

SENATE BILL NO. 483—COMMITTEE ON FINANCE  
(ON BEHALF OF THE DEPARTMENT OF ADMINISTRATION)

MARCH 25, 2013

Referred to Committee on Finance

SUMMARY—Revises provisions relating to the compensation of state employees. (BDR S-1125)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: Executive Budget.

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

AN ACT relating to state employees; extending the temporary suspension of the semiannual payment of longevity pay during the 2013-2015 biennium; extending the temporary suspension of merit pay increases during Fiscal Year 2013-2014; requiring state employees to take a certain salary reduction and, with certain exceptions, a number of days of unpaid furlough leave during the 2013-2015 biennium; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

1 Existing law provides for a plan to encourage continuity of service in State  
2 Government, under which semiannual payments are made to state employees rated  
3 standard or better with 8 years or more of continuous service, commonly known as  
4 “longevity pay.” (NRS 284.177) Existing law also provides for state employees  
5 who are rated standard or better and have not attained the top step of their grade to  
6 receive a merit pay increase annually. (NRS 284.175, 284.335; NAC 284.194,  
7 284.196) Those longevity payments and merit pay increases were temporarily  
8 suspended by the Legislature during the 2009-2011 and 2011-2013 biennia.  
9 (Chapter 276, Statutes of Nevada 2009, p. 1164, as amended by chapter 465,  
10 Statutes of Nevada 2009, p. 2642; Chapter 475, Statutes of Nevada 2011, p. 2888)  
11 **Section 1** of this bill continues the suspension of the longevity payments for the  
12 2013-2015 biennium and continues the suspension of the merit pay increases for the  
13 Fiscal Year 2013-2014.

14 During the 2009-2011 biennium, with certain exceptions, state employees were  
15 required to take a certain amount of unpaid furlough leave. (Chapter 391, Statutes  
16 of Nevada 2009, p. 2159) During the 2011-2013 biennium, state employees were  
17 required to take a salary reduction of 2.5 percent and an amount of unpaid furlough



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18 leave that was equivalent to a 2.3 percent salary reduction or, if exempted from the  
19 furlough requirements for the protection of the public health, safety or welfare, an  
20 additional equivalent salary reduction. (Chapter 374, Statutes of Nevada 2011, p.  
21 2219) **Sections 2-5** of this bill require state employees to take a 2.5 percent salary  
22 reduction and an amount of unpaid furlough leave that is equivalent to a 1.15  
23 percent salary reduction or, if exempted from the furlough requirements for the  
24 protection of the public health, safety or welfare, an additional equivalent salary  
25 reduction.

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

1     **Section 1.** 1. The four semiannual payments to which a state  
2 employee would otherwise be entitled pursuant to NRS 284.177  
3 must not be made during the period beginning on July 1, 2013, and  
4 ending on June 30, 2015. For the purposes of payments made  
5 pursuant to NRS 284.177 on or after July 1, 2015, any service  
6 during the period beginning on July 1, 2013, and ending on June 30,  
7 2015, must be considered in determining the length of continuous  
8 service of an employee, but an employee is not entitled to  
9 semiannual payments that would otherwise have been made during  
10 the period in which the semiannual payments are suspended.

11     2. No merit pay increases to which a state employee would  
12 otherwise be entitled pursuant to chapter 284 of NRS and the  
13 regulations adopted pursuant thereto may be granted during the  
14 period beginning on July 1, 2013, and ending on June 30, 2014. For  
15 the purposes of merit pay increases granted on or after July 1, 2014,  
16 an employee is not entitled to any increases that would otherwise  
17 have been granted during the period beginning on July 1, 2013, and  
18 ending on June 30, 2014.

19     **Sec. 2.** 1. Except as otherwise provided in this section, for  
20 the period beginning on July 1, 2013, and ending on June 30, 2015,  
21 the salary of each employee of the State must be reduced by 2.5  
22 percent. The maximum amounts of the approximate annual salaries  
23 for the unclassified service specified by law must be reduced by 2.5  
24 percent.

25     2. Except as otherwise provided in subsection 3, the provisions  
26 of subsection 1 apply to all Departments of State Government and  
27 include the Nevada System of Higher Education, the Public  
28 Employees' Retirement System and all other entities of State  
29 Government.

30     3. The Board of Regents of the University of Nevada shall  
31 determine and implement the method by which the professional  
32 employees of the Nevada System of Higher Education will be  
33 subject to the requirements of subsection 1.



1       **Sec. 3.** 1. Except as otherwise provided in section 5 of this  
2 act:

3       (a) For the period beginning on July 1, 2013, and ending on  
4 June 30, 2015, each employee of the State shall:

5           (1) If he or she is a full-time employee, take 24 hours of  
6 unpaid furlough leave each fiscal year.

7           (2) If he or she is employed less than full time, take a number  
8 of hours of unpaid furlough leave each fiscal year which is equal to  
9 the average number of hours worked per working day multiplied  
10 by 3.

11       (b) Except as otherwise provided in subsections 3 and 4, the  
12 requirements in paragraph (a) apply to all Departments of State  
13 Government and include the Nevada System of Higher Education,  
14 the Public Employees' Retirement System and all other entities of  
15 State Government.

16       2. Furlough leave pursuant to this section must be scheduled  
17 and approved in the same manner as other leave. Notwithstanding  
18 any statute or regulation to the contrary and except as otherwise  
19 provided by regulation adopted pursuant to this section by the  
20 Personnel Commission created by NRS 284.030, an employee who  
21 is on furlough leave is considered to have worked that day or  
22 portion of a day, as applicable, for all purposes except payment of  
23 salary and determination of overtime, including without limitation:

24       (a) Accrual of sick and annual leave;

25       (b) Determining the employee's pay progression date;

26       (c) Continuity of service and years of service for the purposes of  
27 payments pursuant to the plan to encourage continuity of service;

28       (d) The duration of a probationary period;

29       (e) Determining eligibility for holiday pay if the shift  
30 immediately precedes a holiday;

31       (f) Seniority for all purposes, including layoffs;

32       (g) The Public Employees' Benefits Program; and

33       (h) The Public Employees' Retirement System, including for the  
34 purposes of contributions to the System, subject to the requirements  
35 of sections 4 and 5 of this act.

36       3. The Board of Regents of the University of Nevada shall  
37 determine and implement the method by which the professional  
38 employees of the Nevada System of Higher Education will  
39 participate in the requirements pertaining to furlough leave pursuant  
40 to this section.

41       4. Except as otherwise provided in subsection 3, the Personnel  
42 Commission shall adopt regulations to carry out the provisions of  
43 this section.

44       **Sec. 4.** 1. It is the intent of the Legislature to establish a  
45 program whereby employees of the State and other participating



1 employers who take furlough leave due to extreme fiscal need,  
2 including employees required to take furlough leave pursuant to  
3 section 3 of this act, be held harmless in the accumulation of  
4 retirement service credit and reported salary pursuant to chapter 286  
5 of NRS.

6 2. Except as otherwise required as a result of NRS 286.537 and  
7 notwithstanding the provisions of NRS 286.481, an employee is  
8 entitled to receive full service credit for time taken as furlough leave  
9 pursuant to the program established pursuant to section 3 of this act  
10 if:

11 (a) The employee does not take more than 24 hours of furlough  
12 leave in a fiscal year; and

13 (b) The public employer certifies to the System that the  
14 employer is participating in the furlough program established  
15 pursuant to section 3 of this act and that the furlough leave which is  
16 reported for the employee is taken in accordance with the  
17 requirements of section 3 of this act.

18 3. In any month in which a day, or a portion of a day, of  
19 furlough leave is taken, an employee is entitled to receive full-time  
20 service credit for the furlough leave in accordance with the normal  
21 workday for the employee. An employee who is less than full time  
22 is entitled to service credit in the same manner and to the same  
23 extent as though the employee had worked the hours taken as  
24 furlough leave.

25 4. When a member is on furlough leave pursuant to the  
26 program certified by the public employer in accordance with this  
27 section, the public employer must:

28 (a) Include all information required by the System on the public  
29 employer's regular monthly retirement report as provided in NRS  
30 286.460; and

31 (b) Pay all required employer and employee contributions to the  
32 System based on the compensation that would have been paid to the  
33 member but for the member's participation in the program. The  
34 public employer may recover from the employee the amount of the  
35 employee contributions set forth in NRS 286.410.

36 5. Service credit under the program established pursuant to this  
37 section must be computed according to the fiscal year.

38 6. As used in this section:

39 (a) "Member" has the meaning ascribed to it in NRS 286.050.

40 (b) "Public employer" has the meaning ascribed to it in  
41 NRS 286.070.

42 (c) "System" means the Public Employees' Retirement System.

43 **Sec. 5.** 1. It is the intent of the Legislature to limit  
44 exceptions to the requirement of furlough leave for employees of the  
45 State pursuant to section 3 of this act to identified areas of critical



1 need. If an employer, including the State, participating in the  
2 program established pursuant to section 3 of this act determines that  
3 a position cannot be subject to furlough leave because of the need to  
4 provide appropriate services that are necessary to the protection of  
5 public health, safety and welfare, the governing body of the agency  
6 must make findings on the record in a public meeting that:

7 (a) The position is necessary to the protection of public health,  
8 safety or welfare;

9 (b) The public health, safety or welfare will be significantly  
10 diminished if mandatory furlough leave is implemented for  
11 employees in these positions; and

12 (c) No alternatives exist to provide for the protection of public  
13 health, safety or welfare.

14 2. For the purposes of subsection 1:

15 (a) Except as otherwise provided in this subsection, the State  
16 Board of Examiners shall determine positions within the Executive  
17 Department of State Government that cannot be subject to furlough  
18 leave.

19 (b) The Board of Regents of the University of Nevada shall  
20 determine positions within the Nevada System of Higher Education  
21 that cannot be subject to furlough leave.

22 (c) The Public Employees' Retirement Board shall determine  
23 positions within the Public Employees' Retirement System that  
24 cannot be subject to furlough leave.

25 (d) The Supreme Court shall determine positions within the  
26 Judicial Department of State Government that cannot be subject to  
27 furlough leave.

28 (e) The Legislative Commission shall determine positions  
29 within the Legislative Department of State Government that cannot  
30 be subject to furlough leave.

31 3. The entities described in subsection 2 shall report to the  
32 Interim Finance Committee on a quarterly basis all positions that  
33 have been determined not to be subject to furlough leave pursuant to  
34 this section and the reasons for such determinations.

35 4. In addition to the salary reduction required pursuant to  
36 section 2 of this act, if the position of an employee is determined not  
37 to be subject to furlough leave pursuant to this section, the salary of  
38 the employee must be reduced by 1.15 percent for the portion of the  
39 period beginning on July 1, 2013, and ending on June 30, 2015,  
40 during which the position is not subject to furlough leave.

41 **Sec. 6.** This act becomes effective on July 1, 2013.

