JOINT HEARING

Minutes of Hearing -- February 17, 1971

Senate Committee on Federal, State and Local Governments
Assembly Committee on Government Affairs

A joint hearing of the Senate Committee on Federal, State and Local Governments and the Assembly Committee on Government Affairs was held on February 17, 1971, for consideration of Assembly Bill 178 -- Extends amended provisions of Local Government Employee-Management Relations Act to all government employees; provides for binding arbitration; specifies certain prohibited practices. Chairman Hal Smith of the Committee on Government Affairs called the meeting to order at 3:00 P.M.

Those in attendance were:

Hal Smith, Chairman	Assembly Committee on Government Affairs
Virgil Getto	
Frances Hawkins	
Mary Frazzini	
Nick Lauri	
Richard Bryan	
Dick Ronzone	
James I. Gibson, Chairman	Senate Committee on Federal, State and Local Governments
Warren L. Monroe	
Lee Walker	
Carl F. Dodge	
Chic Hecht	
Stan Drakulich	

Also present were:

Bob Petroni, Clark County School District
I. R. Ashleman, II, Attorney
Keith J. Henrikson, Peace Officers - Fire Fighters
Edmond G. Psaltis, Washoe County Teachers Association
Curt Blyth, Nevada Municipal Association
Joe Latimore, City Manager, City of Reno
Angus MacEachern, Personnel Analyst, City of Las Vegas
Al Seeliger, Nevada School Trustees Association
Bob Gagnier, Nevada State Employees Association
John Hawkins, Carson City School District

David Henry, Clark County Administrator
Marvin Picollo, Superintendent of Washoe County School District
Clinton G. Knoll, General Manager, Reno Employers Council

Press representatives

Chairman Smith and Chairman Gibson explained the purpose of this meeting and the procedure to be followed during the hearing. This particular hearing would be general in nature and more details would be gone into at future meetings.

Mr. BOB PETRONI, representing the Clark County School District, was the first witness to speak to the committees, stating only that he had not had sufficient time to study the bill and would request that he be given a chance to be heard at a later date.

Mr. I. R. ASHLEMAN, representing the joint legislative committee of the Federated Fire Fighters and the Nevada Peace Officers was next to speak. He stated that he had also met with virtually every major public employee group to discuss the changes proposed in the bill -- and in that sense he is speaking for them also. He further stated that he feels that this has been a useful bill and a real tool for negotiations in Nevada, but now that they have had a chance to try it out they are here with suggested amendments. They believe that these proposed changes are truly in the public interest. It is vital not only to be able to resolve difficulties, but to do it in such a manner that public employees and the public entity think they have been treated fairly and can make such announcements to the press and others of concern. Mainly they have changed the act so that the Labor Management Board is somewhat of a passive party to an active party -- they have tried to change it so that the rights and obligations of the parties are equally balanced.

Mr. Ashleman then went over the proposed amendments in AB-178 as follows:

Page 1. All changes concern the removal of the word "local."

Page 2, lines 5 and 6. Addition of language "the State of Nevada, the University of Nevada System, and hospital districts." At the time they were preparing the proposed amendments, there were a number of meetings held with representatives of the state employees. Those representatives indicated at that time that they would like to be included in the Dodge bill. They have since heard that they do not want to be included in it. The people who asked for the University of Nevada to be included, still wish to do so. The hospital districts are included solely as a matter of clarification.

Page 2, Lines 15-22. Addition of new language in two parts, with the first part being: "action with others causing the stoppage of work for the purpose of inducing, influencing or coercing a change in the conditions, compensation, rights, privileges or obligations of public employment;" which was added for several reasons. The reason for changing the definition of "stoppage of work" is to add the language "action with others." As it stands the rather severe penalties of this act could be supplied to an organization or to an individual because of an isolated act of an individual. It is not necessarily the work of an organization, but may be a single individual who gets angry over bargaining or employment and then gives a phoney excuse for absense or quits or stalks off. To have the kind of stoppage of work that the legislature is concerned with has to be "action with others." This should be related to conditions, compensations, rights, privileges, obligations of public employment.

And the second part of the new language: "nothing contained in this chapter limits or impairs the right of any public employee to express or communicate a complaint or opinion on any matter related to the conditions of any employment." There have been public employers who have said that because of the existence of the Dodge Act various individuals were prevented from presenting petitions to a city council (for example), and this helps clarify the legislative intent that individuals can still act on their own.

Page 2, lines 34-43. This is a change in the composition of the board. The board presently consists of three members broadly representative of the public and not closely allied with any employee organization or local government employer. This is a highly technical board and they feel there should be a member with expertise. They have asked that the Labor Commissioner, two representatives of the public, one from the ranks of government employers and one from the ranks of government employees, be placed upon the board so there can be some background that is truly familiar with what is involved in labor negotiations, as well as having people to safeguard the public interest. This would make the board much more active, and members on the board would still serve by appointment by the governor.

Page 3, lines 3-6. They have suggested here that an executive director be employed, and have the ability to employ attorneys, mediators, factfinders, arbitrators and other necessary personnel as needed. (If state employees are not going to be under this bill, then this language is not necessary.)

Page 3, line 22. Here they have added "the board," to the language "any party aggrieved by the failure of any person to obey an order of the board issued pursuant to subsection 2 may apply to a court of competent jurisdiction for a prohibitory or mandatory injunction to enforce such order." There may be a situation in which both of the parties, oblivious of the interest of the public or the demands of the board, wish to proceed in an unlawful manner or in a manner contrary to the board's instructions; therefore, the board should be given power to enforce the rules and enforce its own mandate if necessary rather than relying on the parties to do so. This was a flaw in the present machinery. In a bill where we have the board safeguarding the public interest, it becomes quite vital that they be able to enforce their orders, and be able to do something about their functions. Throughout this act the board is being changed from a mere mechanical process to a real "watchdog" of the public interest. This language has to be able to achieve that need.

Page 3, line 36. This removes a great deal of detailing on how you produce witnesses. Past experience has been that there is no difficulty getting information, facts, and witnesses for the reason that mediators, arbitrators, and factfinders all have a rule that if the party that should come forward with the evidence does not do so, they will rule adversely -- they will rule as if the facts if presented would have been adverse to the individuals. It is somewhat self-enforcing, where the parties have to produce the individuals and the facts. The space for the District Court is left open and all they have done is eliminated some detail as to what is undertaken. It is not a vital matter, but will shorten the act and simplify it.

Page 4, Section 11, lines 12-25. This language has been changed outlining the rights of the employee and the duties of the employer. This has been changed to a positive form of action.

Page 4, lines 32-36, No. 3. It was felt that this was not the legislative intent as presently worded and that if read literally a police officer could not belong to a "bowling league," that had non-police officers in it. The intent is that when it comes to collective bargaining they have to be in a class by themselves, so the sentence has been added to this section: "This restriction applies only to employee organizations which engage in collective bargaining."

Page 4, Section 12, line 39. Addition of the words "in good faith," after the word "negotiate." There is nothing more

critical in labor relations than to make it perfectly plain to the parties that all negotiations are to be in good faith. The word negotiate means something more than that you will sit at a table and you will talk back and forth in an empty mechanistic fashion as some of the public employers have done. This is most important -- if you have true "good faith" bragaining, nothing else is needed. The rest of the mechanics exist to guarantee that good faith bargaining will, in fact, be carried out.

Page 4, lines 42-43. Addition of language "Agreements so reached shall be reduced to writing." As much as this is fundamental to people of common business affairs, (that important matters should be reduced to writing,) some entities have refused to do so, so that you have complex schemes for hearing grievances and discharge cases. This can only lead to bickering and disagreement. This is an ordinary and elemental rule of good conduct and good sense which should be written in the law.

Page 5, lines 1-2. This change would be necessary only if the state employees are to be included in this bill.

Page 5, line 4. Here they have added the words "with regard to and not inconsistent with," any agreement resulting from negotiations. This is a major change. The reason for this change is because in dealing with public entities, it has been found that (a) this language is confusing; (not clear as to what they may or may not negotiate over); and (b) actually in many instances handicaps the public employer from meaningful bargaining. This is simply saying that if the employer wants to deal with the employees regarding these items, he may be permitted to do so.

Page 5, line 22. Adds the words "in violation of law," and removes the words "against the local government employer under any circumstances." This is to define throughout the Dodge Act just what a "strike" or "violation of law" is. This would be the appropriate language to undertake the purpose of the legislature in that regard.

Page 5, lines 34-36. Removes as a reason to withdraw recognition, failure to present a copy of a change in the constitution or bylaws or to give notice of any change in the roster of its officers, if any, or representatives. This provision should be removed because it is open to abuse. This is not at all vital to the entity, and seems like a trivial reason to revoke recognition.

Page 6, lines 1-3. Retains the requirement that the above-referred to information be presented.

Page 6, lines 9-20. This is an expansion upon the definition of "community of interest." This term has been found to be too vague. On one hand employers have said "community of interest" is very narrow -- that is only to patrolmen, or only to the lowest rate of fire fighters or only to certain kinds of teachers. Some employees try to make it too broad. So this is to try to strike a medium to get a meaningful unit that is representative of people and doesn't hamper the efficiency of the city like cutting across too many lines (for example). The items added under (a), (b), (c), (d), and (e) were suggested because of culling over a great many decisions that have been made in the private sector in determining appropriate units. These are the various criteria that seemed to stand out as useful criteria, and that are being used in the present time in that sector. Slightly modified they have tried to fit them in the public sector as well.

Page 6, lines 21-32. This is more of a "re-arrangement," and they have not changed the original intent of this section.

Page 6, lines 36-37. Addition of language, "The board shall apply the same criterion as the government employer." This makes it entirely appropriate so that everybody knows what criterion they are dealing with and you have uniformity throughout the state on these matters.

Page 6, line 47. Removed the language referring to "120 days before the date fixed by law..." and added instead the words, "on or before December 1." They have found that the earlier starting date some time in October is far too early. A new budget year starts in July, the employee has not had much experience with the new contract, the financial people for the cities, the school district, and the counties don't know enough at this point to start bargaining, and really accomplish anything. December 1st is suggested because by that time there has been several months of activity and it seems that this would be a good starting point. Starting earlier has another disadvantage -- it ties up rather valuable city personnel as in the case of Las Vegas who were involved in bargaining for over a year.

Page 7, lines 5-9. Here they have asked that the board pay for the services of a mediator including actual and necessary travel and subsistence expenses. If the board were to do this, there would be no worry about bankrupting either of the parties involved.

Page 7, lines 22-33. This allows the party "or either of them" to submit their dispute to a factfinding panel. This will encourage the use of factfinding and mediation. Factfinding settles about 70% of the matters where it is brought in. Statistics show that mediation has like effects.

Page 7, lines 44-49. This adds the provision that the parties be permitted to mutually agree on their own mediation or factfinding procedures or waiving the same. In some given instance the parties may decide that factfinding should come before mediation. They may only want to put certain issues in front of a mediator -- this would allow them to do so. They also suggest that the parties may, if they desire to, prior to submission of the dispute to the factfinding panels, agree "to make its findings on all or any specified issues binding upon both parties."

Page 8, lines 1-27. The tremendously significant change proposed is this one. This has been referred to by many parties as "compulsory arbitration" and "binding arbitration." Except in a very rare circumstance this is neither compulsory nor binding and to use that language is misleading. It is a "scare" tactic. There is a need, in case of a dangerous impasse, some means of speedily resolving a dispute and lying it to rest, not only in the interest of the employees and the employer involved, but obviously in the public interest. All arbitrators must take up three factors: (1) first of all the financial ability of the government employer to comply with the request of the employees; (2) the morale and efficiency of the bargaining unit as affected by the subject matter of the dispute; and (3) whether or not the parties have been bargaining in good faith to effectuate the purposes of this chapter.

Pages 8 and 9. The next several changes add the words "or arbitrator."

Page 9, line 33. Changes the language on what is an essential service to say "police and fire services" are essential services. This change was made because earlier they declared that the failure to agree in the police and fire service is a prima facie threat to health, safety and welfare. The failure to agree in the other services is a matter of where the board may employ its judgment as to the threat to the health, welfare and safety of the State of Nevada.

Page 9, lines 46-49. Adds the words "against the public policy of the State of Nevada to strike or violate any other provision of this chapter." This balances the matter.

Page 10, lines 2-11. This language has been added as there have been violations set out that in some instances would be relatively technical, such as the failure to amend bylaws. This could be properly handled administratively. The threat of strike is a pretty loose term -- you may have some single individual saying you should go on strike and have that construed to be the "threat of strike." This is a far cry from a strike vote or a strike order by responsible officials of a union or the bargaining representatives.

Throughout this section they have added the words "or violation," so that other violations of the act are ones that may be punished. The burden should be on all parties to obey the law, and that is what they have asked for.

Page 10, lines 21-27. Here they have reduced the penalties from $50,000 to $5,000 for the parties and from $1,000 to $100 for the individual. These penalties are per diem -- these amounts as previously set are far beyond the proper amount needed.

Page 10, lines 48-49, and page 11, lines 1-30. This section sets out prohibitive practices. There are fewer prohibitive practices for employees than for employers. This is because some of the practices by their very nature cannot be committed by an employee group. An employee group cannot discharge or discipline in the promotion process, and so on.

Mr. Ashleman concluded by saying that they have tried to set up the tools, the machinery, and the framework within which meaningful collective bargaining can go forth. They feel that by and large they have been given that under the previous act, but they have had the kind of problems that on occasions made it touch and go as to whether or not employers or employees were going to be very adversely affected by the mechanics, whether or not they were going to be able to get into certain areas. The key to the real functioning of this is in the area of "advisory arbitration." This is the area where the most misunderstanding exists. It is initially advisory arbitration only at a time when it is determined by the board to be appropriate, where the parties submit the

issues themselves to the arbitrator and in effect instruct him in what he may or may not find, he may or may not examine -- that it only becomes compulsory in the police and fire service when there is some other threat to the health, safety and welfare of the State of Nevada and it becomes "binding" only when the board itself decides it should be deemed binding.

Senator Monroe then objected to the wording at the bottom of page 9, lines 48-49, which was concurred by Mr. Ashleman. The wording should be changed here to say "strikes and other violations of this chapter are against the public policy of the State of Nevada."

Chairman Gibson wanted to know from Mr. Ashleman whether or not they had used all of the procedures as outlined in this act in the two years it had been in effect. Mr. Ashleman stated that they have used all of them at least once in sequence, except perhaps the arbitration.

Mr. Curt Blyth, Executive Director of the Nevada Municipal Association, briefly stated to the committees that in the fall of 1970 the Association adopted a policy statement with respect to the Dodge Act requesting that it be retained in its present form, which is attached as Exhibit "A". At the same time the Association formed a labor relations subcommittee to specifically concentrate in this area. Mr. Latimore is the chairman of that subcommittee. Mr. Blyth then introduced Mr. Latimore and Mr. MacEachern to make their presentations.

MR. JOE LATIMORE, City Manager of the City of Reno for the past 10 years, was next to testify before the committees. He stated that there are problems, as all new acts have; however, it has provided a means for the employees to meet with management -- it has provided a means for entering into agreements, which are beneficial both to management and to employees. Mr. Latimore then spoke to the various suggested changes and how they would affect municipalities (specifically the City of Reno).

Mr. Latimore referred to page 2, Section 6, line 8, and said that he felt the Dodge bill as it now stands has an excellent definition of "strike" and is clear and concise. He thought the new proposal leaves a "gray" area. With reference to page 5, line 22 and the words "in violation of law," he said it is quite evident that they would not necessarily be striking in violation of law, but could be in violation of city regulations rather than possibly the violations of law.

Mr. Latimore testified that with regard to the change in the time schedule as proposed on page 6 to a starting date in December would be impossible for local government. They would have to have the budget ready, the salary schedule ready to go into effect on July 1st and would not receive their arbitrator's report until the 15th day of June if you follow the schedule as outlined on these dates.

On page 8, line 1, Mr. Latimore testified that this is most certainly a mandatory arbitration law with regard to all of the items pertaining to police and fire. By virtue of this definition "the failure to agree involving police and fire" lines 15, 16, and 17, are declared to be a threat to the health, welfare and safety of the state. This then places a mandatory arbitration clause with regard to the police and fire employees within the cities and counties and local government people. The facts involving the mandatory arbitration take the responsibility out of the hands of the local government, (the elected officials who are responsible to the people for determining the working conditions, salaries and so forth,) and places it in the hands of the outsider, individual, without responsibility for financing or answering to the general public as to the decision that was actually made.

This bill purports that the arbitrator will take into consideration certain facts with regard to his decision on arbitration. Taking these facts into consideration and actually coming up with a decision must be left up to the local elected officials.

Mr. Latimore then referred to Section 19 on page 9, line 33, which removes the word "employers" and inserts the words "police and fire services." These words are also inserted in other places. They prefer that there is no distinction made as to "police and fire people," but that all employees be treated alike. He answered questions from the committee and stated that they feel it is a workable bill and that no change is necessary at this time. They would request a chance to be heard again at a later date and in greater detail on the various provisions.

Mr. ANGUS MACEACHERN, Personnel Analyst with the City of Las Vegas, was next to testify before the committees. He stated that they feel the language as presently written with regard to the definition of "strike" is very explicit and should remain the same. They see no reason for change at the present

time. They do not feel that the words "violation of law" should be added, as this leaves an area for intrepretation and the wording should remain as simple as possible.

On page 2, lines 34-48 regarding the makeup of the board, this should come up for detailed discussion at a later time.

As far as reducing the negotiations to writing, Mr. MacEachern stated that this should be left to the parties that are involved and whether they should or should not be required to do it as they see fit. It is an item that should be negotiated between the two parties that are talking. (At this point Senator Dodge presented a question to Mr. Ashleman clarifying that by "reducing to writing" he had not intended it to mean just a contract, but could also be a letter of understanding, memorandum, rules and regulations, and so on.)

Mr. MacEachern referred to page 6, lines 22 and 24, and requested that they be given a chance to go into this at a later date as there is some question as to whether supervisors should belong to the same unions or organizations as the men that they supervise. With reference to the "timing sequence" the City of Las Vegas favors an extension in this time in the negotiation area (page 7, lines 5-9). They would like to go into detail at a later time with regard to the legality of the arbitration language. Also with regard to prohibitive practices as proposed on page 10, section 25 -- they feel this is an area that needs quite a bit of discussion.

Mr. DAVID HENRY, Clark County Administrator, spoke briefly to the committees. He related that even prior to the passage of the Dodge bill, the commission in Las Vegas allowed greivance boards in each of the departments to negotiate at any and all times regarding any matter relating to their employment with the county. They have never had any great problem with the negotiating teams, but feel that they have done very well. He then referred to page 8, lines 22-27, which relates to the question of financial ability that the arbitrators are to look at. This area, in his opinion, deserves consideration and he pointed out that when you start talking about availability of revenues you have to start identifying those sources, if this is to be a meaningful provision.

The next witness to testify was Mr. BOB GAGNIER, Executive Secretary of the Nevada Employee's Association. He referred to the letter addressed to Mr. Smith as Chairman of the

Government Affairs Committee, which is attached as Exhibit "B". He stated that their main reason for being present was just to say that "they want out of the bill." They would like to have the language amended throughout so that the state employees are not included, but to leave the coverage of the act the way it is at the present time.

The main reason for wanting to stay out of this bill is that the law was designed for local government and not for state employees. Another amendment they would like to propose is on page 4 and 5, which would effect their request that they be left out of the act. This decision was reached unanimously by their board of directors with representation from all parts of the state and was reaffirmed by a legislative committee who met here last week. If there is some pressure to bring state employees under the provisions of this act, they would like to provide the legislature with their own proposal, which would be to amend the merit system law, where they feel collective negotiations for state employees should be.

Mr. AL SEELIGER, Executive Secretary for the Nevada School Trustees Association, gave a brief statement. A copy of his statement in opposition to binding arbitration is attached hereto as Exhibit "C".

Mr. MARVIN PICOLLO, Superintendent of the Washoe County School District, was the next witness to testify before the committees. He referred to "local control," and said he felt this is very important and that there has to be some degree of accountability. He noted that the ultimate key that "public involvment" rests upon is on page 7, line 42, where it says that after you have tried everything else, then you shall make the public aware of the findings. He emphasized that this is one of the present weaknesses. The public is not involved except as a last resort, and would suggest that all proceedings be opened up to the public and press.

Mr. Picollo further suggested that every financial assistance possible be given to this and that whenever possible local people should be doing some of the arbitration.

The next witness to appear before the committee was Mr. CLINTON KNOLL, General Manager of the Reno Employers Council and Nevada Association of Employers. He said that they do see some need for changes, particularly in the timing schedule. They strongly

object to using the Labor Commissioner as a chairman of this board or as a party to this board, for the reason that he has no time for this sort of thing. He pointed out that the "complete thrust" of the proponents of this bill is to coincide past practice and interpretation of the federal labor law into this state act. Also, in truth, bargaining in the private sector has been highly overrated.

He further testified that President Kennedy when he issued Executive Order 10988 deliberately left out the things the proponents of this bill are trying to inject in this law, and that is the issues, the subjects of collective bargaining. He also stayed away from compulsory arbitration. Mr. Knoll feels that on page 8, Sections 6 and 7 not only provides for binding arbitration, but will encourage strikes -- if an arbitrator comes up with a decision which is compatible to what a fireman or policeman want, they might go out on strike to force the board to issue the award as a binding award, which they can do under this act. An outline of his presentation is attached hereto as Exhibit "D".

Mr. JOHN HAWKINS, Superintendent of schools here in Carson City was the last witness to speak to the committees. He noted that he had been through negotiations with the school district, they have been through factfinding and are presently negotiating. They have found under the act that the time table and various other aspects have been a handicap. They have not been involved in any difficult situations under this particular act, but do feel in the case of the public school teachers, the first provision was to get a professional practices act which insured some tenure to the teaching profession, and then the second was to get an act for negotiations, and the third to get a situation bordering binding arbitration. The steps are there and it is putting them in a difficult position.

In their particular budget they have to make arrangements for contractual agreements with teachers, which bind them to a good part of their budget for salaries. Approximately 65% of the budget is geared for certified employees. The total salary commitment in their budget ranges from 80-83%. The income that a school district receives is limited and based upon the state aid they receive. They have no tax sources that they can initiate for additional funding. When they have demands made with regard to salaries, it is at a time when they do not actually know what their revenue will be. They do not know what their revenue will be until the September enrollment is complete, and if their

enrollment projections are wrong, then the only place they can go to maintain a balanced budget is to go outside the contractual arrangements and go to those costs where adjustments can be made.

Mr. Hawkins further testified that his experience in fact-finding and arbitration would indicate that there is a lack of responsibility and accountability with regard to the finding of funds to meet the obligations that they impose upon the district. In the final analysis the arbitrators are not accountable to the citizens of this particular community -- and this is a weakness of this particular program, especially if they get into a situation where there is more of a restriction as to accepting the arbitrator's decision.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Mary Jean Fondi
Committee Secretary

RESOLUTION NO. 70-1

WHEREAS, the Legislative Committee of the Nevada Municipal Association has appointed a collective bargaining subcommittee to study personnel matters confronting the member cities of said Association for the purpose of developing a legislative program for said Association to be presented to the 1971 session of the Nevada Legislature; and

WHEREAS, said collective bargaining subcommittee has made its report to said Legislative Committee and said Committee has reviewed said report and has recommended to the general membership of the Nevada Municipal Association that the measures hereinafter set forth be adopted as the personnel portion of its legislative program to be presented to and supported at the 1971 session of the Nevada Legislature;

NOW, THEREFORE, BE IT RESOLVED, by the general membership of the Nevada Municipal Association, meeting in general session in Boulder City, Nevada, on November 7, 1970, that the following personnel measures be endorsed by said Association and be presented to and supported at the 1971 session of the Nevada Legislature:

1. That the "Dodge Act" be retained in its present form as a continuing basis for the labor-management negotiations and resolution of disputes in the area of governmental employer-employee relations.

2. That the Public Employees Retirement Act be amended to include certain municipal officials, particularly the mayors of certain municipalities, within the scope of said Act.

3. That any attempt by the state legislature to provide for a pay and job classification plan to be uniform throughout the state for municipal employees be vigorously opposed.

4. That the Public Employees Retirement Act be amended to include employees of the Nevada Municipal Association within the scope of said Act.

Exhibit "A"

STATE OF NEVADA
Employees Association, Inc. Post Office Box 1035 - Carson City, Nevada 89701
Phone 882-3910

Assemblyman R. Hal Smith, Chairman
Assembly Government Affairs Committee
Legislative Building
Carson City, Nevada

Dear Assemblyman Smith:

The State of Nevada Employees Association would like to make some comments regarding AB 178 which is now in your committee.

NRS 288, commonly referred to as the Local Government Employee-Management Relations Act, now pertains strictly to local government entities in Nevada. This bill would include state employees. While SNEA has no particular objections to the bill as a whole, we do object to the inclusion of state workers in this particular law.

In a meeting of our Board of Directors on January 16, 1971, they unanimously voted to oppose inclusion of state employees in this law. There are several reasons our organization took this step.

1. We feel the law as presently constituted was designed for local government and would not lend itself to use in State government.

2. Local government employees deal with an employer who is both administrative and legislative. In state government, there are two distinctly separate administrative and legislative branches.

3. This law would tend to fractionalize state government and lead to a proliferation of bargaining units which might not necessarily be along traditional lines.

4. There is no current demand for collective bargaining by state employees.

5. If the legislature feels the need to cover state workers with some form of collective bargaining law, we would prefer to have our own law designed FOR state employees and included in the Merit

Exhibit "R"

1-175

Assemblyman R. Hal Smith

System statute.

We have discussed our position with those responsible for writing AB 178 and they are in agreement with us that state workers should not be included. When a hearing is scheduled on this matter, we will have prepared amendments necessary to remove our employees from this bill.

Thank you for your consideration.

Sincerely,

Bob Gagnier
Executive Director

BG:dy
cc: Members of the Committee

In reference to binding arbitration:

The Nevada School Trustees Association and the Nevada Association of School Superintendents views with concern the suggestions being made for removing decision-making powers from those elected by the people. "Therefore be it resolved that the Nevada Association of School Superintendents and the Nevada School Trustees Association reaffirm its position of opposition to binding arbitration of any type, or to the establishment of any agency empowered to make arbitrary decisions for school boards and their employees who are not elected public officials."

John Orr, President N.A.S.S.

Al Seeliger, Executive Secretary N.A.S.T.

Exhibit "C"

In private industry, compulsory arbitration has long been accepted by labor and management as a workable means of settling disputes that arise out of and during the term of a labor contract. Arbitration is therefore limited to grievances over the interpretation and application of the specific provisions of the written labor agreement.

On the other hand, arbitration has never gained acceptance as a decision-maker prior to the making of an agreement when the parties are deadlocked at the bargaining table.

A. B. 178, to amend the Local Government Employee-Management Relations Act, would require compulsory and binding arbitration of all unresolved disputes at the bargaining table. It is supported by organized labor because the present law does not give public employees the right to strike to enforce their demands. On the surface, this may appear to some to be a reasonable alternative, however, there are sound and compelling reasons why it, like the right to strike, must continue to be denied to those in public employment.

The following is a brief outline of some of those reasons:

1. Public and private employers have a similar responsibility to provide decent wages and fringe benefits to their employees, but they differ in how they must each meet that responsibility. A private employer can invest capital or withdraw it. If faced with excessive operating costs the private employer can elect to stay in business and pass the cost along to the ultimate consumer, relocate, or go out of business. At any rate, management is responsible to the dictates of its own judgement or that of the stockholders.

In comparison, the public employer invests no capital of its own, cannot raise the price of its services (taxes) to offset negotiated wage increases, nor can the public employer go out of business. The money it receives to operate comes from the taxpayer through legislative appropriation and allocation.

The Employee-Management Relations Act was enacted by the last legislature. Since then the public employer has been placed in the position of having to negotiate wage adjustments in advance of any assurance that the necessary funds would be forthcoming. Unable to raise the price of its services or go out of business, the public employer must look to the legislature for the necessary revenue to underwrite financial commitments made at the bargaining table. Bargaining then becomes a threat to legislative control.

Growing skepticism that the legislature may have already relinquished effective control over salaries of public employees will be confirmed if binding arbitration becomes a reality. The responsibility for decision-making, and hence considerable control over the use of public funds, would pass from elected officials to professionals-for-hire.

Exhibit "D"

Establishing a limit on higher salaries within the ceiling of existing revenues, which has been suggested as a possible safeguard to special interest abuse, will only define the highest goal to be achieved. Political pressure to raise the ceiling of revenue for salaries will increase when the ability to pay becomes the only yardstick in bargaining and economy in government would be threatened by "outsiders" who would be free to act without the usual restraints imposed on an elected body by public opinion.

2. Another objection to compulsory and binding arbitration is the adverse affect it would have on the bargaining process itself. We have learned our lessons from fact-finding under the present law which has functioned primarily as advisory arbitration. We have observed that where fact-finding is required and automatic there is little or no bargaining preceding it. Positions are polarized on most issues at the outset. Both sides, anticipating that fact-finding will result in a compromise solution, are naturally reluctant to make any major concessions. The employer is dissuaded from making a final offer and the union holds out for its original or near original demands. In other words, the resulting impasse is contrived and staged.

The imposition of binding arbitration would only tend to decrease rather than increase bargaining activity. And, bargaining is really what the law is supposed to protect and promote.

3. Still another compelling reason for refusing binding arbitration goes beyond purely economic considerations. It is one thing to agree in principle to arbitration, it is quite another to agree to arbitrate matters of principle. For example: The most important principle employers fight to preserve in a labor contract is the right to manage. A labor contract is, of course, to varying degrees an infringement upon this right, but there are certain prerogatives that employers will not surrender willingly to co-determination with their employees, unions, governmental bodies or arbitrators.

Fortunately, the Employee-Management Relations Act spells out the rights which are reserved to the local government employer "without negotiation or reference to any agreement resulting from negotiations." Pressure is mounting, however, to erode or take away, altogether, these rights guaranteed by law. It's happening across the bargaining table under the guise that in some way or another, these management rights remotely affect "wages, hours and working conditions" over which the public employer has a statutory duty to bargain.

Where efforts have failed at the bargaining table, fact-finding panels are being asked to make advisory determinations on the negotiability of issues involving such things as the employer's right to maintain the efficiency of its operations or to determine the methods, means and personnel by which its operations are to be conducted. These are clearly excluded by law from the bargaining table and are opposed in principle by the public employer.

In the current bargaining dispute between the Washoe County Teachers Association and the School District, no less than 25 issues regarding non-bargaining subjects under the law have been introduced for fact-finding determination. Even though I, as one of the fact-finders, question the authority of this panel to make a decision as to whether a subject is bargainable or not, the panel's recommendations are still subject to the approval of the School Trustees, an elected body. Under compulsory, binding arbitration, I fear it would be another matter.

In conclusion, We do not believe it would be in the best interest of the State to have the salaries of our firemen, teachers and other public employees fixed by non-resident third parties who are not responsible to the taxpayer. We reject the "ability to pay" theory of determining salaries as being incompatible with economy in government. And finally, although we support the principle of arbitration as a terminal point of settling grievances arising out of the labor contract, we are opposed to the arbitration of principle in the bargaining process where no contract exists.

Clinton G. Knoll
General Manager
Reno Employers Council
Nevada Association of Employers

FEBRUARY 17, 1971 F 137

TO: SPEAKER JACOBSON

FROM: HAL SMITH, CHAIRMAN, GOVERNMENT AFFAIRS COMMITTEE

SUBJECT: COMMITTEE PROGRESS REPORT

TO DATE OUR COMMITTEE HAS HAD REFERRED TO IT A TOTAL OF ~~66~~ 78 BILLS. ACTION HAS BEEN TAKEN ON 26 OF THESE BILLS. WE HAVE ALSO HAD A TOTAL OF 7 AJR REFERRED. PRESENTLY ONLY 2 AJR ARE BEFORE THE COMMITTEE.

A JOINT SENATE-ASSEMBLY HEARING WAS HELD ON MONDAY, FEBRUARY 15, 1971, TO HEAR TESTIMONY ON AB 190 - BI-STATE WATER COMPACT. AN ESTIMATED NINTY-TWO PERSON ATTENDED THIS HEARING AND MUCH VALUABLE INFORMATION WAS GATHERED. THE COMMITTEE EXPECTS TO TAKE IMMEDIATELY ACTION ON THIS MEASURE.

TODAY, A JOINT SENATE-ASSEMBLY HEARING WAS HELD TO CONSIDER AB 178 - EXTENDS AMENDED PROVISIONS OF LOCAL GOVERNMENT EMPLOYEES-MANAGEMENT RELATION ACT TO ALL GOVERNMENT EMPLOYEES: PROVIDES FOR BINDING ARBITRATION: SPECIFIES CERTAIN PROHIBITED PRACTICES. AS IT IS THE FEELING OF THE COMMITTEE THAT THIS MAY BE ONE OF THE MOST IMPORTANT PIECES OF LEGISLATION ACTED UPON THIS SESSION, AND BECAUSE OF THE FACT IT AFFECTS SO MANY PEOPLE, THE PLANS ARE NOT TO TAKE ANY ACTION ON AB 178 UNTIL THE COMMITTEE HAS HAD SUFFICIENT TIME TO PROPER CONSIDER THE MATTER.

ON THURSDAY, FEBRUARY 18, 1971, THE ADGENDA WILL BE DEVOTED TO CONSIDERATION OF BILLS CONCERNING PUBLIC EMPLOYEES AND CHANGES IN THE PUBLIC RETIREMENT ACT. WE HAVE NOTIFIED MANY PEOPLE WHO WE FEEL WILL BE INTERESTED IN SUCH LEGISLATION AND ALSO PEOPLE WHO CAN ADVISE THE COMMITTEE OF THE EFFECTS OF THE LEGISLATION FROM A FANCIAL AND PRACTICAL VIEWPOINT. WE FEEL THAT THIS IS A SENSITIVE AREA AND PLAN TO GIVE EVERY ONE INTERESTED A CHANCE TO BE HEARD.

A NUMBER OF REVISED CITY CHARTERS ARE SCHEDULED ON OUR ADGENDA IN THE NEXT FEW WEEKS AND IT IS THE PLAN OF THE COMMITTEE TO ACCEPT THE RECOMMENDATION OF THE LOCAL OFFICIALS ON THESE CHANGES.

ON FEBRUARY 24, 1971, THE MATTER OF AB 170 - PROHIBITS FURTHER PURCHASE OF DATA PROCESSING EQUIPMENT OR CONTRACTS FOR PRIVATELY FURNISHED SERVICES BY ANY STATE AGENCY OR POLITICAL SUBDIVISON. AS THE COMMITTEE FEELS THAT THIS BILL WILL BE OF GREAT INTEREST TO MAY STATE AGENCIES AND LOCAL GOVERNMENTS IT SHOULD BE EXAMINED CAREFULLY TO DETERMINE THE PRESENT FACILITIES AND FURTURE NEED AS WELL AS TO DETERMINE IF THE PRESENT EQUIPMENT IS BEING FULLY USED.

IT IS PLANNED TO HOLD HEARINGS ON AB 5 - CREATES THE POSITION OF OMBUDSMAN.

IT IS THE PLAN OF THE COMMITTEE TO INTRODUCE NEW LEGISLATION DEALING WITH THE SUBJECT OF THE USE OF THE FORMER LEGISLATIVE CHAMBERS IN THE CAPITOL BUILDING. A SPECIAL SUB-COMMITTEE IS WORKING ON THIS PROJECT AND WILL SOON PRESENT THEIR IDEAS TO THE COMMITTEE. WE DO FEEL THAT THE DIRECTION GIVEN THIS PROJECT AT THIS SESSION WILL SET THE PATTERN FOR THE RESTROATION OF THESE CHAMBERS.

IT IS MY PERSONAL FEELING THAT OUR COMMITTEE IS WORKING WELL TOGETHER AND ALSO WITH THE OTHER MEMBERS OF THE LEGISLATURE, AND THAT WE ARE IN A POSITION TO PROPERLY REVIEW ALL LEGISLATION NOW BEFORE THE COMMITTEE AND ALSO TO WORK ON ANY ADDITIONAL PROPOSALS THAT ARE REFERRED.

GENE ECHOLS
Mayor

CLAY LYNCH
City Manager

AB 318
1

Councilmen
C. R. CLELAND
JACK PETITTI
WENDELL G. WAITE
AARON WILLIAMS

City of North Las Vegas

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NORTH LAS VEGAS, NEVADA 89030
Telephone 649-5811

February 17, 1971

Assemblyman Hal Smith
Nevada State Legislature
Carson City, Nevada

Dear Hal,

It is my understanding that you intend to introduce a "consolidation" bill similar in nature to the vetoed A.B. 792. I sincerely hope you will reconsider and not follow this course.

As you are aware, I'm sure, the electorate of North Las Vegas is opposed to consolidation unless it can be shown to be of benefit to them. Consolidation has long been kicked around in generalities and very vague claims have been made for it. In practicality, however, it has not been effective in those areas where it has been introduced.

Before you introduce any bill regarding consolidation I wish you would grand me and/or others in North Las Vegas a chance to sit down with you and discuss the matter.

Finally I would refer you to our 1970 Republican State Platform Plank Number 11: "The Republican Party, concerned with maintaining the political integrity of the cities, believes that any legislation permitting or compelling consolidation or annexation must be approved by a majority of voters in each of the political subdivisions involved."

Hal, we can live with a consolidation bill similar in nature to the one which allowed Reno and Sparks to vote separately on the issue. This is a democratic way. The alternative is discriminating against the third largest city in the state. It was for this reason that Governor Laxalt vetoed the A.B. 792.

I do appreciate the work you do Hal. You are a dedicated person and a hard worker. I thank you for this.

Wendell