furlough leave and prohibits certain step increases in that compensation for the 2010-2011 Fiscal Year.

Existing law requires that state offices be open for the transaction of business for at least 8 hours on every day of the year, with the exception of Saturdays, Sundays and legal holidays. (NRS 281.110) **Section 5** of this bill provides for the closing of state offices on Fridays and for the revision of the regular workweek of state employees to four 10-hour days. **Section 5** also authorizes exemptions for state offices that must remain open on Fridays because of the need to provide appropriate services that are necessary to the protection of public health, safety and welfare. **Section 5** further provides an extension of the time for filing any paper with or complying with any deadline involving a state office that is closed on Friday if the last day for filing the paper or complying with the deadline falls on that Friday. **Section 6** of this bill provides additional exceptions to the requirements of **section 5** for the employees of the Department of Corrections and the Nevada System of Higher Education.

Section 7 of this bill provides that certain additional overtime required by state agencies may only be worked pursuant to a plan that is approved before the overtime is worked. **Section 13** of this bill declares void all exemptions from furlough leave that were granted on or before June 30, 2010, but authorizes the reapplication for and granting of such exemptions. **Section 14** of this bill sunsets this bill and the provisions which originally required the furlough leave on June 30, 2011.

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

Section 1. Section 3 of chapter 391, Statutes of Nevada 2009, at page 2159, is hereby amended to read as follows:

- Sec. 3. 1. Except as otherwise provided in section 5 of this act:
- (a) For the period beginning on July 1, [2009,] 2010, and ending on June 30, 2011, each employee of the State, other than a classified employee [,] or an employee of the Legislature, Legislative Counsel Bureau or Budget Division of the Department of Administration, shall take 1 day of unpaid furlough leave each month.
- (b) Except as otherwise provided in subsection 5, the furlough requirement applies to all branches of state government and includes the Nevada System of Higher





Education, the Public Employees' Retirement System and all other entities of state government.

- → The requirements of this section do not apply to employees of the Department of Cultural Affairs whose standard workweek was reduced from 40 hours to 32 hours effective July 1, 2009.
- 2. Except as otherwise provided in this subsection, for the purposes of this section "1 day" consists of the number of hours an employee works in a standard workday, but not more than [8] 10 hours. An employee must take 1 day of furlough leave each month and cannot take portions of a day that combine to total the amount of the required monthly furlough leave. A full-time employee whose standard workday is longer than [8] 10 hours shall take [8] 10 hours of furlough leave on a single workday and may take annual leave for the remainder of the day, work a reduced schedule that day or work a modified schedule approved by his employer. An employee who works less than full time with a fixed schedule shall take as furlough leave the portion of fan 8-hour a 10-hour day that his scheduled workweek or biweekly schedule bears to a full-time workweek or biweekly schedule.
- 3. For the period beginning on July 1, [2009,] 2010, and ending on June 30, 2011, each employee in the classified service of the State [,] and each employee of the Legislature, Legislative Counsel Bureau and Budget Division of the Department of Administration shall:
- (a) If he is a full-time employee, take [96] 120 hours of unpaid furlough leave. [each year.]
- (b) If he is employed less than full time, take a number of hours of unpaid furlough leave each year which is equal to the average number of hours worked per working day multiplied by 12.
- An employee in the classified service of the State or an employee of the Legislature, Legislative Counsel Bureau or Budget Division of the Department of Administration may take unpaid furlough leave in portions of a day that combine to total the amount of required yearly leave. To the extent practicable, full-time classified employees and full-time employees of the Legislature, Legislative Counsel Bureau and Budget Division of the Department of Administration should take [8] 10 hours of unpaid furlough leave per month. To the extent practicable, a classified employee or an employee of the Legislature, Legislative Counsel Bureau or Budget Division of the Department of Administration who





works less than full time with a fixed schedule should take as unpaid furlough leave the portion of [an 8-hour] a 10-hour day his scheduled workweek or biweekly schedule bears to a full-time workweek or biweekly schedule.

- 4. For the period beginning on July 1, 2010, and ending on June 30, 2011, except as otherwise provided in subsection 8 and notwithstanding any other specific statute to the contrary, a local government employer may require each employee to take unpaid furlough leave in the amount and manner determined by the employer.
- 5. Furlough leave pursuant to this section must be scheduled and approved in the same manner as other leave. Notwithstanding any statute or regulation to the contrary and, with respect to employees of the State, except as otherwise provided by regulation adopted pursuant to this section by the Personnel Commission, an employee of the State or any other participating public employer who is on furlough leave is considered to have worked that day or portion of a day, as applicable, for all purposes except payment of salary and determination of overtime, including without limitation:
 - (a) Accrual of sick and annual leave;
 - (b) Determining the employee's pay progression date;
- (c) Continuity of service and years of service for the purposes of payments pursuant to the plan to encourage continuity of service;
 - (d) The duration of a probationary period;
- (e) Determining eligibility for holiday pay if the shift immediately precedes a holiday;
 - (f) Seniority for all purposes, including layoffs;
 - (g) The Public Employees' Benefits Program; and
- (h) The Public Employees' Retirement System, including for the purposes of contributions to the System, subject to the requirements of sections 4 and 5 of this act.
- [5.] 6. The Board of Regents of the University of Nevada shall determine and implement the method by which:
- (a) The professional employees of the Nevada System of Higher Education will participate in the furlough requirement pursuant to this section; or
- (b) The overall costs for the professional employees of the Nevada System of Higher Education will be reduced in an amount at least equal to the savings which would have otherwise been produced by furlough leave pursuant to this section.
- [6.] 7. Except as otherwise provided in subsection [5,] 6, the Personnel Commission shall adopt regulations *which*





are applicable to employees of the State to carry out the provisions of this section.

- 8. The provisions of subsection 4 do not apply to the extent that those provisions conflict with the provisions of a collective bargaining agreement entered into pursuant to chapter 288 of NRS.
- 9. As used in this section, "public employer" has the meaning ascribed to it in NRS 286.070.
- **Sec. 2.** Section 4 of chapter 391, Statutes of Nevada 2009, at page 2160, is hereby amended to read as follows:
 - Sec. 4. 1. It is the intent of the Legislature to establish a program whereby employees of the State and other participating *public* employers [who]:
 - (a) Who take furlough leave due to extreme fiscal need, including employees required to take furlough leave pursuant to section 3 of this act [.]; or
 - (b) Whose salaries are reduced by 5.75 percent in lieu of furlough leave pursuant to section 5 of this act or any other specific statute,
 - be held harmless in the accumulation of retirement service credit and reported salary pursuant to chapter 286 of NRS.
 - 2. Except as otherwise required as a result of NRS 286.537 and notwithstanding the provisions of NRS 286.481, an employee is entitled to receive full service credit for time taken as furlough leave pursuant to the program established pursuant to section 3 of this act if:
 - (a) The employee, if he is an employee of the State, does not take more than [96] 120 hours of furlough leave [in a year;] for the period beginning on July 1, 2010, and ending on June 30, 2011; and
 - (b) The public employer certifies to the System that the employer is participating in the furlough program established pursuant to section 3 of this act and that the furlough leave which is reported for the employee is taken in accordance with the requirements of section 3 of this act.
 - 3. In any month in which a day of furlough leave is taken, an employee is entitled to receive full-time service credit for the furlough leave in accordance with the normal workday for the employee. An employee who is less than full time is entitled to service credit in the same manner and to the same extent as though the employee had worked the hours taken as furlough leave.
 - 4. If the salary of any member is reduced by 5.75 percent in lieu of furlough leave pursuant to section 5 of this act or any other specific statute, the public employer





shall certify to the System that the salary of that member has been so reduced.

- 5. When a member is on furlough leave pursuant to the program certified by the public employer in accordance with this section, or when the salary of a member is reduced by 5.75 percent in lieu of furlough leave and certified by the public employer in accordance with this section, the public employer must:
- (a) Include all information required by the System on the public employer's regular monthly retirement report as provided in NRS 286.460; and
- (b) Pay all required employer and employee contributions to the System based on the compensation that would have been paid to the member but for the member's participation in the program. The public employer may recover from the employee the amount of the employee contributions set forth in NRS 286.410.
- [5.] 6. Service credit under the program established pursuant to this section must be computed according to the fiscal year.
 - [6.] 7. As used in this section:
- (a) "Member" has the meaning ascribed to it in NRS 286.050.
- (b) "Public employer" has the meaning ascribed to it in NRS 286.070.
- (c) "System" means the Public Employees' Retirement System.
- **Sec. 3.** Section 5 of chapter 391, Statutes of Nevada 2009, at page 2161, is hereby amended to read as follows:
 - Sec. 5. 1. It is the intent of the Legislature to limit exceptions to the requirement of furlough leave for employees of the State pursuant to section 3 of this act to identified areas of critical need. If an employer, [including the State,] other than a local government employer, participating in the program established pursuant to section 3 of this act determines that a position cannot be subject to furlough leave because of the need to provide appropriate services that are necessary to the protection of public health, safety and welfare, the governing body of the agency must make findings on the record in a public meeting that:
 - (a) The position is necessary to the protection of public health, safety, or welfare;
 - (b) The public health, safety or welfare will be significantly diminished if mandatory furlough leave is implemented for employees in these positions; *and*





- (c) No alternatives exist to provide for the protection of public health, safety or welfare. [; and
- (d) The agency has identified and will implement other methods to reduce overall costs equal to the savings produced by furlough leave under the program or received an allocation of funds as set forth in section 8 of this act.]
 - 2. For the purposes of subsection 1:
- (a) Except as otherwise provided in this subsection, the State Board of Examiners shall determine positions within the Executive Branch of State Government that cannot be subject to furlough leave.
- (b) The Board of Regents shall determine positions within the Nevada System of Higher Education that cannot be subject to furlough leave.
- (c) The Public Employees' Retirement Board shall determine positions within the

Public Employees' Retirement System that cannot be subject to furlough leave.

- (d) The Supreme Court shall determine positions within the Judicial Branch of State Government that cannot be subject to furlough leave.
- (e) The Legislative Commission shall determine positions within the Legislative Branch of State Government that cannot be subject to furlough leave.
- 3. The entities described in subsection 2 shall report to the Interim Finance Committee on a quarterly basis all positions that have been determined not to be subject to furlough leave pursuant to this section and the reasons for such determinations.
- 4. The salary of any position that has been determined not to be subject to furlough leave pursuant to this section must be reduced by an amount of 5.75 percent in lieu of furlough leave.
- Sec. 4. For the period beginning on July 1, 2010, and ending on June 30, 2011:
- 1. The compensation of employees of the Senate and Assembly due pursuant to NRS 218A.605 must be reduced by 5.75 percent in lieu of furlough leave;
- 2. In calculating the amount of compensation due such an employee pursuant to NRS 218A.605, no additional step increase authorized by that section may be applied; and
- 3. If such an employee is a member of the Public Employees' Retirement System who is contributing to the System, the provisions of section 4 of chapter 391, Statutes of Nevada 2009, at





page 2160, as amended by section 2 of this act, apply with respect to the employee.

- Sec. 5. 1. Notwithstanding the provisions of NRS 281.110 or any other statute or regulation to the contrary, except as otherwise provided in this section and section 6 of this act, for the period beginning on July 1, 2010, and ending on June 30, 2011, the offices of all state officers, departments, boards, commissions and agencies must be closed on Fridays and be open for the transaction of business at least from 7 a.m. until 12 p.m. and from 1 p.m. until 6 p.m. on Monday through Thursday. The workweek of the employees of those offices must consist of four 10-hour days, Monday through Thursday.
- During any week in which falls one or more legal holidays pursuant to NRS 236.015, all such offices must be open for the transaction of business at least from 8 a.m. until 12 p.m. and from 1 p.m. until 5 p.m. on each day which is not a legal holiday, and the workweek of the employees of those offices during that week must consist of 8-hour days. No furlough leave may be taken by an employee on any 8-hour day described in this subsection.
- 3. An office and its employees may be exempted from the requirements of this section upon a determination pursuant to subsection 4 that the office must remain open on Fridays because of the need to provide appropriate services that are necessary to the protection of public health, safety and welfare.
 - 4. For the purposes of subsection 3:
- (a) Except as otherwise provided in this subsection, the State Board of Examiners shall determine exemptions from the requirements of this section for offices within the Executive Branch of State Government.
- (b) The Board of Regents shall determine exemptions from the requirements of this section for offices within the Nevada System of Higher Education.
- (c) The Public Employees' Retirement Board shall determine exemptions from the requirements of this section for offices within the Public Employees' Retirement System.
- 36 (d) The Supreme Court shall determine exemptions from the requirements of this section for offices within the Judicial Branch of State Government. 38
 - (e) The Legislative Commission shall determine exemptions from the requirements of this section for offices within the Legislative Branch of State Government.
 - 5. An entity described in subsection 4 shall report to the Interim Finance Committee not later than 60 days after determining that an office is exempt from the requirements of this



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section concerning the determination and the reasons for the determination.

- 6. Notwithstanding the provisions of section 3 of chapter 391, Statutes of Nevada 2009, at page 2159, as amended by section 1 of this act, to the contrary, an employee of an office that is exempted from the requirements of this section may take portions of a day as furlough leave that combine to total the amount of the furlough leave required by that section, except that any such employee described in NRS 284.148 shall take all required furlough leave each month during the same week.
- 7. If the last day limited by a specific statute for filing any paper with or complying with any deadline involving an office that is closed on a Friday pursuant to this section falls on that Friday, the period so limited must expire on the following business day at 5 p.m.

Sec. 6. For the period beginning on July 1, 2010, and ending on June 30, 2011:

- 1. The Department of Corrections shall establish a schedule consisting of two 12-hour shifts per day, Monday through Sunday, to be staffed by those employees who are employed in facilities that are required to provide 24-hour services. Upon a motion of the Committee or request of the Department of Corrections that has been approved by the Chief of the Budget Division of the Department of Administration, exceptions to this subsection may be granted by the Interim Finance Committee if the Committee determines that the exception is necessary to protect health and safety.
- 2. The Board of Regents shall establish a schedule consisting of rolling 10-hour days which is designed to allow staffing by employees of the Nevada System of Higher Education on Monday through Friday, with each employee working on only four of those days.
- Sec. 7. For the period beginning on July 1, 2010, and ending on June 30, 2011, if any state agency determines that it will require its employees to work more overtime than the amount of overtime the state agency required of its employees during the preceding fiscal year or, if the overtime requirements of the state agency vary substantially during each year of a biennium, during the corresponding year of the preceding biennium, the additional overtime may only be worked pursuant to a plan that is approved in advance by one of the following entities:
- 1. Except as otherwise provided in this subsection, the State Board of Examiners must approve overtime plans for the Executive Branch of State Government.





- 2. The Board of Regents must approve overtime plans for the Nevada System of Higher Education.
- 3. The Public Employees' Retirement Board must approve overtime plans for the Public Employees' Retirement System.
- 4. The Supreme Court must approve overtime plans for the Judicial Branch of State Government.
- 5. The Legislative Commission must approve overtime plans for the Legislative Branch of State Government.
 - **Sec. 8.** NRS 245.210 is hereby amended to read as follows:
- 245.210 1. The board of county commissioners of each of the several counties shall, by ordinance or agreement pursuant to chapter 288 of NRS, provide for annual, sick and disability leave for elected and appointed county officers and county employees. The provisions of such an ordinance or agreement may be more restrictive but not more extensive than the provisions set forth in this section.
- 2. The ordinance or agreement must include provisions in substance as follows:
- (a) A provision that all elected and appointed officers and employees are entitled to annual leave with pay of [1 1/4 working days] 10 hours for each month of service, which may be cumulative from year to year not to exceed [30 working days.] 240 hours.
- (b) A provision that the board of county commissioners may by order provide for additional annual leave for long-term appointed officers and employees and for prorated annual leave for part-time employees.
- (c) A provision that if an appointed officer or employee dies and was entitled to accumulated annual leave under the provisions of the ordinance, the heirs of the deceased officer or employee who are given priority to succeed to his or her assets under the laws of intestate succession of this State, or the executor or administrator of his or her estate, upon submitting satisfactory proof to the board of county commissioners of their entitlement, are entitled to be paid an amount of money equal to the number of days earned or accrued annual leave multiplied by the daily salary or wages of the deceased officer or employee.
- (d) A provision that an elected county officer must not be paid for accumulated annual leave upon termination of the officer's service
- (e) A provision that during the first 6 months of employment of any appointed officer or employee, annual leave accrues as provided in paragraph (a), but annual leave must not be taken during this period.
- (f) A provision that an appointed officer or employee must not be paid for accumulated annual leave upon termination of





employment unless he or she has been employed for 6 months or more.

- (g) A provision that all elected and appointed officers and employees are entitled to sick and disability leave with pay of [1-1/4 working days] 10 hours for each month of service, which may be cumulative from year to year.
- (h) A provision that the board of county commissioners may by order provide for additional sick and disability leave for long-term employees and for prorated sick and disability leave for part-time employees.
- (i) A provision that any appointed officer or employee may be granted a leave of absence without pay.
- 3. Such an ordinance or agreement may include a provision that upon termination of employment, retirement or death all elected and appointed officers and employees are entitled to payment for their unused sick leave at their rate of salary at the time of termination, retirement or death.
- 4. Such an ordinance or agreement may include a provision that elected and appointed county officers and employees may donate portions of their accumulated annual and sick leave to other elected and appointed county officers and employees. If such a provision is adopted, donated time must be converted into money at the hourly rate of salary of the donor and the money must be converted into sick leave at the hourly rate of salary of the recipient.
 - **Sec. 9.** NRS 284.180 is hereby amended to read as follows:
- 284.180 1. The Legislature declares that since uniform salary and wage rates and classifications are necessary for an effective and efficient personnel system, the pay plan must set the official rates applicable to all positions in the classified service, but the establishment of the pay plan in no way limits the authority of the Legislature relative to budgeted appropriations for salary and wage expenditures.
- 2. Credit for overtime work directed or approved by the head of an agency or the representative of the head of the agency must be earned at the rate of time and one-half, except for those employees described in NRS 284.148.
- 3. Except as otherwise provided in subsections 4, 6, [7] and [9] 8, overtime is considered time worked in excess of [:
- (a) Eight hours in 1 calendar day;
 - (b) Eight hours in any 16-hour period; or
- $\frac{\text{(c)}}{\text{A}} a$ 40-hour week.
 - 4. Firefighters who choose and are approved for a 24-hour shift shall be deemed to work an average of 56 hours per week and 2,912 hours per year, regardless of the actual number of hours worked or on paid leave during any biweekly pay period. A firefighter so





assigned is entitled to receive 1/26 of the firefighter's annual salary for each biweekly pay period. In addition, overtime must be considered time worked in excess of:

- (a) Twenty-four hours in one scheduled shift; or
- (b) Fifty-three hours average per week during one work period for those hours worked or on paid leave.
- → The appointing authority shall designate annually the length of the work period to be used in determining the work schedules for such firefighters. In addition to the regular amount paid such a firefighter for the deemed average of 56 hours per week, the firefighter is entitled to payment for the hours which comprise the difference between the 56-hour average and the overtime threshold of 53 hours average at a rate which will result in the equivalent of overtime payment for those hours.
- 5. The Commission shall adopt regulations to carry out the provisions of subsection 4.
- 6. [For employees who choose and are approved for a variable workday, overtime will be considered only after working 40 hours in 1 week.
- 7.] Employees who are eligible under the Fair Labor Standards Act of 1938, 29 U.S.C. §§ 201 et seq., to work a variable 80-hour work schedule within a biweekly pay period and who choose and are approved for such a work schedule will be considered eligible for overtime only after working 80 hours biweekly. [, except those eligible employees who are approved for overtime in excess of one scheduled shift of 8 or more hours per day.
- 8.] 7. An agency may experiment with innovative workweeks upon the approval of the head of the agency and after majority consent of the affected employees. The affected employees are eligible for overtime only after working 40 hours in a workweek.
- [9.] 8. This section does not supersede or conflict with existing contracts of employment for employees hired to work 24 hours a day in a home setting. Any future classification in which an employee will be required to work 24 hours a day in a home setting must be approved in advance by the Commission.
- [10.] 9. All overtime must be approved in advance by the appointing authority or the designee of the appointing authority. No officer or employee, other than a director of a department or the chair of a board, commission or similar body, may authorize overtime for himself or herself. The chair of a board, commission or similar body must approve in advance all overtime worked by members of the board, commission or similar body.
- [11.] 10. The Budget Division of the Department of Administration shall review all overtime worked by employees of the Executive Department to ensure that overtime is held to a





minimum. The Budget Division shall report quarterly to the State Board of Examiners the amount of overtime worked in the quarter within the various agencies of the State.

Sec. 10. NRS 284.350 is hereby amended to read as follows:

284.350 1. Except as otherwise provided in subsections 2, 3 and 4, an employee in the public service, whether in the classified or unclassified service, is entitled to annual leave with pay of [1 1/4 working days] 10 hours for each month of continuous public service. The annual leave may be cumulative from year to year not to exceed [30 working days.] 240 hours. The Commission may by regulation provide for additional annual leave for long-term employees and for prorated annual leave for part-time employees.

- 2. Except as otherwise provided in this subsection, any annual leave in excess of [30 working days] 240 hours must be used before January 1 of the year following the year in which the annual leave in excess of [30 working days] 240 hours is accumulated or the amount of annual leave in excess of [30 working days] 240 hours is forfeited on that date. If an employee:
- (a) On or before October 15, requests permission to take annual leave; and
- (b) The employee's request for leave is denied in writing for any reason.
- the employee is entitled to payment for any annual leave in excess of [30 working days] 240 hours which the employee requested to take and which the employee would otherwise forfeit as the result of the denial of the employee's request, unless the employee has final authority to approve use of the employee's own accrued leave and the employee received payment pursuant to this subsection for any unused annual leave in excess of [30 working days] 240 hours accumulated during the immediately preceding calendar year. The payment for the employee's unused annual leave must be made to the employee not later than January 31.
- 3. Officers and members of the faculty of the Nevada System of Higher Education are entitled to annual leave as provided by the regulations adopted pursuant to subsection 2 of NRS 284.345.
- 4. The Commission shall establish by regulation a schedule for the accrual of annual leave for employees who regularly work more than 40 hours per week or 80 hours biweekly. The schedule must provide for the accrual of annual leave at the same rate proportionately as employees who work a 40-hour week accrue annual leave.
- 5. No elected state officer may be paid for accumulated annual leave upon termination of the officer's service.





- 6. During the first 6 months of employment of any employee in the public service, annual leave accrues as provided in subsection 1, but no annual leave may be taken during that period.
- 7. No employee in the public service may be paid for accumulated annual leave upon termination of employment unless the employee has been employed for 6 months or more.
- 8. Upon the request of an employee, the appointing authority of the employee may approve the reduction or satisfaction of an overpayment of the salary of the employee that was not obtained by the fraud or willful misrepresentation of the employee with a corresponding amount of the accrued annual leave of the employee.

Sec. 11. NRS 284.355 is hereby amended to read as follows:

- 284.355 1. Except as otherwise provided in this section, all employees in the public service, whether in the classified or unclassified service, are entitled to sick and disability leave with pay of [1 1/4 working days] 10 hours for each month of service, which may be cumulative from year to year. After an employee has accumulated [90 working days] 720 hours of sick leave, the amount of additional unused sick leave which the employee is entitled to carry forward from 1 year to the next is limited to one-half of the unused sick leave accrued during that year, but the Commission may by regulation provide for subsequent use of unused sick leave accrued but not carried forward because of this limitation in cases where the employee is suffering from a long-term or chronic illness and has used all sick leave otherwise available to the employee.
- 2. Upon the retirement of an employee, the employee's termination through no fault of the employee or the employee's death while in public employment, the employee or the employee's beneficiaries are entitled to payment:
- (a) For the employee's unused sick leave in excess of [30 days,] 240 hours, exclusive of any unused sick leave accrued but not carried forward, according to the employee's number of years of public service, except service with a political subdivision of the State, as follows:
- (1) For 10 years of service or more but less than 15 years, not more than \$2,500.
- (2) For 15 years of service or more but less than 20 years, not more than \$4,000.
- (3) For 20 years of service or more but less than 25 years, not more than \$6,000.
 - (4) For 25 years of service, not more than \$8,000.
- (b) For the employee's unused sick leave accrued but not carried forward, an amount equal to one-half of the sum of:
- (1) The employee's hours of unused sick leave accrued but not carried forward; and





- (2) An additional 120 hours.
- 3. The Commission may by regulation provide for additional sick and disability leave for long-term employees and for prorated sick and disability leave for part-time employees.
- 4. An employee entitled to payment for unused sick leave pursuant to subsection 2 may elect to receive the payment in any one or more of the following forms:
 - (a) A lump-sum payment.

- (b) An advanced payment of the premiums or contributions for insurance coverage for which the employee is otherwise eligible pursuant to chapter 287 of NRS. If the insurance coverage is terminated and the money advanced for premiums or contributions pursuant to this subsection exceeds the amount which is payable for premiums or contributions for the period for which the former employee was actually covered, the unused portion of the advanced payment must be paid promptly to the former employee or, if the employee is deceased, to the employee's beneficiary.
- (c) The purchase of additional retirement credit, if the employee is otherwise eligible pursuant to chapter 286 of NRS.
- 5. Officers and members of the faculty of the Nevada System of Higher Education are entitled to sick and disability leave as provided by the regulations adopted pursuant to subsection 2 of NRS 284.345.
- 6. The Commission may by regulation provide policies concerning employees with mental or emotional disorders which:
- (a) Use a liberal approach to the granting of sick leave or leave without pay to such an employee if it is necessary for the employee to be absent for treatment or temporary hospitalization.
- (b) Provide for the retention of the job of such an employee for a reasonable period of absence, and if an extended absence necessitates separation or retirement, provide for the reemployment of such an employee if at all possible after recovery.
- (c) Protect employee benefits, including, without limitation, retirement, life insurance and health benefits.
- 7. The Commission shall establish by regulation a schedule for the accrual of sick leave for employees who regularly work more than 40 hours per week or 80 hours biweekly. The schedule must provide for the accrual of sick leave at the same rate proportionately as employees who work a 40-hour week accrue sick leave.
- 8. The Department may investigate any instance in which it believes that an employee has taken sick or disability leave to which the employee was not entitled. If, after notice to the employee and a hearing, the Commission determines that the employee has taken sick or disability leave to which the employee was not entitled, the





Commission may order the forfeiture of all or part of the employee's accrued sick leave.

- **Sec. 12.** Any use of the term "working day" in a regulation of the Personnel Commission which concerns the earning, calculation or use of annual leave or sick leave must be interpreted to mean a period of work consisting of 8 hours until that regulation is otherwise amended by the Personnel Commission.
- **Sec. 13.** 1. Each exemption from furlough leave which was granted on or before June 30, 2010, is hereby declared void.
- 2. The provisions of subsection 1 do not preclude the reapplication for and granting of any exemption that is declared void by subsection 1.
 - **Sec. 14.** 1. This act becomes effective on July 1, 2010.
- 2. Sections 1 to 7, inclusive, 11 and 12 of this act, and sections 3, 4 and 5 of chapter 391, Statutes of Nevada 2009, expire by limitation on June 30, 2011.





